
***NURSES MIDDLE COLLEGE -
CAPITAL REGION***

***Basic Financial Statements
With Independent Auditors' Report & Report
Required by Government Auditing Standards***

***PERIOD FROM OCTOBER 29, 2021 (DATE OF INCEPTION)
TO JUNE 30, 2024***

PPA, LLP

**NURSES MIDDLE COLLEGE - CAPITAL REGION
AUDITED FINANCIAL STATEMENTS
PERIOD FROM OCTOBER 29, 2021 (DATE OF INCEPTION) TO JUNE 30, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Nurses MC – Capital Region

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nurses MC – Capital Region (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the period from October 21, 2019 (date of inception) to June 30, 2024, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nurses MC - Capital Region as of June 30, 2024, and the changes in its net assets and its cash flows for the for the period from October 21, 2019 (date of inception) to June 30, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 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 Nurses MC - Capital Region and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Nurses MC - Capital Region'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 Nurses MC - Capital Region'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 Nurses MC - Capital Region'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 dated October 28, 2024, on our consideration of Nurses MC - Capital Region'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 Nurses MC - Capital Region'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 Nurses MC - Capital Region's internal control over financial reporting and compliance.

PPA, LLP

Warwick, RI
October 28, 2024

**NURSES MIDDLE COLLEGE - CAPITAL REGION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING JUNE 30, 2024**

ASSETS

	2024
Current Assets	
Cash and cash equivalents	\$ 430,826
Grants and contract funds receivable	259,795
Prepaid expenses	9,370
Operating lease right-of-use assets	219,628
Total Current Assets	919,619
 Property and Equipment, Net	 250,541
Total Assets	\$ 1,170,160

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 366,959
Accrued expenses	100,316
Due to related organizations	643,533
Current portion of operating lease liabilities	198,034
Total Current Liabilities	1,308,841
Operating lease liabilities, net of current portion	22,087
Total Long Term Liabilities	22,087
Total Liabilities	1,330,929
 Net Assets	
Without donor restrictions	(239,399)
With donor restrictions	78,630
Total Net Assets	(160,769)
Total Liabilities and Net Assets	\$ 1,170,160

See auditor's report and accompanying notes to these financial statements

NURSES MIDDLE COLLEGE - CAPITAL REGION
STATEMENT OF ACTIVITIES
PERIOD FROM OCTOBER 29, 2021 (DATE OF INCEPTION) TO JUNE 30, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Change in net assets from			
Revenue and contributed support:			
Federal Grants	\$ 1,351,270	\$ -	\$ 1,351,270
State Grants:			
Per pupil funding	847,439	-	847,439
Food reimbursement	811	-	811
Contributions & donations	743,426	100,000	843,426
In-kind contributions & donations	11,759	-	11,759
Net assets released from restrictions:			
Satisfaction of program restrictions	21,370	(21,370)	-
Total revenue and contributed support	<u>2,976,075</u>	<u>78,630</u>	<u>3,054,705</u>
Expenses:			
Program services	2,118,312	-	2,118,312
Total program services	<u>2,118,312</u>	<u>-</u>	<u>2,118,312</u>
Supporting Services:			
Management and general	1,096,810	-	1,096,810
Development	352	-	352
Total supporting services	<u>1,097,162</u>	<u>-</u>	<u>1,097,162</u>
Total expenses	<u>3,215,474</u>	<u>-</u>	<u>3,215,474</u>
Change in net assets	(239,399)	78,630	(160,769)
Net assets, beginning of the year	-	-	-
Net assets, end of the year	<u>\$ (239,399)</u>	<u>\$ 78,630</u>	<u>\$ (160,769)</u>

See auditor's report and accompanying notes to these financial statements

NURSES MIDDLE COLLEGE - CAPITAL REGION
STATEMENT OF FUNCTIONAL EXPENSES
PERIOD FROM OCTOBER 29, 2021 (DATE OF INCEPTION) TO JUNE 30, 2024

