

ELMWOOD VILLAGE CHARTER SCHOOLS

SINGLE AUDIT REPORTING PACKAGE

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Elmwood Village Charter Schools

We have audited the accompanying balance sheets of Elmwood Village Charter Schools (the Organization) as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

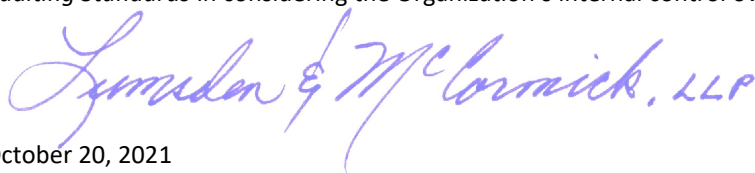
Additional Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying additional information as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying additional information, including the schedule of expenditures of federal awards, is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Lyndon & McCormick, LLP". The signature is written in a cursive, flowing style.

October 20, 2021

ELMWOOD VILLAGE CHARTER SCHOOLS

Balance Sheets

June 30,	2021	2020
Assets		
Current assets:		
Cash	\$ 5,766,025	\$ 5,935,211
Receivables (Note 2)	986,893	604,589
Prepaid expenses and other	191,873	36,175
	<u>6,944,791</u>	<u>6,575,975</u>
Property and equipment, net (Note 3)	12,254,694	11,365,578
Restricted cash	150,000	150,000
	<u>\$ 19,349,485</u>	<u>\$ 18,091,553</u>
Liabilities and Net Assets		
Current liabilities:		
Current portion of long-term debt (Note 5)	\$ 294,522	\$ 472,141
Accounts payable	268,208	289,658
Accrued expenses	1,296,568	1,125,391
	<u>1,859,298</u>	<u>1,887,190</u>
Long-term debt (Note 5)	5,866,475	5,692,897
Paycheck Protection Program loan (Note 6)	-	1,451,500
Net assets:		
Without donor restrictions	11,574,677	8,993,560
With donor restrictions (Note 7)	49,035	66,406
	<u>11,623,712</u>	<u>9,059,966</u>
	<u>\$ 19,349,485</u>	<u>\$ 18,091,553</u>

See accompanying notes.

ELMWOOD VILLAGE CHARTER SCHOOLS

Statements of Activities

For the years ended June 30,	2021	2020
Net assets without donor restrictions:		
Support and revenue:		
Enrollment fees:		
Resident students	\$ 9,764,168	\$ 9,395,180
Resident students with disabilities	1,253,608	1,118,972
Contributions:		
Federal, state, and local awards	1,412,523	660,666
Paycheck Protection Program (Note 6)	1,451,500	-
Rental income	235,239	238,998
Interest income	11,874	110,681
Fundraising and other income	4,980	26,130
Net assets released from restrictions	62,406	34,328
Total support and revenue	<u>14,196,298</u>	<u>11,584,955</u>
Expenses:		
Program expenses:		
Regular education	6,163,936	5,631,052
Special education	1,648,374	1,456,213
Other program	1,280,128	1,429,652
Supporting services:		
Management and general	2,522,743	2,336,467
Total expenses	<u>11,615,181</u>	<u>10,853,384</u>
Change in net assets without donor restrictions	<u>2,581,117</u>	<u>731,571</u>
Net assets with donor restrictions:		
Contributions	45,035	66,406
Net assets released from restrictions	(62,406)	(34,328)
Change in net assets with donor restrictions	<u>(17,371)</u>	<u>32,078</u>
Change in net assets	2,563,746	763,649
Net assets - beginning	<u>9,059,966</u>	<u>8,296,317</u>
Net assets - ending	<u>\$ 11,623,712</u>	<u>\$ 9,059,966</u>

See accompanying notes.

