

**TRUXTON ACADEMY CHARTER SCHOOL**

**FINANCIAL STATEMENTS**

**June 30, 2021**



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Truxton Academy Charter School  
Truxton, New York

We have audited the accompanying financial statements of Truxton Academy Charter School (a New York nonprofit 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.

### 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit 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 auditor's 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**

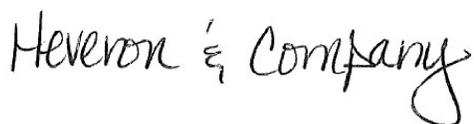
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Truxton Academy Charter School as of June 30, 2021 and its changes in net assets, functional expenses and cash flows for the year ending June 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statements of Activities on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 18, 2021 on our consideration of Truxton Academy Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 Truxton Academy Charter School's internal control over financial reporting and compliance.



Heveron & Company  
Certified Public Accountants

Rochester, New York  
October 18, 2021

**TRUXTON ACADEMY CHARTER SCHOOL**  
**BALANCE SHEET**  
**June 30, 2021**

**ASSETS**

Current Assets

Cash and Cash Equivalents	\$ 228,544
Accounts Receivable	1,047
Pledges Receivable	38,649
Prepaid Expenses	<u>20,910</u>
 Total Current Assets	 <u>289,150</u>

Property and Equipment

Leasehold Improvements	62,161
Equipment	121,381
Computer Software	5,152
Vehicles	74,959
Less: Accumulated Depreciation and Amortization	<u>(32,315)</u>
 Net Property and Equipment	 <u>231,338</u>

Other Assets

Restricted Cash - Escrow Accounts	50,000
Pledges Receivable - Long term	<u>73,686</u>
 Total Other Assets	 <u>123,686</u>

TOTAL ASSETS \$ 644,174

## LIABILITIES AND NET ASSETS

### Current Liabilities

Accounts Payable	\$ 29,220
Accrued Payroll and Benefits	<u>59,848</u>
 Total Current Liabilities	 <u>89,068</u>
 Total Liabilities	 <u>89,068</u>

### Net Assets

Without Donor Restrictions	
Undesignated	417,771
Board Designated	25,000
With Donor Restrictions	
Time Restrictions	<u>112,335</u>
 Total Net Assets	 <u>555,106</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 644,174</u>

See Independent Auditors' Report and Notes to Financial Statements.

**TRUXTON ACADEMY CHARTER SCHOOL**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ending June 30, 2021**

	<u>Without Donor</u>	<u>With Donor</u>	<u>Totals</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
<u>Revenues and Other Support:</u>			
Public School District:			
Resident Student Enrollment	\$ 706,517	\$ -	\$ 706,517
Students with Disabilities	19,524	-	19,524
Federal Grants	68,874	-	68,874
State Grants	48,212	-	48,212
Other Grants and Contributions	20,762	13,937	34,699
Food Service	12,954	-	12,954
Other Income	462	-	462
Forgiveness of debt	141,200	-	141,200
Released From Restriction	<u>49,050</u>	<u>(49,050)</u>	<u>-</u>
Total Revenues and Other Support	<u>1,067,555</u>	<u>(35,113)</u>	<u>1,032,442</u>
<u>Expenses:</u>			
<u>Program Services:</u>			
Regular Education	708,062	-	708,062
Special Education	56,482	-	56,482
Food Services	<u>25,835</u>	<u>-</u>	<u>25,835</u>
Total Program Services Expense	790,379	-	790,379
<u>Supporting Services:</u>			
Management and General	<u>103,632</u>	<u>-</u>	<u>103,632</u>
Total Expenses	<u>894,011</u>	<u>-</u>	<u>894,011</u>
Change in Net Assets	173,544	(35,113)	138,431
Net Assets - Beginning of Year	<u>269,227</u>	<u>147,448</u>	<u>416,675</u>
Net Assets - End of Year	<u>\$ 442,771</u>	<u>\$ 112,335</u>	<u>\$ 555,106</u>

See Independent Auditors' Report and Notes to Financial Statements.