	Program Services			Supporting Services		Total
	Regular Education	Special Education	Other Program	Management and general	Fundraising & Special Events	
Personnel Costs:						
Salaries	\$ 796,650	\$ -	\$ -	\$ 176,137	\$ -	\$ 972,787
Payroll taxes and fringe benefits	119,983	-	-	22,854	-	142,837
Employee benefits	2,538	-	-	483	-	3,021
Total personnel costs	<u>919,171</u>	<u>-</u>	<u>-</u>	<u>199,474</u>	<u>-</u>	<u>1,118,645</u>
Expenses:						
Management company fees	117,006	-	-	117,006	-	234,012
Legal services	-	-	-	82,920	-	82,920
Accounting and auditing services	21,000	-	-	4,000	-	25,000
Other professional services	190,705	-	-	611,024	-	801,729
Building and Land Rent	150,901	-	-	28,743	-	179,644
Repairs and Maintenance	29,616	-	-	5,641	-	35,257
Insurance	32,385	-	-	6,169	-	38,554
Supplies and materials	159,605	-	-	-	-	159,605
Equipment and furnishings	5,960	-	-	1,135	-	7,095
Staff development	37,066	-	-	7,060	-	44,126
Marketing and recruiting	140,782	-	-	-	-	140,782
Technology	64,963	-	-	12,374	-	77,337
Food service	170,625	-	-	-	-	170,625
Student service	7,425	-	-	-	-	7,425
Office expense	31,469	-	-	2,761	-	34,230
Other expenses	5,350	-	-	11,973	352	17,675
Total other costs except for depreciation	<u>1,164,858</u>	<u>-</u>	<u>-</u>	<u>890,806</u>	<u>352</u>	<u>2,056,016</u>
Depreciation & amortization	<u>34,283</u>	<u>-</u>	<u>-</u>	<u>6,530</u>	<u>-</u>	<u>40,813</u>
Total expenses	<u>\$ 2,118,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,096,810</u>	<u>\$ 352</u>	<u>\$ 3,215,474</u>

See auditor's report and accompanying notes to these financial statements

**NURSES MIDDLE COLLEGE - CAPITAL REGION
STATEMENTS OF CASH FLOWS
PERIOD FROM OCTOBER 29, 2021 (DATE OF INCEPTION) TO JUNE 30, 2024**

	<u>2024</u>
Cash flows from operating activities	
Change in net assets	\$ (160,769)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	35,062
Changes in operating assets and liabilities:	
(Increase) decrease in assets:	
Grants and contracts receivable	(259,795)
Prepaid expenses	(9,370)
Right of use	(219,628)
Increase (decrease) in liabilities:	
Accounts payable	366,959
Accrued expenses	100,316
Due to related organizations	643,533
Lease liability	220,122
Net cash provided (used) by operating activities	<u>716,430</u>
Cash flows from investing activities	
Purchase of property and equipment	<u>(285,604)</u>
Net cash provided (used) by investing activities	<u>(285,604)</u>
Net increase (decrease) in cash	430,826
Cash at beginning of year	<u>-</u>
Cash at end of year	<u><u>\$ 430,826</u></u>
Other required disclosures	
Total interest paid	<u><u>\$ -</u></u>
Total taxes paid	<u><u>\$ -</u></u>

See auditor's report and accompanying notes to these financial statements

NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – NATURE OF OPERATIONS

Description of the Organization:

Nurses Middle College – Capital Region (the School), is a non-profit charter high-school located in Albany, New York. The School’s mission is to prepare a diverse group of students, by creating a supportive learning environment to develop skills, knowledge and passion necessary to become the highly educated and professional nursing workforce of the future.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding the School’s financial statements. The financial statements and notes are representations of the School’s management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Method of Accounting

The School prepares its financial statements using the accrual method of accounting.

Functional Allocation of Expenses

The School allocates expenses between functional categories on a specific identification basis where practical and on a percentage allocation basis where specific identification is not practical.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel costs	Time and effort
Management company fees	Time and effort
Accounting and auditing fees	Time and effort
Other professional services	Time and effort
Building and land rent	Square footage
Repairs and maintenance	Time and effort
Insurance	Square footage
Equipment and furnishing	Time and effort
Staff development	Time and effort
Technology	Time and effort
Office expenses	Time and effort
Other expenses	Time and effort

NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

The financial statements of the School have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Non-Profit Organizations” (The “Guide”). (ASC) 958-205 was effective January 1, 2019.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the School and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. The School’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash on hand, cash in savings and checking accounts, certificates of deposit with original maturities of ninety (90) days or less when purchased, and cash in money market accounts or money market mutual funds available for current purposes are considered cash and cash equivalents for the purpose of the presentation of cash on the statements of cash flow.