ELMWOOD VILLAGE CHARTER SCHOOLS

Statement of Functional Expenses

For the year ended June 30, 2021

	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	20.8	\$ -	\$ -	\$ -	\$ 1,207,313	\$ 1,207,313
Instructional personnel	99.5	3,560,356	1,023,908	-	-	4,584,264
Non-instructional personnel	19.5	-	-	821,739	-	821,739
Total salaries	139.8	\$ 3,560,356	\$ 1,023,908	\$ 821,739	\$ 1,207,313	\$ 6,613,316
Salaries		\$ 3,560,356	\$ 1,023,908	\$ 821,739	\$ 1,207,313	\$ 6,613,316
Employee benefits and taxes		947,717	273,647	220,000	333,550	1,774,914
Retirement		333,935	103,304	51,582	60,338	549,159
Professional fees		-	-	-	279,963	279,963
Other purchased and consulting services		14,248	131,801	-	-	146,049
Rent expense		32,994	-	42,892	204,735	280,621
Repairs and maintenance		110,203	33,610	18,406	22,817	185,036
Insurance		31,859	1,399	36,244	74,645	144,147
Utilities		80,431	24,610	12,736	14,985	132,762
Supplies and materials		105,016	-	-	-	105,016
Staff development		46,271	-	-	-	46,271
Marketing and recruitment		-	-	-	5,050	5,050
Technology		172,951	-	-	-	172,951
Student services		132,841	-	-	-	132,841
Afterschool		-	-	3,511	-	3,511
Office expense		-	-	-	57,772	57,772
Interest		68,426	6,406	64,817	131,523	271,172
Other expenses		330	-	-	25,465	25,795
		5,637,578	1,598,685	1,271,927	2,418,156	10,926,346
Depreciation		526,358	49,689	8,201	104,587	688,835
Total		\$ 6,163,936	\$ 1,648,374	\$ 1,280,128	\$ 2,522,743	\$ 11,615,181

ELMWOOD VILLAGE CHARTER SCHOOLS

Statement of Functional Expenses

For the year ended June 30, 2020

	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	23.8	\$ -	\$ -	\$ -	\$ 1,113,736	\$ 1,113,760
Instructional personnel	86.8	3,280,968	845,263	-	-	4,126,318
Non-instructional personnel	10.4	-	-	623,339	-	623,349
Total salaries	121.0	\$ 3,280,968	\$ 845,263	\$ 623,339	\$ 1,113,736	\$ 5,863,306
Salaries		\$ 3,280,968	\$ 845,263	\$ 623,339	\$ 1,113,736	\$ 5,863,306
Employee benefits and taxes		693,392	223,135	393,257	265,465	1,575,249
Retirement		206,721	67,338	112,227	67,156	453,442
Professional fees		-	-	-	233,770	233,770
Other purchased and consulting services		37,399	160,742	-	-	198,141
Rent expense		-	-	-	287,482	287,482
Repairs and maintenance		139,466	45,649	83,251	54,651	323,017
Insurance		49,442	16,173	29,935	20,028	115,578
Utilities		63,937	21,010	40,235	27,491	152,673
Supplies and materials		160,656	-	-	-	160,656
Staff development		102,935	-	-	-	102,935
Marketing and recruitment		-	-	-	21,261	21,261
Technology		146,236	-	-	-	146,236
Student services		149,542	-	-	-	149,542
Afterschool		-	-	78,532	-	78,532
Office expense		-	-	-	63,681	63,681
Interest		102,883	30,057	60,580	60,844	254,364
Other expenses		16,833	-	-	21,112	37,945
		5,150,410	1,409,367	1,421,356	2,236,677	10,217,810
Depreciation		480,642	46,846	8,296	99,790	635,574
Total		\$ 5,631,052	\$ 1,456,213	\$ 1,429,652	\$ 2,336,467	\$ 10,853,384

