

**ELMWOOD VILLAGE CHARTER SCHOOLS**

**FINANCIAL STATEMENTS  
WITH ADDITIONAL INFORMATION**

**June 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Elmwood Village Charter Schools

We have audited the accompanying balance sheets of Elmwood Village Charter Schools (the Organization) as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Additional Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2019 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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

October 16, 2019

ELMWOOD VILLAGE CHARTER SCHOOLS

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**Balance Sheets**

June 30,	2019	2018
<b>Assets</b>		
Current assets:		
Cash	\$ 4,520,182	\$ 3,664,809
Grants and other receivables (Note 2)	245,409	239,971
Prepaid expenses and other	39,940	56,307
	<b>4,805,531</b>	3,961,087
Property and equipment, net (Note 3)	11,163,964	11,612,544
Restricted cash	150,000	100,000
	<b>\$ 16,119,495</b>	\$ 15,673,631
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of long-term debt (Note 5)	\$ 454,955	\$ 440,562
Accounts payable	141,526	232,902
Accrued expenses	1,082,807	883,461
Deferred revenue	3,438	121,168
	<b>1,682,726</b>	1,678,093
Long-term debt (Note 5)	6,140,452	6,566,328
<b>Net assets:</b>		
Without donor restrictions	8,261,989	7,429,210
With donor restrictions (Note 6)	34,328	-
	<b>8,296,317</b>	7,429,210
	<b>\$ 16,119,495</b>	\$ 15,673,631

ELMWOOD VILLAGE CHARTER SCHOOLS

**Statements of Activities**

For the years ended June 30,	<b>2019</b>	2018
<b>Net assets without donor restrictions:</b>		
Support and revenue:		
Public school districts:		
Revenue - resident student enrollment	\$ 8,582,459	\$ 7,341,681
Revenue - students with disabilities	813,500	690,772
Revenue - additional state aid	176,624	-
Federal grants	288,596	638,744
Contributions and local grants	503,269	197,372
Special event revenues, net of expenses of \$36,709 and \$25,223	11,336	29,735
Rental income	245,789	240,159
Other income	136,001	52,260
Total support and revenue	<u>10,757,574</u>	<u>9,190,723</u>
Expenses:		
Program expenses:		
Regular education	5,685,976	4,888,444
Special education	1,339,587	1,080,374
Other program	1,013,904	646,497
Supporting services:		
Management and general	1,885,328	1,816,009
Total expenses	<u>9,924,795</u>	<u>8,431,324</u>
<b>Change in net assets without donor restrictions</b>	<u>832,779</u>	759,399
<b>Net assets with donor restrictions:</b>		
Contributions	<u>34,328</u>	-
Change in net assets	867,107	759,399
Net assets - beginning	<u>7,429,210</u>	6,669,811
Net assets - ending	<u>\$ 8,296,317</u>	<u>\$ 7,429,210</u>

See accompanying notes.

ELMWOOD VILLAGE CHARTER SCHOOLS

**Statements of Functional Expenses**

For the years ended June 30,

	2019					
	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	12.0	\$ -	\$ -	\$ -	\$ 848,462	\$ 848,462
Instructional personnel	94.8	3,076,002	783,724	-	-	3,859,726
Non-instructional personnel	6.5	-	-	438,663	-	438,663
Total salaries	113.3	\$ 3,076,002	\$ 783,724	\$ 438,663	\$ 848,462	\$ 5,146,851
Salaries		\$ 3,076,002	\$ 783,724	\$ 438,663	\$ 848,462	\$ 5,146,851
Employee benefits and taxes		764,734	206,141	203,048	177,051	1,350,974
Retirement		277,954	74,741	69,146	61,256	483,097
Professional fees		-	-	-	183,011	183,011
Other purchased and consulting services		29,911	92,361	-	-	122,272
Rent expense		-	-	-	286,503	286,503
Repairs and maintenance		212,226	57,364	60,346	51,794	381,730
Insurance		57,535	15,588	17,285	14,657	105,065
Utilities		88,546	24,007	27,061	22,863	162,477
Supplies and materials		129,944	-	-	-	129,944
Staff development		137,103	-	-	-	137,103
Marketing and recruitment		-	-	-	16,670	16,670
Technology		145,100	-	-	-	145,100
Student services		163,264	-	-	-	163,264
Afterschool		-	-	145,428	-	145,428
Office expense		-	-	-	70,795	70,795
Interest		145,443	39,434	44,475	37,571	266,923
Other expenses		-	-	-	31,940	31,940
		5,227,762	1,293,360	1,005,452	1,802,573	9,329,147
Depreciation		458,214	46,227	8,452	82,755	595,648
Total		\$ 5,685,976	\$ 1,339,587	\$ 1,013,904	\$ 1,885,328	\$ 9,924,795

See accompanying notes.