**TRUXTON ACADEMY CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES**

**For The Year Ending June 30, 2021**

	No. of Positions	<u>Program Services</u>				<u>Totals</u>
		<u>Regular Education</u>	<u>Special Education</u>	<u>Food Services</u>	<u>Management and General</u>	
Personnel Service Costs						
Instructional Personnel	9	\$ 304,794	\$ 30,061	\$ -	\$ -	\$ 334,855
Non-Instructional Personnel	3	14,513	-	14,769	980	30,262
Administrative Personnel	<u>2</u>	<u>57,528</u>	<u>-</u>	<u>-</u>	<u>60,882</u>	<u>118,410</u>
Total Salaries and Wages	14	376,835	30,061	14,769	61,862	483,527
Retirement		7,885	629	-	-	8,514
Fringe Benefits and Payroll Taxes		<u>102,507</u>	<u>8,177</u>	<u>4,017</u>	<u>16,828</u>	<u>131,529</u>
Total Personnel Services		487,227	38,867	18,786	78,690	623,570
Building Rent		45,932	3,664	-	654	50,250
Depreciation and Amortization		27,611	2,203	-	392	30,206
Technology		27,948	2,229	-	-	30,177
Utilities		23,894	1,906	-	339	26,139
Insurance		19,046	1,519	-	271	20,836
Supplies and Materials		16,387	1,307	-	-	17,694
Equipment and Furnishings		15,878	1,267	-	62	17,207
Other Professional Services		12,553	1,001	-	2,715	16,269
Marketing and Recruitment		14,254	1,137	-	-	15,391
Repairs and Maintenance		13,895	1,108	-	198	15,201
Accounting and Auditing Fees		-	-	-	12,187	12,187

**TRUXTON ACADEMY CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES**

**For The Year Ending June 30, 2021**

**(Continued)**

	Program Services			Management and General	Totals
	Regular Education	Special Education	Food Services		
Food	-	-	7,049	-	7,049
Legal Services	-	-	-	6,000	6,000
Professional Development	3,437	274	-	-	3,711
Office Expense	-	-	-	1,083	1,083
Other Expenses	-	-	-	1,041	1,041
Total Expenses	<u>\$ 708,062</u>	<u>\$ 56,482</u>	<u>\$ 25,835</u>	<u>\$ 103,632</u>	<u>\$ 894,011</u>

See Independent Auditors' Report and Notes to Financial Statements.

**TRUXTON ACADEMY CHARTER SCHOOL**  
**STATEMENT OF CASH FLOWS**  
**For The Year Ending June 30, 2021**

<u>Cash Flow From Operating Activities</u>	
Revenue from School Districts	\$ 733,521
Grant Revenues	548,672
Food Service Fees	12,954
Contributions	69,812
Other Sources	462
Payments to Vendors for Goods and Services Rendered	(407,329)
Payments to Charter School Personnel for Services Rendered	<u>(568,689)</u>
Net Cash Flow Provided By Operating Activities	<u>389,403</u>
 <u>Cash Flow From Investing Activities</u>	
Purchase of Property and Equipment	<u>(235,996)</u>
Cash Flow Used By Investing Activities	<u>(235,996)</u>
 <u>Cash Flow From Financing Activities</u>	
Payments on Long Term Debt	(30,000)
Proceeds from Long Term Debt	<u>60,000</u>
Cash Flow Provided By Financing Activities	<u>30,000</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	183,407
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>95,137</u>
Cash, Cash Equivalents, and Restricted Cash - End of year	<u><u>\$ 278,544</u></u>

**TRUXTON ACADEMY CHARTER SCHOOL**  
**STATEMENT OF CASH FLOWS**  
**For The Year Ending June 30, 2021**

Reconciliation of Change in Net Assets to Net Cash

Provided by Operating Activities

Change in Net Assets	\$ 138,431
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	30,206
Forgiveness of Long Term Debt	(141,200)
(Increase)/Decrease In:	
Accounts Receivable	14,794
Grants Receivable	431,586
Pledges Receivable	35,113
Prepaid Expenses	11,158
Increase/(Decrease) In:	
Accounts Payable	(185,566)
Accrued Payroll and Benefits	<u>54,881</u>
Net Cash Flow Provided By Operating Activities	<u>\$ 389,403</u>

See Independent Auditors' Report and Notes to Financial Statements.

**TRUXTON ACADEMY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Truxton Academy Charter School (the School) is a nonprofit educational organization in Truxton, New York. The School currently serves grades K-3 with plans to grow to K-6 by 2024. The School receives the majority of its funding from state and local governments through local school districts. The School also receives federal and state grants, contributions, and other income.

The main programs of the School are as follows:

**REGULAR EDUCATION:** The School incorporates a research-based curriculum for language arts, math, science, and social studies using a project-based approach. The School seeks to grow confident, productive, intelligent, caring students, into responsible, successful adults. All courses align with the New York State Learning Standards.