ELMWOOD VILLAGE CHARTER SCHOOLS

Statements of Cash Flows

For the years ended June 30,	2021	2020
Operating activities:		
Cash received from enrollment fees	\$ 11,035,493	\$ 10,066,133
Cash received from contributions - federal, state, and local awards	1,055,523	814,487
Cash received from rents	235,239	238,998
Cash received from other sources	16,854	136,811
Payments to employees for services and benefits	(8,764,198)	(7,857,836)
Payments to vendors and suppliers	(1,777,560)	(2,069,342)
Interest paid	(238,755)	(247,955)
Net operating activities	1,562,596	1,081,296
Investing activities:		
Property and equipment expenditures	(1,727,741)	(655,311)
Financing activities:		
Principal payments on long-term debt	(6,215,779)	(462,456)
Proceeds from long-term debt	6,211,738	-
Proceeds from Paycheck Protection Program loan	-	1,451,500
Net financing activities	(4,041)	989,044
Net change in cash and restricted cash	(169,186)	1,415,029
Cash and restricted cash - beginning	6,085,211	4,670,182
Cash and restricted cash - ending	\$ 5,916,025	\$ 6,085,211

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Organization and Purpose:

Elmwood Village Charter Schools (the Organization) operates Elmwood Village Charter School Days Park (EVCS Days Park) and Elmwood Village Charter School Hertel (EVCS Hertel) in the City of Buffalo, New York (the City) authorized by the Board of Trustees of the State University of New York (Board of Trustees).

EVCS Days Park is chartered through June 2025 and EVCS Hertel is chartered through July 2022. Continuance of operations after these dates is contingent upon charter renewal approvals.

EVCS Days Park currently offers classes from kindergarten through eighth grade. EVCS Hertel offered classes from kindergarten through fifth grade in 2021 (kindergarten through fourth in 2020).

Subsequent Events:

Management has evaluated events and transactions for potential recognition or disclosure through October 20, 2021, the date the financial statements were available to be issued.

Cash:

Cash in financial institutions potentially subjects the Organization to concentrations of credit risk, since it may exceed insured limits at various times throughout the year. The Organization complies with a requirement to hold no less than \$150,000 in an escrow account to pay legal and audit expenses that would be associated with dissolution should it occur. This is included as restricted cash on the balance sheets as of June 30, 2021 and 2020.

Property and Equipment:

Property and equipment is stated at cost net of accumulated depreciation. Depreciation is provided over estimated asset service lives using the straight-line method. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

Revenue Recognition:

Enrollment Fees

Enrollment fees are received from the public-school districts where the students reside. The amount received each year from the resident district is generally the product of the approved operating expense per pupil and the full time equivalent enrollment of the students in the Organization residing in that district. The respective districts also reimburse the Organization for special education service based on approved applicable rates for the services provided. Revenues are recognized over the period the services are provided. The Organization generally invoices the resident district bimonthly and payment is due in 30 days. Enrollment fees received in advance are deferred and recognized when earned. The Organization's enrollment fees are received primarily from the Board of Education for the City School District (the District).

Contributions

Contributions are reported at fair value at the date the pledge or award is received. Contributions are recorded as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period are shown as support without donor restrictions.

Conditional contributions, primarily government awards, are recorded as revenue when the Organization meets requirements in compliance with specific agreements. When applicable, amounts received before the required conditions are met are reported as refundable advances on the accompanying balance sheets. These conditional contributions are subject to compliance and financial audits by the funding sources. Management believes no significant adjustments are necessary to recognized amounts.

Receivables

Receivables are stated at the amounts management expects to collect from outstanding balances. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to uncollectible receivables and a credit to accounts receivable. An allowance for doubtful accounts is considered unnecessary by management because all significant amounts deemed uncollectible are written off each year.

Income Taxes:

The Organization is a 501(c)(3) corporation exempt from taxation under Section 501(a) of the Internal Revenue Code.

Transportation and Food Services:

Several districts provide the Organization with certain transportation services without cost. The District also provides food services without cost. The value of these services has not been recorded in the accompanying financial statements.

Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Functional Expense Allocation:

The Organization's costs of providing its various programs and activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These costs include salaries, benefits, and payroll taxes, which are allocated based on estimates of time and effort, and depreciation, interest, and repairs and maintenance, which are allocated based on management's estimate of program benefit.

2. Receivables:

	2021	2020
Enrollment fees	\$ 480,031	\$ 497,748
Grants	506,862	106,841
	<u>\$ 986,893</u>	<u>\$ 604,589</u>

Enrollment fees receivable as of June 30, 2021 and 2020 include amounts withheld by the District for disputed rates of special education services provided by the Organization from 2008 through 2018 (Note 12).

