



FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

GREEN TECH HIGH CHARTER SCHOOL

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JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Green Tech High Charter School

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Green Tech High Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Green Tech High Charter School as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Green Tech High Charter School 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 accounting principles generally accepted in the United States of America, 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 Green Tech High Charter School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 for 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 generally accepted auditing standards 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 Green Tech High Charter School'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 Green Tech High Charter School'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report October 29, 2024, on our consideration of Green Tech High 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 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 Green Tech High Charter School'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 Green Tech High Charter School's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 29, 2024

GREEN TECH HIGH CHARTER SCHOOL

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current Assets			
Cash - Operating		\$ 1,723,337	\$ 1,811,708
Cash - Restricted		98,626	34,000
Grants, Contracts and Other Receivables, Net		393,637	546,954
Prepaid Expenses		<u>20,359</u>	<u>17,474</u>
Total Current Assets		<u>2,235,959</u>	<u>2,410,136</u>
Property and Equipment, Net		<u>5,989,846</u>	<u>6,146,899</u>
Other Assets			
Cash - Board Designated		<u>83,419</u>	<u>78,690</u>
Total Assets		<u>\$ 8,309,224</u>	<u>\$ 8,635,725</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities			
Current Portion of Long-Term Debt		\$ 226,950	\$ 215,922
Accounts Payable and Accrued Expenses		15,149	49,735
Accrued Payroll and Benefits		9,174	174,500
Compensated Absences		38,830	47,442
Refundable Advances		<u>98,626</u>	<u>34,000</u>
Total Current Liabilities		<u>388,729</u>	<u>521,599</u>
Long-Term Liabilities			
Long-Term Debt, Net of Current Portion		2,455,845	2,681,855
Net Pension Liability		<u>291,626</u>	<u>815,095</u>
Total Long-Term Liabilities		<u>2,747,471</u>	<u>3,496,950</u>
Total Liabilities		<u>3,136,200</u>	<u>4,018,549</u>
Net Assets			
Without Donor Restrictions:			
Undesignated		5,089,605	4,538,486
Board Designated		<u>83,419</u>	<u>78,690</u>
Total Net Assets		<u>5,173,024</u>	<u>4,617,176</u>
Total Liabilities and Net Assets		<u>\$ 8,309,224</u>	<u>\$ 8,635,725</u>

GREEN TECH HIGH CHARTER SCHOOL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue:			
Public School Districts			
Resident Student Enrollment	\$ 6,523,504	\$ -	\$ 6,523,504
Students with Disabilities	223,366	-	223,366
Grants and Contracts			
Federal Grants	381,617	-	381,617
Food Service/Children Nutrition Program	<u>248,078</u>	<u>-</u>	<u>248,078</u>
Total Revenue	<u>7,376,565</u>	<u>-</u>	<u>7,376,565</u>
Expenses:			
Program Services			
Regular Education	5,005,377	-	5,005,377
Special Education	285,697	-	285,697
Other Programs	<u>301,388</u>	<u>-</u>	<u>301,388</u>
Total Program Services	5,592,462	-	5,592,462
Management and General	<u>1,886,634</u>	<u>-</u>	<u>1,886,634</u>
Total Expenses	<u>7,479,096</u>	<u>-</u>	<u>7,479,096</u>
Deficit from School Operations	<u>(102,531)</u>	<u>-</u>	<u>(102,531)</u>
Other Revenue and Adjustments			
Contributions	32,166	-	32,166
Fundraising	14,139	-	14,139
Interest Income	24,255	-	24,255
E-Rate Income	19,260	-	19,260
Miscellaneous Income	41,448	-	41,448
Pension Adjustments	<u>527,111</u>	<u>-</u>	<u>527,111</u>
Total Other Revenue and Adjustments	<u>658,379</u>	<u>-</u>	<u>658,379</u>
Change in Net Assets	555,848	-	555,848
Net Assets, Beginning of Year	<u>4,617,176</u>	<u>-</u>	<u>4,617,176</u>
Net Assets, End of Year	<u>\$ 5,173,024</u>	<u>\$ -</u>	<u>\$ 5,173,024</u>

