

ELMWOOD VILLAGE CHARTER SCHOOLS

**FINANCIAL STATEMENTS
WITH ADDITIONAL INFORMATION**

JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Elmwood Village Charter Schools

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying balance sheets of Elmwood Village Charter Schools (the Organization) as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Additional Information

Our audit was 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 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 is 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 GAAS. 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 29, 2024 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 solely 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.



Lyndon & McCormick, LLP

October 29, 2024

ELMWOOD VILLAGE CHARTER SCHOOLS

Balance Sheets

June 30,	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,189,069	\$ 6,594,616
Short-term investments	3,599,659	-
Receivables (Note 2)	467,073	1,081,026
Prepaid expenses and other	187,348	176,739
	<u>8,443,149</u>	<u>7,852,381</u>
Property and equipment, net (Note 3)	11,833,065	12,438,581
Right of use asset - lease (Note 5)	-	812,230
Restricted cash and cash equivalents	150,000	150,000
	<u>\$ 20,426,214</u>	<u>\$ 21,253,192</u>
Liabilities and Net Assets		
Current liabilities:		
Current portion of lease liability (Note 5)	\$ -	\$ 247,190
Current portion of long-term debt (Note 6)	317,695	308,754
Accounts payable	453,056	471,409
Accrued expenses	1,571,594	1,507,274
	<u>2,342,345</u>	<u>2,534,627</u>
Lease liability (Note 5)	-	565,040
Long-term debt (Note 6)	5,052,287	5,315,785
Net assets:		
Without donor restrictions	13,024,082	12,837,740
With donor restrictions	7,500	-
	<u>13,031,582</u>	<u>12,837,740</u>
	<u>\$ 20,426,214</u>	<u>\$ 21,253,192</u>

See accompanying notes.

ELMWOOD VILLAGE CHARTER SCHOOLS

Statements of Activities

For the years ended June 30,	2024	2023
Net assets without donor restrictions:		
Support and revenue:		
Enrollment fees:		
Resident students	\$ 11,885,478	\$ 10,774,014
Resident students with disabilities	1,262,203	1,313,381
Contributions:		
Federal awards	580,007	1,446,006
State awards and other	66,467	34,866
Rental income	180,587	255,596
Interest income	259,726	39,122
Other income	32,780	31,106
Net assets released from restrictions	-	4,500
Total support and revenue	<u>14,267,248</u>	<u>13,898,591</u>
Expenses:		
Program expenses:		
Regular education	8,164,481	7,446,361
Special education	1,877,220	2,032,236
Other programs	794,454	982,502
Supporting services:		
Management and general	3,244,751	3,039,634
Total expenses	<u>14,080,906</u>	<u>13,500,733</u>
Change in net assets without donor restrictions	<u>186,342</u>	<u>397,858</u>
Net assets with donor restrictions:		
Contributions	7,500	-
Net assets released from restrictions	-	(4,500)
Change in net assets with donor restrictions	<u>7,500</u>	<u>(4,500)</u>
Change in net assets	193,842	393,358
Net assets - beginning	<u>12,837,740</u>	<u>12,444,382</u>
Net assets - ending	<u>\$ 13,031,582</u>	<u>\$ 12,837,740</u>

See accompanying notes.