3. Property and Equipment:

	2021	2020
Land	\$ 546,400	\$ 546,400
Building and improvements	13,875,958	12,137,822
Leasehold improvements	140,806	140,806
Instructional equipment	1,256,625	1,073,365
Office equipment	446,970	439,867
Construction in progress	-	350,548
	<u>16,266,759</u>	<u>14,688,808</u>
Less accumulated depreciation	4,012,065	3,323,230
	<u>\$ 12,254,694</u>	<u>\$ 11,365,578</u>

Construction in progress at June 30, 2020 represented a renovation project at EVCS Days Park. The project was completed in March 2021 at a total cost of approximately \$1,513,000.

4. Short-Term Borrowings:

The Organization has available a \$200,000 bank demand line of credit for working capital with interest payable at prime plus .25%. The line is subject to the usual terms and conditions applied by the bank for working capital financing, secured by essentially all assets of the Organization, and is annually reviewed and renewed. There were no borrowings on the line of credit at June 30, 2021 and 2020.

5. Long Term Debt:

	2021	2020
Bank mortgage note payable, monthly installments of \$33,252 including interest at 3.152%, secured by Organization property and equipment, balloon payment of approximately \$4,756,000 due March 2026.	\$ 5,842,828	-
Bank note payable, monthly installments of \$5,644 including interest at 3.152%, secured by Organization property and equipment, due through March 2026.	298,648	-
Bank mortgage notes payable, monthly installments of \$28,409 including interest at 3.675%, paid in full March 2021.	-	2,489,496
Bank construction mortgage and term notes payable, monthly installments of \$28,377 including interest at 3.675%, paid in full March 2021.	-	3,625,875
Equipment loans, varying monthly installments and interest rates, secured by related equipment, due through September 2024.	58,564	84,355
	<u>6,200,040</u>	<u>6,199,726</u>
Less unamortized debt issuance costs	39,043	34,688
	<u>6,160,997</u>	<u>6,165,038</u>
Less current portion	294,522	472,141
	<u>\$ 5,866,475</u>	<u>\$ 5,692,897</u>

Debt issuance costs are amortized as interest expense over the remaining term of the debt arrangements. Amortization expense of debt issuance costs for the years ended June 30, 2021 and 2020 was \$32,417 and \$6,409 respectively.

Aggregate maturities of net long-term debt balances at June 30, 2021 are:

2022	\$	294,522
2023		290,843
2024		296,571
2025		295,086
2026		4,983,975
	\$	<u>6,160,997</u>

The bank loan agreements contain certain covenants relating to, among other things, the maintenance of levels of debt service coverage and various other restrictions. Management believes it complies with pertinent covenants.

6. Paycheck Protection Program Loan:

In May 2020, the Organization received a loan of \$1,451,500 from the Small Business Administration (SBA) under the Paycheck Protection Program of the Coronavirus Aid, Relief and Economic Security (CARES) Act, in response to the pandemic described in Note 13. The Organization has met the required conditions established by the SBA for loan forgiveness as of June 30, 2021 and the proceeds have been recognized as contributions revenue in the accompanying 2021 statement of activities.

7. Net Assets with Donor Restrictions:

Net assets with donor restrictions are available for use by the Organization to provide additional financial support for specific student purposes stipulated by the donor.

8. Retirement Plans:

The Organization participates in the New York State Teachers' Retirement System (TRS) which is a cost-sharing multiple employer public employee retirement system. TRS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from TRS at www.nystrs.org.

No employee contribution is required for those whose service began prior to July 1976. TRS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined from July 1976 through December 2009. Participants whose service began on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% of compensation throughout their active membership in TRS. Participants whose service began on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation.

Pursuant to Article 11 of the Education Law, an actuarially determined contribution rate is established annually by the New York State Teachers' Retirement Board. The rate is 9.53% of the annual covered payroll for the year ended June 30, 2021, and 8.86% for the year ended June 30, 2020. The Organization's required contributions for the years ended June 30, 2021 and 2020 were \$513,578 and \$422,479.