GREEN TECH HIGH CHARTER SCHOOL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue:			
Public School Districts			
Resident Student Enrollment	\$ 6,432,332	\$ -	\$ 6,432,332
Students with Disabilities	153,988	-	153,988
Grants and Contracts			
Federal Grants	430,232	-	430,232
Food Service/Children Nutrition Program	<u>264,702</u>	<u>-</u>	<u>264,702</u>
Total Revenue	<u>7,281,254</u>	<u>-</u>	<u>7,281,254</u>
Expenses:			
Program Services			
Regular Education	4,910,646	-	4,910,646
Special Education	362,109	-	362,109
Other Programs	<u>290,169</u>	<u>-</u>	<u>290,169</u>
Total Program Services	5,562,924	-	5,562,924
Management and General	<u>1,708,728</u>	<u>-</u>	<u>1,708,728</u>
Total Expenses	<u>7,271,652</u>	<u>-</u>	<u>7,271,652</u>
Surplus from School Operations	<u>9,602</u>	<u>-</u>	<u>9,602</u>
Other Revenue, Adjustments and Reclassifications			
Contributions	58,393	-	58,393
Fundraising	3,116	-	3,116
Interest Income	2,051	-	2,051
E-Rate Income	45,935	-	45,935
Miscellaneous Income	59,908	-	59,908
Pension Adjustments	(449,196)	-	(449,196)
Net Assets Released from Restrictions	<u>30,000</u>	<u>(30,000)</u>	<u>-</u>
Total Other Revenue, Adjustments and Reclassifications	<u>(249,793)</u>	<u>(30,000)</u>	<u>(279,793)</u>
Change in Net Assets	(240,191)	(30,000)	(270,191)
Net Assets, Beginning of Year	<u>4,857,367</u>	<u>30,000</u>	<u>4,887,367</u>
Net Assets, End of Year	<u>\$ 4,617,176</u>	<u>\$ -</u>	<u>\$ 4,617,176</u>

GREEN TECH HIGH CHARTER SCHOOL
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 555,848	\$ (270,191)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Amortization of Debt Issuance Costs	938	938
Depreciation	325,156	325,240
Pension Related Changes	(523,469)	591,210
Bad Debt Expense	2,465	30,000
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets		
Grants, Contracts and Other Receivables, Net	150,852	299,645
Prepaid Expense	(2,885)	(17,474)
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	(34,586)	20,750
Accrued Payroll and Benefits	(165,326)	(9,423)
Compensated Absences	(8,612)	5,641
Refundable Advances	<u>64,626</u>	<u>14,000</u>
Net Cash Provided by Operating Activities	<u>365,007</u>	<u>990,336</u>
Cash Flows From Investing Activities		
Purchase of Property and Equipment	<u>(168,103)</u>	<u>(154,751)</u>
Cash Flows From Financing Activities		
Payments on Long-Term Debt	<u>(215,920)</u>	<u>(206,075)</u>
Change in Cash	(19,016)	629,510
Cash, Beginning of Year	<u>1,924,398</u>	<u>1,294,888</u>
Cash, End of Year	<u>\$ 1,905,382</u>	<u>\$ 1,924,398</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	<u>\$ 135,534</u>	<u>\$ 145,300</u>

Note: Cash includes operating, restricted and board designated accounts.

GREEN TECH HIGH CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Programs</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 2,790,402	\$ 169,227	\$ 203,070	\$ 3,162,699	\$ 1,008,739	\$ 4,171,438
Benefits and Payroll Taxes	752,203	45,618	54,741	852,562	271,924	1,124,486
Contracted Services	301,605	18,291	-	319,896	-	319,896
Educational Materials	174,076	10,557	-	184,633	-	184,633
Extracurricular Activities	26,862	-	-	26,862	-	26,862
Insurance	59,537	3,611	4,333	67,481	21,523	89,004
Maintenance and Repairs	199,026	12,070	14,484	225,580	71,948	297,528
Marketing and Recruitment	-	-	-	-	36,259	36,259
Miscellaneous	-	-	-	-	13,997	13,997
Postage and Delivery	-	-	-	-	11,740	11,740
Professional Services	-	-	-	-	109,094	109,094
Scholarships	35,000	-	-	35,000	-	35,000
Sports	149,241	-	-	149,241	-	149,241
Staff Development	66,523	4,034	-	70,557	-	70,557
Supplies and Materials	-	-	-	-	79,480	79,480
Telephone and Internet	25,219	1,529	1,835	28,583	9,116	37,699
Transportation (Student)	65,645	-	-	65,645	-	65,645
Travel (General)	27,308	1,656	-	28,964	-	28,964
Uniforms	17,719	-	-	17,719	-	17,719
Utilities	97,504	5,913	7,096	110,513	35,248	145,761
Depreciation	217,507	13,191	15,829	246,527	78,629	325,156
Bad Debt Expense	-	-	-	-	2,465	2,465
Interest	-	-	-	-	136,472	136,472
Total Expenses	<u>\$ 5,005,377</u>	<u>\$ 285,697</u>	<u>\$ 301,388</u>	<u>\$ 5,592,462</u>	<u>\$ 1,886,634</u>	<u>\$ 7,479,096</u>