Accounts Receivable

The School uses the allowance method in recording uncollectible amounts. Management concludes all receivables are considered collectible at June 30, 2024.

Grants and Contracts Receivable

The School carries its grants and contracts receivable at net realizable value. A receivable is recorded when the School fulfills the terms of the grant and/or contract and bills the funder.

NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Contracts Receivable

The School carries its grants and contracts receivable at net realizable value. A receivable is recorded when the School fulfills the terms of the grant and/or contract and bills the funder.

On a periodic basis, the School evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past bad debt expense, collections, and current credit conditions. A receivable is considered past due if the School has not received payment within the stated terms. In the opinion of management, no allowance for doubtful accounts is necessary at June 30, 2024.

Property and Equipment

Property and equipment are stated at cost except donated property and equipment which is capitalized at its fair market value at the date of donation. Depreciation is provided for by use of the straight-line method over the estimated useful lives of the assets. The School capitalizes furniture, equipment and building improvements having a cost basis of over \$5,000. Donations of property and equipment are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the School reports expirations of donor restriction when the assets are placed in service. At which time the School reclasses them from net assets with donor restrictions to net assets without donor restrictions.

	<u>Years</u>
Leasehold improvements	Lesser of useful life or lease term remainder
Furniture and Equipment	3 - 7
Technology Related Equipment	3

Federal Financial Assistance

The School recognizes revenue from federal reimbursement grants as expenditures are incurred.

Grant Revenue

Grant revenue is recognized when earned, the School fulfills the terms of the award, services have been rendered and the provisions of the grant have been met.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and nature of any donor restrictions.

NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. There were no donated services recognized for the period ending June 30, 2024.

Marketing

Marketing costs are expenses in the year incurred. For the period October 29, 2021 (date of inception) to June 30, 2024, the School incurred \$140,632 in marketing and advertising costs.

Income Taxes

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or unexpected can be claimed on a tax return should be recorded in the financial statements. Under this guidance, the School may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the School and various positions related to potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the period ending June 30, 2024.

The School is required to file Form 990 (Return of Organization Exempt from Income Tax) which is subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of the return. As of June 30, 2024, the School has two open tax years which is the for the years ended June 30, 2023 and 2024.

Uncertainty in Accounting for Income Taxes

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the tax authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. The benefit of a tax position is recognized in the financial statements in the period which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset against or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority.

NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertainty in Accounting for Income Taxes (continued)

The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying statement of financial position along with any associated interest and penalties that would be payable to the taxing authority upon examination.

The School has two open tax years which are the years ended June 30, 2023 and 2024.

Management has determined there are no uncertain income tax positions.

Fair Value Measurements

Authoritative guidance relating to fair value establishes a framework for measuring fair value and establishing a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad areas:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

The asset or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Recent Accounting Pronouncements

The following is a summary of recent authoritative pronouncements that could impact the accounting, reporting, and/or disclosure of financial information by the School.

In February 2016, the FASB issued ASU 2016-02, Leases, which is effective for annual periods beginning after December 15, 2021. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the Statement of Financial Position at the date of lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the Statement of Activities. This standard has been adopted by the School for the period October 29, 2021 (date of inception) to June 30, 2024.

NOTE 3 – CASH

The School maintains its cash deposits at one local financial institution. The carrying amount of deposits is separately displayed on the Statement of Financial Position as “Cash and Cash Equivalents”. The bank statement balances amount to \$430,826 which is subject to FDIC insurance limitations (See Note 8). The difference between carrying amount and the bank balance is made up of outstanding checks and deposits in transit.

NOTE 4 – GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts funds receivable include the value of certain services and grants. The balances of grants and contracts receivable were \$259,794 at June 30, 2024. Management considered all receivables to be fully collectible at June 30, 2024.