**SPECIAL EDUCATION:** The School is open to all children and does not discriminate on the basis of ethnicity, national origin, gender, disability, or any other grounds that would be unlawful or deny the civil rights of any individual. In accordance with the Individuals with Disabilities Education Act, the Rehabilitation Act, Section 504, and the Americans with Disabilities Act, the School provides a free and appropriate education in the least restrictive environment to students with disabilities. The primary service delivery for students with special needs is inclusion. For students requiring supplemental services, the School ensures the required services are provided as outlined in the student's Individual Education Plan or 504 Plan.

**FOOD SERVICES:** The School believes that healthy meals are an important part of a child's day. Breakfast and lunch are served every day. All meals are intended to meet the required New York State Child Nutrition Standards, and the School subscribes to the New York State free and reduced priced meal program.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**TRUXTON ACADEMY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net Assets

In accordance with accounting principles generally accepted in the United States of America, the School reports information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. During the year June 30, 2021, the board designated \$25,000 to accumulate unrestricted net assets that are equal to or exceed 2% of the School's operating budget for the upcoming year.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

There were net assets with donor restrictions of \$112,335 for the year ending June 30, 2021 restricted for time. This is related to donated rent for facilities. See Note 6 for more information.

Accounts and Grants Receivable

Receivables are stated at the amount management expects to collect. Amounts that management believes to be uncollectible after collection efforts have been completed are written off. In addition, management evaluates the need for, and if appropriate, provides an allowance to reduce receivables to amounts management expects will be collected. Management determined that no allowances were necessary at June 30, 2021.

**TRUXTON ACADEMY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

Pledges Receivable

Pledges receivable represent the value of donated rent due the School under the terms of an unconditional promise to give. Donated rent to be received after June 30, 2021, is recorded at its estimated net present value using a discount rate of 3.25%.

Revenue and Revenue Recognition

A portion of the School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the balance sheet.

The School recognizes revenue derived from tuition and food service. Tuition income is recognized during the school year based on enrollment. Food service revenue is recognized when earned at the time of service.

Contributions

The School recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions that are expected to be received in future years are recorded at their present value. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Income Taxes

The Internal Revenue Service has determined that the School is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code. As a result, no provision for federal or state income taxes has been made.

Use of Estimates in the Preparation of Financial Statements

Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could vary from those estimates.

**TRUXTON ACADEMY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program, and management and general services. An immaterial amount of fundraising costs for the year ended June 30, 2021 are included in management and general expenses.

The financial statements report certain categories of expenses that are attributed to both program, and management and general functions. Therefore, allocation on a reasonable basis that is consistently applied is required. The expenses that are allocated include repairs and maintenance, utilities, equipment and furnishings, and insurance which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, other purchased services, student services, supplies, and technology, which are allocated on the basis of estimates of time and effort for each category.

Advertising

Advertising costs are expensed as incurred.

Property and Equipment

Property and equipment are stated at cost. The School capitalizes property and equipment with a cost of over \$5,000 and an estimated life of three or more years. Depreciation and amortization is computed using the straight-line method based on the estimated useful lives of the assets, as follows:

	<u>Years</u>
Leasehold Improvements	15
Equipment	5
Computer Software	3
Vehicles	5

Depreciation and amortization expense amounted to \$30,206 for the year ending June 30, 2021.

**TRUXTON ACADEMY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

The School regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities to be general expenditures.

At June 30, 2021 the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$	228,544
Accounts receivable		1,047
		229,591
	\$	229,591

The School also receives basic charter school tuition and grants throughout the year to provide additional funds for general expenditures.

**NOTE 3 - CASH, CASH EQUIVALENTS, AND RESTRICTED CASH**

For the purposes of the statements of cash flows, cash and cash equivalents include all cash on hand and in banks, which at times, may exceed federally insured limits. The School considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Certain of these accounts are not federally insured. The School has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash and cash equivalents.

The School maintains cash in an escrow account in accordance with the terms of their charter agreement. The escrow is restricted to fund legal and other costs related to the dissolution of the School.

Cash, cash equivalents, and restricted cash consisted of the following at June 30, 2021:

Checking	\$	218,544
Savings		10,000
Total Cash and Cash Equivalents		228,544
Restricted Cash - Escrow Account		50,000
Total Cash, Cash Equivalents, and Restricted Cash	\$	278,544

**TRUXTON ACADEMY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**NOTE 4 - PENSION EXPENSE**

The School has a Simple IRA retirement plan. Employees expected to earn compensation greater than \$5,000 are eligible to participate upon date of hire. Eligible employees can make contributions to the plan. The School will make a dollar for dollar match of elective deferrals up to 3%. Employer contributions for the year ending June 30, 2021 were \$8,514.