GREEN TECH HIGH CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Programs</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 2,692,439	\$ 209,915	\$ 190,228	\$ 3,092,582	\$ 866,162	\$ 3,958,744
Benefits and Payroll Taxes	786,414	61,313	55,562	903,289	252,991	1,156,280
Contracted Services	297,811	23,219	-	321,030	-	321,030
Educational Materials	171,642	13,382	-	185,024	-	185,024
Extracurricular Activities	48,599	-	-	48,599	-	48,599
Insurance	57,463	4,480	4,060	66,003	18,486	84,489
Maintenance and Repairs	209,890	16,364	14,829	241,083	67,522	308,605
Marketing and Recruitment	-	-	-	-	65,159	65,159
Miscellaneous	-	-	-	-	9,933	9,933
Postage and Delivery	-	-	-	-	11,283	11,283
Professional Services	-	-	-	-	64,179	64,179
Scholarships	20,000	-	-	20,000	-	20,000
Sports	118,366	-	-	118,366	-	118,366
Staff Development	56,078	4,372	-	60,450	-	60,450
Supplies and Materials	-	-	-	-	60,716	60,716
Telephone and Internet	35,647	2,779	2,519	40,945	11,465	52,410
Transportation (Student)	62,121	-	-	62,121	-	62,121
Travel (General)	12,015	937	-	12,952	-	12,952
Uniforms	17,035	-	-	17,035	-	17,035
Utilities	103,922	8,102	7,342	119,366	33,432	152,798
Depreciation	221,204	17,246	15,629	254,079	71,162	325,241
Bad Debt Expense	-	-	-	-	30,000	30,000
Interest	-	-	-	-	146,238	146,238
Total Expenses	<u>\$ 4,910,646</u>	<u>\$ 362,109</u>	<u>\$ 290,169</u>	<u>\$ 5,562,924</u>	<u>\$ 1,708,728</u>	<u>\$ 7,271,652</u>

1. ORGANIZATION AND PURPOSE

Organization

The mission of Green Tech High Charter School (the “School”) is to prepare young men to complete high school with a Regents diploma so they will have the opportunity to attend college or choose an alternative, responsible career path as they enter adulthood. The School will succeed in this mission by providing a complete college preparatory high school curriculum that ensures every student will attain the skills and coursework necessary for a Regents diploma, including the use of computer technology, with an added knowledge and understanding of the environment.

A provisional charter, valid for five years, was granted to the School by the Charter School Institute of the State University of New York pursuant to Article 56 of the Educational Law of the State of New York. The School began providing educational services in the fall of 2008 for the 9th grade. The provisional charter allowed for an additional grade to be added in each subsequent year until the School reaches grade 12. The School’s most recent charter renewal was granted in 2023 extending operations for an additional two years. In February 2019, the School received approval to modify its charter renewal and add a middle school program to its existing high school program, adding grades 6 through 8 in subsequent years through June 30, 2021. As of June 30, 2024, the School had an enrollment of approximately 400 students in the 6th through 12th grades.

The School is governed by a Board of Trustees in accordance with the School’s bylaws.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies and Financial Statement Presentation

The following summarizes the significant accounting policies consistently applied in the preparation of the School’s financial statements, with references to the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) where applicable.