NOTE 5 – PROPERTY AND EQUIPMENT

The components of property and equipment at the period ended June 30, 2024, are as follows:

Computers	\$ 97,525
Furnitures & Fixtures	140,795
Telecommunication/Technology Equipment	<u>47,284</u>
	\$ 285,604
Less accumulated depreciation	<u>(35,062)</u>
	<u>\$ 250,541</u>

**NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – NET ASSETS WITH DONOR RESTRICTION

At June 30, 2024 net assets with donor restrictions of the School consisted of the following:

	Balance at October 29, 2021 (Inception date)	With Donor Restrictions Contributions	Released From Donor Restrictions	Balance at June 30, 2024
Mother Cabrini Health Foundation	\$ -	\$ 100,000	\$ 21,370	\$ 78,630

NOTE 7 – COMMITMENTS AND CONTINGENCIES

A. Right-of-Use Operating Leases

The School occupies a building at 199 Washington Ave, Rensselaer, New York through an operating lease. The term of the lease started August 1, 2023, and ends June 30, 2025, with monthly payments of \$16,331. In addition, the School leases two copier equipment through operating leases, with monthly combined payments of \$625. Both leases have a 5-year term, that started April and October of 2023.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of June 30, 2024:

Operating lease right-of-use assets	<u>\$219,627</u>
Current portion of operating lease liabilities	198,034
Operating lease liabilities, net of current portion	<u>22,087</u>
Total operating lease liabilities	<u>\$220,121</u>

The maturities of lease liabilities as of June 30, 2024 were as follows:

Years Ending June 30,	<u>Building</u>	<u>Copiers</u>
2025	\$ 195,975	\$ 7,500
2026	-	7,500
2027	-	7,500
2028	-	7,125
2029		1,500
Thereafter	-	-
Total lease payments	195,975	31,125
Less: interest	(4,342)	(2,637)
Present value of lease liabilities	<u>\$ 191,633</u>	<u>\$ 28,488</u>

**NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – RISKS AND UNCERTAINTIES

A. Concentration of Funding

The School received 10% or more of its revenue and contributed support from the following sources for the period from October 29, 2021 (date of inception) to June 30, 2024

<u>Source</u>	<u>Income received</u>	<u>Percentage of total revenue and support</u>
Charter School Program Funding	\$ 1,241,832	40.79%
Albany City School District	667,663	21.93%
Nurses Middle College	643,533	21.14%
	<u>\$ 2,553,028</u>	<u>83.86%</u>

B. Concentration of Credit Risk

The School maintains cash balances at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. As of June 30, 2024 the School is has an uninsured balance of \$180,826.

NOTE 9 – RELATED PARTIES

The School is currently associated with one related party. Nurses Middle College, the CMO, spent a total of \$234,464 during the initial process of establishing the School. In the period ending June 30, 2024 the School received \$409,069 from Nurses Middle College.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the School’s financial assets at June 30, 2024:

Financial assets at year-end:	
Cash and cash equivalents	\$ 430,826
Accounts receivable	259,794
Prepaid expenses	9,370
Less amounts not available to be used within one year	
Prepaid expenses	9,370
Net assets with donor restrictions	78,630
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 611,990</u>

NURSES MIDDLE COLLEGE – CAPITAL REGION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

The School has a policy to manage their liquidity and revenue with the objective of maintaining adequate liquidity to fund near-term operations and maintaining sufficient reserves to provide reasonable assurances that long-term obligations will be met. The School's primary sources of financial assets are contributions, grants and fundraising. Much of that support is not subject to restriction. Management believes that currently available financial assets are adequate to fund operations for the coming six months. Additional grants, fund-raising and donations will be utilized to fund operation for the balance of the year.

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, The School's management has evaluated events and transactions for potential recognition or disclosure through October 28, 2024, the date the financial statements were available to be issued. Through that date, there were no subsequent events requiring disclosure.



**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***

To the Board of Trustees of
Nurses MC - Capital Region

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 Nurses MC - Capital Region (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the period from October 21, 2019 (date of inception) to June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2024

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nurses MC - Capital Region'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 Nurses MC - Capital Region's internal control. Accordingly, we do not express an opinion on the effectiveness of Nurses MC - Capital Region'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 Nurses MC - Capital Region'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.

PPA, LLP

Warwick, RI
October 28, 2024