ELMWOOD VILLAGE CHARTER SCHOOLS

Statement of Functional Expenses

For the year ended June 30, 2024

	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	28.8	\$ -	\$ -	\$ -	\$ 1,565,686	\$ 1,565,686
Instructional personnel	128.0	4,677,563	1,132,628	-	-	5,810,191
Non-instructional personnel	8.0	-	-	535,886	-	535,886
Total salaries	164.8	\$ 4,677,563	\$ 1,132,628	\$ 535,886	\$ 1,565,686	\$ 7,911,763
Salaries		\$ 4,677,563	\$ 1,132,628	\$ 535,886	\$ 1,565,686	\$ 7,911,763
Employee benefits and taxes		1,214,723	260,247	123,656	550,150	2,148,776
Retirement		392,899	93,445	44,165	138,333	668,842
Professional fees		-	-	-	301,502	301,502
Other purchased and consulting services		56,172	206,009	-	-	262,181
Rent expense		88,015	266	820	125,913	215,014
Repairs and maintenance		140,466	33,911	15,971	47,110	237,458
Insurance		70,562	404	932	96,476	168,374
Utilities		102,171	25,046	12,222	34,616	174,055
Supplies and materials		190,468	-	-	-	190,468
Staff development		64,618	-	-	-	64,618
Marketing and recruitment		-	-	-	11,290	11,290
Technology		206,485	-	-	-	206,485
Student services		345,132	-	-	-	345,132
Office expense		43,287	4,789	2,832	35,150	86,058
Interest		78,988	1,063	1,300	105,305	186,656
Other expenses		364	-	-	68,152	68,516
		7,671,913	1,757,808	737,784	3,079,683	13,247,188
Depreciation		492,568	119,412	56,670	165,068	833,718
Total		\$ 8,164,481	\$ 1,877,220	\$ 794,454	\$ 3,244,751	\$ 14,080,906

ELMWOOD VILLAGE CHARTER SCHOOLS

Statement of Functional Expenses

For the year ended June 30, 2023

	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	27.0	\$ -	\$ -	\$ -	\$ 1,407,995	\$ 1,407,995
Instructional personnel	119.8	4,188,618	1,236,966	-	-	5,425,584
Non-instructional personnel	12.9	-	-	601,672	-	601,672
Total salaries	159.7	\$ 4,188,618	\$ 1,236,966	\$ 601,672	\$ 1,407,995	\$ 7,435,251
Salaries		\$ 4,188,618	\$ 1,236,966	\$ 601,672	\$ 1,407,995	\$ 7,435,251
Employee benefits and taxes		1,131,671	299,690	169,345	533,664	2,134,370
Retirement		373,824	109,575	53,473	124,114	660,986
Professional fees		-	-	-	280,732	280,732
Other purchased and consulting services		50,111	154,873	-	-	204,984
Rent expense		110,068	4,226	21,802	168,354	304,450
Repairs and maintenance		154,544	44,911	22,365	55,470	277,290
Insurance		60,010	2,304	11,886	91,784	165,984
Utilities		95,073	28,340	13,744	32,654	169,811
Supplies and materials		168,435	-	-	-	168,435
Staff development		107,512	-	-	-	107,512
Marketing and recruitment		-	-	-	11,817	11,817
Technology		182,300	-	-	-	182,300
Student services		241,356	-	109	-	241,465
Office expense		40,743	8,963	6,518	28,145	84,369
Interest		71,421	3,353	14,018	106,420	195,212
Other expenses		804	-	-	40,021	40,825
		6,976,490	1,893,201	914,932	2,881,170	12,665,793
Depreciation		469,871	139,035	67,570	158,464	834,940
Total		\$ 7,446,361	\$ 2,032,236	\$ 982,502	\$ 3,039,634	\$ 13,500,733

Statements of Cash Flows

For the years ended June 30,	2024	2023
Operating activities:		
Cash received from enrollment fees	\$ 13,465,238	\$ 12,251,442
Cash received from contributions	1,034,199	2,022,538
Cash received from rental activities	180,587	255,596
Interest received	259,726	39,122
Cash received from other sources	32,780	31,106
Payments to employees for services and benefits	(10,665,061)	(10,174,065)
Payments to vendors and suppliers	(2,301,642)	(2,410,956)
Interest paid	(186,656)	(195,212)
Net operating activities	1,819,171	1,819,571
Investing activities:		
Purchase of short-term investments	(3,599,659)	-
Property and equipment expenditures	(370,502)	(1,205,970)
Net investing activities	(3,970,161)	(1,205,970)
Financing activities:		
Proceeds from issuance of long-term debt	54,650	-
Principal payments on long-term debt	(309,207)	(300,995)
Net financing activities	(254,557)	(300,995)
Net change in cash and restricted cash and cash equivalents	(2,405,547)	312,606
Cash and restricted cash and cash equivalents - beginning	6,744,616	6,432,010
Cash and restricted cash and cash equivalents - ending	\$ 4,339,069	\$ 6,744,616

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 (NYS Board of Trustees).