The Organization also has a contributory defined contribution pension plan covering selected employee groups. The Organization contributes a percentage of non-instructional employees' salaries to the plan, subject to certain limitations. The Organization's pension expenses for the years ended June 30, 2021 and 2020 were \$35,581 and \$30,963.

9. Operating Lease:

The Organization leases property under the terms of a non-cancelable operating lease. Rental expense under this lease was \$280,621 and \$287,482 for the years ended June 30, 2021 and 2020. The Organization purchased a building from the City during fiscal 2012, and entered into a non-cancellable sub lease for this property.

Future minimum annual rentals due are:

2022	\$	287,200
2023		289,200
2024		289,200
2025		289,200
2026		289,200
Thereafter		24,100
	\$	<u>1,468,100</u>

Future minimum annual rentals to be received under the sublease are:

2022	\$ 235,900
2023	255,600
2024	257,400
2025	257,400
2026	257,400
Thereafter	21,400
	\$ 1,285,100

10. Cash Flows Information:

The 2020 statement of cash flows excludes the effect of construction in progress included in accounts payable at June 30, 2020 totaling \$149,790.

11. Financial Assets Available for Operations:

The Organization obtains financial assets generally through enrollment fees, contributions, and rental income. The financial assets are acquired throughout the year to help meet the Organization's cash needs for general expenditures. If necessary, the Organization also has access to a \$200,000 bank demand line of credit (Note 4).

The Organization's financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist of the following at June 30, 2021 and 2020:

	2021	2020
Cash available for operations	\$ 5,666,990	\$ 5,868,805
Receivables	986,893	604,589
	\$ 6,653,883	\$ 6,473,394

12. Contingency:

In 2019, an audit by the Office of the New York State Comptroller determined the District had provided incorrect special education rates for over a decade. As a result, there is a dispute with the rate used for aid that passes through the District to the Organization for special education services. In February 2020, the District informed the Organization of its intent to recoup approximately \$501,400 in special education aid paid over the past decade through a reduction in the District's payments for enrollment fees earned by the Organization. The District recouped the special education aid in the 2019/2020 and 2020/2021 school years, which has been recorded as a receivable at June 30, 2021 and 2020 of approximately \$501,400 and \$250,700 (Note 2) in the accompanying financial statements.

In April 2020, a court ruling determined that charter schools must first exhaust administrative remedies by submitting a State intercept form to the New York State Education Department Commissioner (the Commissioner) to recover monies withheld from the Organization. Consequently, the Organization has submitted a State intercept to the Commissioner and is following the administrative procedures to resolve the matter. No liability is recorded in these financial statements as management believes the Organization will be successful in challenging the District's recoupment of funds through the State administrative procedure.

13. Risks and Uncertainties due to COVID-19:

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and all schools and resulted in a severe disruption of operations for many organizations.

In March 2020, the Organization transitioned to remote instruction for the remainder of the 2019-20 school year. During the 2020-21 school year, the Organization provided a hybrid in-person and remote instruction model in compliance with all government safety mandates. Consequently, enrollment fees and revenue for the years ended June 30, 2021 and 2020 were not reduced.

The full extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on further developments, including the duration and spread of the outbreak, and its impact on schools, including its students and families, employees, and vendors, none of which can be predicted.