Basis of Accounting

The financial statements of the School are prepared using the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. This basis of accounting is in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

A substantial portion of the School’s revenue and related receivables is derived from its billing to school districts in accordance with State law, requiring the District to reimburse the School based on a per capita basis. These revenues are recognized ratably over the related school year during which they are earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Grants, contributions received and unconditional promises to give are measured at their fair values and reported as an increase in net assets. The School reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. The School reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenue on cost reimbursement grants and contracts is recognized to the extent actual expenditures have been incurred in compliance with the specific grant requirements. Other grant and contract revenue is recognized in the period earned if on a fee for services basis. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligation(s) in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation(s) in the contract
- Recognize revenue when earned or as performance obligation(s) are satisfied

Contract Assets

Amounts related to services provided to customers which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of services provided to customers who are still receiving services at the end of the year. There were no contract assets at June 30, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contracts with Customers (Continued)

Contract Liabilities

Contract liabilities represent revenue that has been deferred for the funds advanced by third party payors for the School's contracts received related to services that have not yet been provided to customers. Contract liabilities consist of payments made by funding and other sources for the School's contracts for services not yet performed that are expected to be performed within the next fiscal year. There were no contract liabilities at June 30, 2024 and 2023.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs benefitted. Salaries are allocated based on estimates of total time spent, while other expenses are allocated based on estimates of the resources used.

Grants, Contracts and Other Receivables

Receivables are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded when received. A receivable is considered past due if any portion of the receivable balance is outstanding for more than 90 days. Management has determined an allowance for school district tuition was necessary as of June 30, 2024 and 2023 in the amount of \$107,000.

Pledges Receivable

Unconditional pledges receivable are recognized as revenue without donor restrictions if pledged and paid in the same year, and revenue with donor restrictions if pledged in one year with ultimate payment in subsequent year(s). Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year.

Property, Equipment and Depreciation

Acquisitions of property and equipment in excess of \$1,000 are capitalized and recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs not improving or extending the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation is removed from the accounts and any gain or loss is reported in the statement of activities. Depreciation is provided over the estimated useful life of each class of depreciable asset (ranging from 3 to 39 years) and is computed using the straight-line method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the School and changes therein are reported according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the School and/or the passage of time. When a 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.

Advertising Costs

The School expenses advertising costs as they are incurred. Advertising costs for the years ended June 30, 2024 and 2023 were \$36,259 and \$65,159, respectively, and are included in the Statement of Functional Expenses as marketing and recruitment.

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 certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Tax Status

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the School qualifies as a school, and for the charitable contribution deduction under Section 170(b)(1)(A)(ii), and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Donated Services

The School received donated services from unpaid volunteers who assisted in fund raising, office administration and program activities. For the services donated, the criteria for recognition in these financial statements of such volunteer effort was not met and, therefore, no revenue and expense has been reflected in these financial statements. Management has estimated that volunteers have provided approximately 100 hours in assisting the School in each of the years ended June 30, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value

The ASC requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable input to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the School would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants.

Accounting for Uncertainty in Income Taxes

The School follows the ASC, *Accounting for Income Taxes*, and their current accounting policy for evaluating uncertain tax positions is in accordance with generally accepted accounting principles. The School has not recognized any benefits from uncertain tax positions in 2024 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the balance sheet date of June 30, 2024.

Information returns filed by the School are subject to examination by taxing authorities up to three years after the extended due date of each return. Forms 990 and state income tax filings for the School are no longer subject to examination for the year ended June 30, 2020 and prior.

Reclassifications

Certain 2023 amounts have been reclassified to conform to the 2024 financial statement presentation.

Subsequent Events

The School follows the ASC, *Subsequent Events*, which establishes general standards of accounting for, and disclosures of, events that occur after the due date of the financial statements but before the financial statements are issued or are available to be issued. In the preparation of these financial statements and notes thereto, management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through October 29, 2024, the date the financial statements were available to be issued. No events or transactions were identified by management.

3. BOARD DESIGNATED AND RESTRICTED CASH

The School has internally designated cash in the amount of \$83,419 and \$78,690 as of June 30, 2024 and 2023, respectively. The intended purpose of this designation is to provide a dissolution escrow to cover costs associated with an unanticipated closure, as required by the School's Charter Agreement. The School also has Restricted Cash in the amount of \$98,626 and \$34,000 at June 30, 2024 and 2023, respectively. This cash represents refundable advances on grants to be expended in subsequent periods.