EVCS Days Park is chartered through June 2025 and EVCS Hertel is chartered through July 2027. Continuance of operations after these dates is contingent upon charter renewal approvals. EVCS Days Park has submitted a renewal application to be chartered through June 2030, which is under review by NYS Board of Trustees.

EVCS Days Park and EVCS Hertel currently offer classes from kindergarten through eighth grade (EVCS Hertel kindergarten through seventh in 2023).

Subsequent Events:

Management has evaluated events and transactions for potential recognition or disclosure through October 29, 2024, the date the financial statements were available to be issued.

Cash and Cash Equivalents:

Cash and cash equivalents in financial institutions, including money market accounts, 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 and cash equivalents on the balance sheets as of June 30, 2024 and 2023.

Short-Term Investments:

Short-term investments are comprised of U.S. Treasury bills that are stated at fair value which approximates cost.

Property and Equipment:

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

Net Assets:

The Organization's financial position and activities are reported according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors for a specific time period or purpose. Net assets with donor restrictions at June 30, 2024 are restricted for specific consulting services as stipulated by the donor.

Revenue Recognition:

Enrollment Fees

Enrollment fees are received from the public school district where a student resides. 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 City School District.

Contributions

Unconditional contributions are reported at fair value at the date the pledge or award is received. Unconditional 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. Unconditional 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. 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. Management provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical trends, and forecasted economic conditions. 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 at June 30, 2024 and 2023.

Income Taxes:

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

Transportation and Food Services:

Several districts provide the Organization with certain transportation services without cost. The City School District also provides food and consulting 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:

	2024	2023
Contributions	\$ 268,234	\$ 648,459
Enrollment fees	198,839	432,567
	<u>\$ 467,073</u>	<u>\$ 1,081,026</u>

3. Property and Equipment:

	2024	2023
Land	\$ 546,400	\$ 546,400
Building and improvements	15,335,703	15,218,936
Instructional equipment	1,826,980	1,779,884
Office equipment	415,048	408,709
Maintenance equipment	63,161	53,994
	<u>18,187,292</u>	<u>18,007,923</u>
Less accumulated depreciation	6,354,227	5,569,342
	<u>\$ 11,833,065</u>	<u>\$ 12,438,581</u>

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, 2024 and 2023.

5. Lease Liability:

The Organization leased property through February 2024 under the terms of an operating lease.

At inception of lease agreements, a lease liability and corresponding right of use (ROU) asset are recorded based on the present value of the minimum future lease payments. If the lease arrangement also contains non-lease components, the Organization elects the practical expedient not to separate any combined leases and non-lease components for all lease contracts.

The present value of the Organization's lease liability was calculated using an estimated incremental borrowing rate of 6%. As of June 30, 2023, operating ROU asset and lease liability amounted to \$812,230. There were no ROU assets or lease liabilities as of June 30, 2024.

As permitted by guidance, leases with expected durations of less than 12 months from inception (i.e. short-term leases) were excluded from the Organization's calculation of its lease liability and ROU asset.

Additionally, the Organization had a concurrent agreement with an unaffiliated organization to sublease the property, which also terminated in February 2024. Rental income under this sublease agreement totaled \$180,587 and \$255,596 for the years ended June 30, 2024 and 2023.

The following is a summary of the Organization's total lease costs, which approximates operating cash flows paid for amounts included in the measurement of lease liability:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 215,014	\$ 304,450

6. Long Term Debt:

	<u>2024</u>	<u>2023</u>
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.	\$ 5,175,884	\$ 5,405,042
Bank note payable, monthly installments of \$5,644 including interest at 3.152%, secured by Organization property and equipment, due through March 2026.	115,759	178,674
Equipment loans, varying monthly installments and interest rates, secured by related equipment, due through January 2029.	92,284	63,134
	5,383,927	5,646,850
Less unamortized debt issuance costs	13,945	22,311
	5,369,982	5,624,539
Less current portion	317,695	308,754
	\$ 5,052,287	\$ 5,315,785

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, 2024 and 2023 was \$8,366.