ELMWOOD VILLAGE CHARTER SCHOOLS

Additional Information
Combining Statement of Activities

For the year ended June 30, 2021
With comparative totals for June 30, 2020

	EVCS Days Park	EVCS Hertel	Total 2021	Total 2020
Net assets without donor restrictions:				
Support and revenue:				
Enrollment fees:				
Resident students	\$ 5,827,721	\$ 3,936,447	\$ 9,764,168	\$ 9,395,180
Resident students with disabilities	835,147	418,461	1,253,608	1,118,972
Contributions:				
Federal, state, and local awards	643,591	768,932	1,412,523	660,666
Paycheck Protection Program	849,050	602,450	1,451,500	-
Rental income	235,239	-	235,239	238,998
Interest income	5,937	5,937	11,874	110,681
Fundraising and other income	575	4,405	4,980	26,130
Net assets released from restrictions	-	62,406	62,406	34,328
Total support and revenue	8,397,260	5,799,038	14,196,298	11,584,955
Expenses:				
Program expenses:				
Regular education	3,628,806	2,535,130	6,163,936	5,631,052
Special education	1,009,274	639,100	1,648,374	1,456,213
Other program	685,663	594,465	1,280,128	1,429,652
Supporting services:				
Management and general	1,381,160	1,141,583	2,522,743	2,336,467
Total expenses	6,704,903	4,910,278	11,615,181	10,853,384
Change in net assets without donor restrictions	1,692,357	888,760	2,581,117	731,571
Net assets with donor restrictions:				
Contributions	22,518	22,517	45,035	66,406
Net assets released from restrictions	-	(62,406)	(62,406)	(34,328)
Change in net assets with donor restrictions	22,518	(39,889)	(17,371)	32,078
Changes in net assets	1,714,875	848,871	2,563,746	763,649
Net assets - beginning	8,246,188	813,778	9,059,966	8,296,317
Net assets - ending	\$ 9,961,063	\$ 1,662,649	\$ 11,623,712	\$ 9,059,966

ELMWOOD VILLAGE CHARTER SCHOOLS

Additional Information
Combining Statement of Functional Expenses

For the year ended June 30, 2021

With comparative totals for June 30, 2020

	EVCS Days Park					
	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	10.9	\$ -	\$ -	\$ -	\$ 641,693	\$ 641,693
Instructional personnel	59.5	2,167,275	649,434	-	-	2,816,709
Non-instructional personnel	10.2	-	-	447,493	-	447,493
Total salaries	80.6	\$ 2,167,275	\$ 649,434	\$ 447,493	\$ 641,693	\$ 3,905,895
Salaries		\$ 2,167,275	\$ 649,434	\$ 447,493	\$ 641,693	\$ 3,905,895
Employee benefits and taxes		597,237	178,398	124,204	180,994	1,080,833
Retirement		200,707	63,396	29,151	33,194	326,448
Professional fees		-	-	-	140,169	140,169
Other purchased and consulting services		8,252	63,991	-	-	72,243
Rent expense		16,497	-	21,446	160,194	198,137
Repairs and maintenance		55,294	17,305	8,618	10,432	91,649
Insurance		16,620	930	18,204	37,406	73,160
Utilities		29,695	9,389	4,280	4,838	48,202
Supplies and materials		58,638	-	-	-	58,638
Staff development		25,885	-	-	-	25,885
Marketing and recruitment		-	-	-	2,525	2,525
Technology		94,698	-	-	-	94,698
Student services		68,542	-	-	-	68,542
Afterschool		-	-	-	-	-
Office expense		-	-	-	27,077	27,077
Interest		25,194	510	30,887	63,927	120,518
Other expenses		330	-	-	12,206	12,536
		3,364,864	983,353	684,283	1,314,655	6,347,155
Depreciation		263,942	25,921	1,380	66,505	357,748
Total		\$ 3,628,806	\$ 1,009,274	\$ 685,663	\$ 1,381,160	\$ 6,704,903