4. GRANTS AND CONTRACTS RECEIVABLE, NET

At June 30, 2024 and 2023, grants, contracts and other receivables were comprised of the following sources:

	<u>2024</u>	<u>2023</u>
School District Tuition, Net	\$ 199,666	\$ 78,974
U.S. Department of Agriculture	30,813	14,021
U.S. Department of Education	<u>163,158</u>	<u>453,959</u>
	<u><u>\$ 393,637</u></u>	<u><u>\$ 546,954</u></u>

5. PROPERTY AND EQUIPMENT

Property and equipment are reflected at historical cost, net of related depreciation, and are comprised of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 255,000	\$ 255,000
Buildings and Improvements	5,909,509	5,874,906
Furniture and Fixtures	172,712	137,208
Equipment	<u>600,864</u>	<u>503,417</u>
Total at Cost	6,938,085	6,770,531
Less: Accumulated Depreciation	<u>(948,239)</u>	<u>(623,632)</u>
	<u><u>\$ 5,989,846</u></u>	<u><u>\$ 6,146,899</u></u>

Depreciation expense was \$325,156 and \$325,241 for the years ended June 30, 2024 and 2023, respectively.

6. REFUNDABLE ADVANCES

Refundable advances consist of grant funds received for specific expenditures in subsequent periods, and the balances are comprised of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Scholarships	\$ 20,000	\$ 14,000
Transportation, Clothing, Safety Gear	60,000	20,000
Therapeutic Journaling Program	<u>18,626</u>	<u>-</u>
	<u><u>\$ 98,626</u></u>	<u><u>\$ 34,000</u></u>

The grants listed above have an implied or specific right of return if the funds are not expended for the specific purpose.

GREEN TECH HIGH CHARTER SCHOOL
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2024 AND 2023

7. LONG-TERM DEBT

Long-Term debt is comprised of the following:

	<u>2024</u>	<u>2023</u>
Mortgage payable to Bank of Greene County in monthly installments of \$29,288, including interest at 4.74%, maturing in January 2034, collateralized by the building.	\$ 2,694,442	\$ 2,910,362
Less: Unamortized Debt Issuance Costs, Net	(11,647)	(12,585)
Less: Current Portion	<u>(226,950)</u>	<u>(215,922)</u>
Long-Term Debt, Net of Current Portion and Unamortized Debt Issuance Costs	<u>\$ 2,455,845</u>	<u>\$ 2,681,855</u>

The School is required to maintain debt covenants by the lender of the mortgage. As of June 30, 2024, the School was in compliance with all applicable covenants.

Unamortized debt issuance costs as of June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Transaction and Financing Costs - Fifteen Year Amortization	\$ 14,070	\$ 14,070
Less: Accumulated Amortization	<u>(2,423)</u>	<u>(1,485)</u>
Unamortized Debt Issuance Costs, Net	<u>\$ 11,647</u>	<u>\$ 12,585</u>

Estimated debt maturities at June 30 over the next five (5) years and thereafter are as follows:

2025	\$ 226,950
2026	238,052
2027	249,749
2028	261,778
2029	274,881
Thereafter	<u>1,443,032</u>
	<u>\$ 2,694,442</u>

8. RETIREMENT PLANS

Profit Sharing Plan

The School has adopted a profit-sharing plan under IRC §401(k) covering substantially all eligible employees, along with a discretionary matching contribution of up to 50% of the employee's contribution, to a maximum matching contribution of 2% of the employee's gross compensation. The School's 401(k) matching contribution for the years ended June 30, 2024 and 2023 were \$0 each year.

Defined Benefit Pension Plan

The School adopted a tax exempt Defined Benefit Pension Plan (the "Plan") and related trust under Internal Revenue Code Section 401(a) and 501(a), respectively, effective July 1, 2020. **The Plan was amended during the fiscal year to freeze participation and benefit accruals effective June 30, 2024.**

Plan Description

The Plan covers substantially all employees who have completed 1 year of service (1,000 hours) and have reached age 21. Upon reaching age 62 (or age 55 with at least five years of vested service) participants are eligible for benefits of 1% of plan compensation multiplied by the participant's credited service.