Aggregate maturities of net long-term debt balances at June 30, 2024 are:

2025	\$ 317,695
2026	5,008,911
2027	22,914
2028	13,082
2029	7,380
	\$ 5,369,982

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

7. 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, rates are established annually for TRS by the New York State Teachers' Retirement Board at an actuarially determined rate. The rate is 9.76% of the annual covered payroll for the year ended June 30, 2024, and 10.29% for the year ended June 30, 2023. The Organization's required contributions for the years ended June 30, 2024 and 2023 were \$641,818 and \$626,918.

The Organization also has a contributory defined contribution retirement 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 retirement expenses for the years ended June 30, 2024 and 2023 were \$27,024 and \$34,068.

8. Cash Flows Information:

The 2023 statement of cash flows also excludes property and equipment additions included in accounts payable at June 30, 2023 totaling \$142,300.

9. Financial Assets Available for Operating Purposes:

The Organization obtains financial assets generally through enrollment fees, contributions, rental income, and interest and investment 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:

	<u>2024</u>	<u>2023</u>
Cash available for operations	\$ 4,181,569	\$ 6,594,616
Short-term investments	3,599,659	-
Receivables	467,073	1,081,026
	<u>\$ 8,248,301</u>	<u>\$ 7,675,642</u>

ELMWOOD VILLAGE CHARTER SCHOOLS

Additional Information
Combining Statement of Activities

For the year ended June 30, 2024
(With comparative totals for June 30, 2023)

	EVCS Days Park	EVCS Hertel	Total 2024	Total 2023
Net assets without donor restrictions:				
Support and revenue:				
Enrollment fees:				
Resident students	\$ 5,986,242	\$ 5,899,236	\$ 11,885,478	\$ 10,774,014
Resident students with disabilities	617,781	644,422	1,262,203	1,313,381
Contributions:				
Federal awards	293,111	286,896	580,007	1,446,006
State awards and other	32,851	33,616	66,467	34,866
Rental income	90,294	90,293	180,587	255,596
Interest income	129,863	129,863	259,726	39,122
Other income	18,341	14,439	32,780	31,106
Net assets released from restrictions	-	-	-	4,500
Total support and revenue	<u>7,168,483</u>	<u>7,098,765</u>	<u>14,267,248</u>	<u>13,898,591</u>
Expenses:				
Program expenses:				
Regular education	4,178,141	3,986,340	8,164,481	7,446,361
Special education	920,443	956,777	1,877,220	2,032,236
Other programs	335,345	459,109	794,454	982,502
Supporting services:				
Management and general	1,587,389	1,657,362	3,244,751	3,039,634
Total expenses	<u>7,021,318</u>	<u>7,059,588</u>	<u>14,080,906</u>	<u>13,500,733</u>
Change in net assets without donor restrictions	<u>147,165</u>	<u>39,177</u>	<u>186,342</u>	<u>397,858</u>
Net assets with donor restrictions:				
Contributions	3,750	3,750	7,500	-
Net assets released from restrictions	-	-	-	(4,500)
Change in net assets with donor restrictions	<u>3,750</u>	<u>3,750</u>	<u>7,500</u>	<u>(4,500)</u>
Changes in net assets	150,915	42,927	193,842	393,358
Net assets - beginning	<u>10,706,875</u>	<u>2,130,865</u>	<u>12,837,740</u>	<u>12,444,382</u>
Net assets - ending	<u>\$ 10,857,790</u>	<u>\$ 2,173,792</u>	<u>\$ 13,031,582</u>	<u>\$ 12,837,740</u>

ELMWOOD VILLAGE CHARTER SCHOOLS

Additional Information
Combining Statement of Functional Expenses

For the year ended June 30, 2024
 (With comparative totals for June 30, 2023)