EVCS Hertel

Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total	Total 2021	Total 2020
9.9	\$ -	\$ -	\$ -	\$ 565,620	\$ 565,620	\$ 1,207,313	\$ 1,113,736
40.0	1,393,081	374,474	-	-	1,767,555	4,584,264	4,126,231
9.3	-	-	374,246	-	374,246	821,739	623,339
59.2	\$ 1,393,081	\$ 374,474	\$ 374,246	\$ 565,620	\$ 2,707,421	\$ 6,613,316	\$ 5,863,306
	\$ 1,393,081	\$ 374,474	\$ 374,246	\$ 565,620	\$ 2,707,421	\$ 6,613,316	\$ 5,863,306
	350,480	95,249	95,796	152,556	694,081	1,774,914	1,575,249
	133,228	39,908	22,431	27,144	222,711	549,159	453,442
	-	-	-	139,794	139,794	279,963	233,770
	5,996	67,810	-	-	73,806	146,049	198,141
	16,497	-	21,446	44,541	82,484	280,621	287,482
	54,909	16,305	9,788	12,385	93,387	185,036	323,017
	15,239	469	18,040	37,239	70,987	144,147	115,578
	50,736	15,221	8,456	10,147	84,560	132,762	152,673
	46,378	-	-	-	46,378	105,016	160,656
	20,386	-	-	-	20,386	46,271	102,935
	-	-	-	2,525	2,525	5,050	21,261
	78,253	-	-	-	78,253	172,951	146,236
	64,299	-	-	-	64,299	132,841	149,542
	-	-	3,511	-	3,511	3,511	78,532
	-	-	-	30,695	30,695	57,772	63,681
	43,232	5,896	33,930	67,596	150,654	271,172	254,364
	-	-	-	13,259	13,259	25,795	37,945
	2,272,714	615,332	587,644	1,103,501	4,579,191	10,926,346	10,217,810
	262,416	23,768	6,821	38,082	331,087	688,835	635,574
	\$ 2,535,130	\$ 639,100	\$ 594,465	\$ 1,141,583	\$ 4,910,278	\$ 11,615,181	\$ 10,853,384

ELMWOOD VILLAGE CHARTER SCHOOLS

Additional Information
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
Passed through New York State Education Department:			
Title I Grants to Local Educational Agencies	84.010	0021-21-4340	\$ 288,066
Charter Schools	84.282	N/A	49,950
English Language Acquisition State Grants	84.365	0293-21-4340	36,570
Supporting Effective Instruction State Grants	84.367	0147-21-4340	33,875
Student Support and Academic Enrichment Program	84.424	0204-21-4340	24,565
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-4340	327,137
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-4340	191,232
Total New York State Education Department			<u>951,395</u>
<u>U.S. Department of Treasury</u>			
Passed through Erie County:			
Coronavirus Relief Fund	21.019	N/A	<u>83,550</u>
Total Expenditures of Federal Awards			<u>\$ 1,034,945</u>

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs administered by Elmwood Village Charter Schools (the Organization), an entity as defined in Note 1 to the Organization’s financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the schedule of expenditures of federal awards.

Basis of Accounting

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the Organization’s financial reporting system. The federal expenditures are recorded on the accrual basis.

Indirect Costs

The Organization does not use the 10% de minimis indirect cost rate permitted by the Uniform Guidance.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Trustees
Elmwood Village Charter Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Elmwood Village Charter Schools (the Organization), which comprise the balance sheet as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

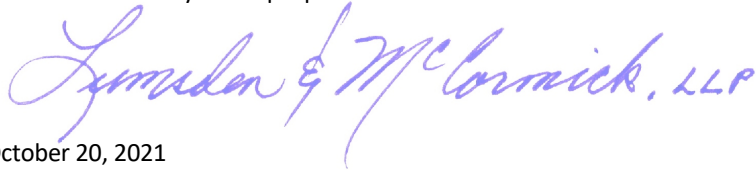
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

October 20, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Trustees
Elmwood Village Charter Schools

Report on Compliance for Each Major Federal Program

We have audited Elmwood Village Charter Schools (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

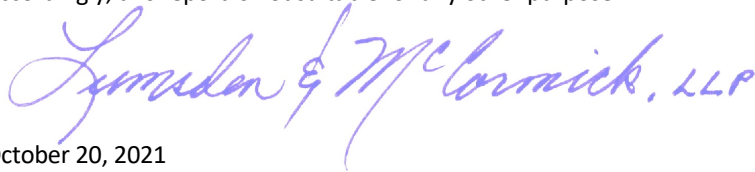
Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

October 20, 2021

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

Section I. Summary of Auditors' Results

Consolidated Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to consolidated financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA#</u>	<u>Amount</u>
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	\$ <u>518,369</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.