Funding Policy

The School is required to make annual contributions to the Plan as actuarially determined. For the years ended June 30, 2024 and 2023, the School contributed \$241,407 and \$120,000, respectively to the Plan. The expected contribution for the year ending June 30, 2025 is \$213,657.

8. RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liability and Expense

At June 30, 2024 and 2023, the School reported a pension liability of \$291,626 and \$815,095, respectively, calculated as follows:

	<u>2024</u>	<u>2023</u>
<u>Change in Benefit Obligation</u>		
Projected Benefit Obligation - Beginning of Year	\$ 1,336,978	\$ 619,207
Service Cost	245,049	262,014
Interest Cost	65,687	52,554
Amendments/Curtailments/Special Termination	(445,133)	553,276
Actuarial Gain (Loss)	<u>(114,434)</u>	<u>(150,073)</u>
Projected Benefit Obligation - End of Year	<u>\$ 1,088,147</u>	<u>\$ 1,336,978</u>
<u>Change in Plan Assets</u>		
Fair Value of Plan Assets - Beginning of Year	521,883	\$ 395,322
Actual Return on Plan Assets	33,231	6,561
Employer Contributions	<u>241,407</u>	<u>120,000</u>
Fair Value of Plan Assets - End of Year	<u>\$ 796,521</u>	<u>\$ 521,883</u>
 Pension Asset (Liability)	 <u>\$ (291,626)</u>	 <u>\$ (815,095)</u>

The fair value (measured at quoted prices in active markets for identical assets, Level 1) of the Plan's assets at June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Cash	\$ 50,493	\$ 39,361
Bonds	290,871	206,832
U.S. Equity Investments	259,038	135,381
Foreign Equity Investments	146,246	140,205
Other	<u>49,873</u>	<u>104</u>
Total	<u>\$ 796,521</u>	<u>\$ 521,883</u>

8. RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

For the years ended June 30, 2024 and 2023, the School reported net periodic pension cost for this plan as follows:

	<u>2024</u>	<u>2023</u>
Service Cost Component*	\$ 245,049	\$ 262,014
Interest Cost on Projected Benefit Obligation	65,687	52,554
Expected Return on Assets	(42,165)	(29,916)
Prior Service Cost (Benefit)	(445,133)	553,276
Amortization of Actuarial Gain	<u>(105,500)</u>	<u>(126,718)</u>
Net Periodic Pension Cost (Benefit)	<u>\$ (282,062)</u>	<u>\$ 711,210</u>

*Service cost component is included in the employee benefits expense line. All other components are included in the non-operating section of the Statement of Activities.

Actuarial Assumptions

Actuarial Cost Method	Projected Unit Credit
Measurement Date	June 30, 2024
Discount Rate	5.37%
Salary Increases	3.0%
Expected Long-Term Rate of Return	7.0%
Pre-Retirement Mortality	N/A
Post-Retirement Maturity	Sex-distinct Amount -Weighted Pri-2012 Mortality Tables using Scale MP-2021 on a generational basis

Expected Benefit Payments

Benefits expected to be paid if the future are as follows:

2025	\$ 11,669
2026	11,541
2027	11,406
2028	13,969
2029	13,797
2030-2034	<u>160,294</u>
	<u>\$ 222,676</u>

9. COMMITMENTS AND CONTINGENCIES

The School is subject to audits and reviews of reimbursable costs by various governmental agencies. The outcome of the audits and reviews may have the effect of retroactively increasing or decreasing revenue from various sources. These changes, if any, will be recognized in accordance with the rules and guidelines established by the various funding sources.

10. CONCENTRATION OF RISK

The School receives a substantial portion of its funding from school districts where students reside. Three school districts comprised approximately 77% and 79% of total revenue for the years ended June 30, 2024 and 2023, respectively. No other funding source accounted for more than 10% of total revenue.

The School does occasionally maintain deposits in excess of federal insured limits. The ASC identifies this as a possible concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The School has \$2,116,974 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$1,723,337 and receivables of \$393,637. The School has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$1,250,000. The School has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**ADDITIONAL REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

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**INDEPENDENT AUDITOR’S 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***

Board of Trustees
Green Tech High Charter School

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 Green Tech High Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows and functional expenses 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 Green Tech High 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 Green Tech High Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of Green Tech High 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green Tech High Charter School'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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 29, 2024