	EVCS Days Park					
	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	15.0	\$ -	\$ -	\$ -	\$ 762,251	\$ 762,251
Instructional personnel	63.5	2,398,723	551,124	-	-	2,949,847
Non-instructional personnel	4.0	-	-	224,628	-	224,628
Total salaries	82.5	\$ 2,398,723	\$ 551,124	\$ 224,628	\$ 762,251	\$ 3,936,726
Salaries		\$ 2,398,723	\$ 551,124	\$ 224,628	\$ 762,251	\$ 3,936,726
Employee benefits and taxes		651,635	134,029	55,388	280,568	1,121,620
Retirement		205,271	46,407	18,953	68,764	339,395
Professional fees		-	-	-	150,790	150,790
Other purchased and consulting services		28,604	103,104	-	-	131,708
Rent expense		41,464	-	206	62,265	103,935
Repairs and maintenance		74,453	17,087	6,965	23,749	122,254
Insurance		35,281	202	466	48,238	84,187
Utilities		40,355	9,272	3,779	12,823	66,229
Supplies and materials		82,386	-	-	-	82,386
Staff development		32,735	-	-	-	32,735
Marketing and recruitment		-	-	-	5,575	5,575
Technology		105,941	-	-	-	105,941
Student services		172,146	-	-	-	172,146
Office expense		22,103	1,908	1,187	17,412	42,610
Interest		39,650	553	640	52,682	93,525
Other expenses		364	-	-	23,772	24,136
		3,931,111	863,686	312,212	1,508,889	6,615,898
Depreciation		247,030	56,757	23,133	78,500	405,420
Total		\$ 4,178,141	\$ 920,443	\$ 335,345	\$ 1,587,389	\$ 7,021,318

EVCS Hertel

Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total	Total 2024	Total 2023
13.8	\$ -	\$ -	\$ -	\$ 803,435	\$ 803,435	\$ 1,565,686	\$ 1,407,995
64.5	2,278,840	581,504	-	-	2,860,344	5,810,191	5,425,584
4.0	-	-	311,258	-	311,258	535,886	601,672
82.3	\$ 2,278,840	\$ 581,504	\$ 311,258	\$ 803,435	\$ 3,975,037	\$ 7,911,763	\$ 7,435,251
	\$ 2,278,840	\$ 581,504	\$ 311,258	\$ 803,435	\$ 3,975,037	\$ 7,911,763	\$ 7,435,251
	563,088	126,218	68,268	269,582	1,027,156	2,148,776	2,134,370
	187,628	47,038	25,212	69,569	329,447	668,842	660,986
	-	-	-	150,712	150,712	301,502	280,732
	27,568	102,905	-	-	130,473	262,181	204,984
	46,551	266	614	63,648	111,079	215,014	304,450
	66,013	16,824	9,006	23,361	115,204	237,458	277,290
	35,281	202	466	48,238	84,187	168,374	165,984
	61,816	15,774	8,443	21,793	107,826	174,055	169,811
	108,082	-	-	-	108,082	190,468	168,435
	31,883	-	-	-	31,883	64,618	107,512
	-	-	-	5,715	5,715	11,290	11,817
	100,544	-	-	-	100,544	206,485	182,300
	172,986	-	-	-	172,986	345,132	241,465
	21,184	2,881	1,645	17,738	43,448	86,058	84,369
	39,338	510	660	52,623	93,131	186,656	195,212
	-	-	-	44,380	44,380	68,516	40,825
	3,740,802	894,122	425,572	1,570,794	6,631,290	13,247,188	12,665,793
	245,538	62,655	33,537	86,568	428,298	833,718	834,940
	\$ 3,986,340	\$ 956,777	\$ 459,109	\$ 1,657,362	\$ 7,059,588	\$ 14,080,906	\$ 13,500,733

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, 2024, 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 29, 2024.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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.

Lyndon & McCormick, LLP

October 29, 2024

MANAGEMENT LETTER

October 29, 2024

The Board of Trustees and Management
Elmwood Village Charter Schools

In planning and performing our audit of the financial statements of Elmwood Village Charter Schools (the Organization) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing auditing 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chances of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This report is intended solely for the information and use of the Board of Trustees and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Lumsden & McCormick, LLP