**NOTE 5 - LOANS FROM RELATED PARTIES**

During the year ending June 30, 2021 the School received two \$30,000 interest free loans from members of the board of trustees. The first loan was paid off in full by June 30, 2021. The second loan was forgiven by the board member. The loan forgiveness is included in the revenue and support section of the Statement of Activities for year end June 30, 2021. There were no outstanding loans from board members at June 30, 2021.

**NOTE 6 - COMMITMENTS**

The School has entered into an operating lease for its facilities. The lease expires June 2024. For the year ending June 30, 2021, the annual rent was \$100 per month. On June 30, 2022, this increases to \$500 per month. Also, in lieu of a higher rent payment, the School is responsible for the cost of utilities, repairs and maintenance. The School has an option to purchase the property after June 2024, conditioned upon renewal of the School's charter. The School also has the option to renew this lease for five additional five-year terms at a cost of \$6,000 per year.

The value of the donated rent over the expected future costs has been recorded as a contribution and pledges receivable. Total pledge receivable related to donated rent at June 30, 2021 was \$112,335. The School will recognize the related donated rent expense over the life of the lease.

Total rental expense for the year ending June 30, 2021 totaled \$50,250.

Future minimum lease payment commitments are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 1,200
2023	6,000
2024	6,000

**TRUXTON ACADEMY CHARTER SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**NOTE 7 - LOAN PAYABLE**

In May 2020, the School applied for and was approved to receive a \$111,200 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The loan was uncollateralized and is fully guaranteed by the Federal government. This was initially recorded as a note payable and subsequently recorded as forgiveness of debt when the loan obligation was legally released. The School recognized \$111,200 of loan forgiveness related to this debt in the year ended June 30, 2021.

**NOTE 8 - DONATED FACILITIES, SERVICES AND GOODS**

The School receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. In the year ending June 30, 2021, 8 board members provided approximately 1,070 hours of service. In addition, approximately 10 active volunteers provided 1,000 hours of service for the School. See Note 6 for information related to donated rent for facilities.

**NOTE 9 - SPECIAL EDUCATION AND OTHER SUPPORT**

Some of the special education services required by students of the School are provided by the Homer Central School District and other surrounding districts. The Homer Central School District and other surrounding districts also provided transportation services. The School was unable to determine a value for these services, thus, these financial statements do not reflect revenue or expenses associated with those services.

**NOTE 10 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 18, 2021, which is the date the statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties continue to have a negative impact on revenue and support. There continues to be considerable uncertainty around the duration. Therefore, the related financial impact and duration cannot be reasonably estimated at this time.

**TRUXTON ACADEMY CHARTER SCHOOL**

**SUPPLEMENTARY INFORMATION**

**TRUXTON ACADEMY CHARTER SCHOOL**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals For The Year Ended June 30, 2020)**

	2021	2020
<u>Revenues and Other Support:</u>		
Public School District:		
Revenue - Resident Student Enrollment	\$ 706,517	\$ 535,659
Students with Disabilities	19,524	-
Federal Grants	68,874	614,054
State Grants	48,212	76,224
Other Grants and Contributions	34,699	21,604
Food Service	12,954	6,636
Forgiveness of Debt	141,200	-
Other Income	462	6,168
Total Revenues and Other Support	1,032,442	1,260,345
<u>Expenses:</u>		
<u>Program Services:</u>		
Regular Education	708,062	851,931
Special Education	56,482	53,553
Food Services	25,835	31,654
Total Program Services Expense	790,379	937,138
<u>Supporting Services:</u>		
Management and General	103,632	84,859
Total Expenses	894,011	1,021,997
Change in Net Assets	\$ 138,431	\$ 238,348



**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**

Independent Auditors' Report

To the Board of Trustees  
Truxton Academy Charter School  
Truxton, New York

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 Truxton Academy Charter School which comprise the balance sheet as of June 30, 2021, and the related statements of activities and 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 18, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Truxton Academy Charter School'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 Truxton Academy Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Truxton Academy Charter School'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.



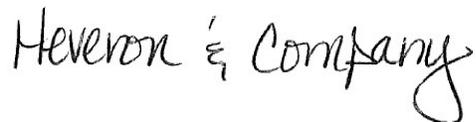
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Truxton Academy Charter School's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Heveron & Company  
Certified Public Accountants

Rochester, New York  
October 18, 2021