2018

Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
21.0	\$ -	\$ -	\$ -	\$ 746,241	\$ 746,241
90.0	2,624,080	595,340	-	-	3,219,420
8.0	-	-	312,042	-	312,042
119.0	\$ 2,624,080	\$ 595,340	\$ 312,042	\$ 746,241	\$ 4,277,703
	\$ 2,624,080	\$ 595,340	\$ 312,042	\$ 746,241	\$ 4,277,703
	705,857	158,307	107,638	160,295	1,132,097
	223,325	50,086	34,056	50,715	358,182
	-	-	-	185,641	185,641
	28,810	143,821	86	14,346	187,063
	-	-	-	294,290	294,290
	85,521	18,993	13,188	82,055	199,757
	58,620	15,882	17,611	14,933	107,046
	96,940	21,365	15,080	29,052	162,437
	187,503	-	-	-	187,503
	58,615	-	-	-	58,615
	-	-	-	10,085	10,085
	111,378	-	-	-	111,378
	117,492	-	19,019	-	136,511
	-	-	96,197	-	96,197
	8,923	-	-	73,665	82,588
	167,211	34,797	23,941	45,962	271,911
	-	-	-	33,928	33,928
	4,474,275	1,038,591	638,858	1,741,208	7,892,932
	414,169	41,783	7,639	74,801	538,392
	\$ 4,888,444	\$ 1,080,374	\$ 646,497	\$ 1,816,009	\$ 8,431,324



ELMWOOD VILLAGE CHARTER SCHOOLS

**Statements of Cash Flows**

For the years ended June 30,	<b>2019</b>	2018
<b>Operating activities:</b>		
Cash received from public school districts	\$ 9,630,011	\$ 8,159,024
Cash received from federal grants	270,730	636,743
Cash received from contributions and local grants	374,867	273,990
Cash received from special events	48,045	54,958
Cash received from rents	245,789	240,159
Cash received from other sources	136,001	52,260
Payments to employees for services and benefits	(6,781,576)	(5,486,584)
Payments to vendors and suppliers	(2,243,020)	(1,645,969)
Interest paid	(266,923)	(271,911)
<b>Net operating activities</b>	<b>1,413,924</b>	2,012,670
<b>Investing activities:</b>		
Property and equipment expenditures	(113,377)	(1,341,272)
<b>Financing activities:</b>		
Proceeds from long-term debt	-	788,034
Principal payments on long-term debt	(445,174)	(315,368)
<b>Net financing activities</b>	<b>(445,174)</b>	472,666
<b>Net change in cash</b>	<b>855,373</b>	1,144,064
Cash - beginning	3,664,809	2,520,745
<b>Cash - ending</b>	<b>\$ 4,520,182</b>	\$ 3,664,809

**Notes to Financial Statements**

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**1. Summary of Significant Accounting Policies:**

**Organization and Purpose:**

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

The schools are chartered through July 2022 and continued operations subsequent to that date are contingent upon approval of its charter renewal.

EVCS Days Park currently offers classes from kindergarten through eighth grade. EVCS Hertel offered classes from kindergarten through third grade in 2019 (kindergarten through second in 2018).

**Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure through October 16, 2019, (the date the financial statements were available to be issued).

**Cash:**

Cash in financial institutions potentially subjects the Organization to concentrations of credit risk, since it may exceed insured limits at various times throughout the year. The Organization complies with a requirement to hold no less than \$150,000 in an escrow account to pay legal and audit expenses that would be associated with dissolution should it occur. This is included as restricted cash on the balance sheets as of June 30, 2019 and 2018.

**Receivables:**

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

**Property and Equipment:**

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

**Enrollment Fees:**

The Organization is reimbursed based on the approved operating expense per pupil of the public-school district in which the pupil resides. The amount received each year from the resident district is the product of the approved operating expense per pupil and the full-time equivalent enrollment of the students in the Charter School residing in the district. The Organization's enrollment fees are received primarily from the Board of Education for the City School District.

The City School District adjusted the enrollment fee calculation for students with disabilities for the year ended June 30, 2019. It has not been determined if this change will affect special education fees the District paid to the School for previous years.

In June 2019, all New York State charter schools serving students in the fiscal 2019 school year received additional state aid. The additional aid received by each school was based on the number of students served and was paid directly from the New York State Department of Education. Additional aid totaling \$176,624 is included as enrollment fees revenue on the accompanying statement of activities for the year ended June 30, 2019. No additional state aid was received for the year ended June 30, 2018.

**Grants:**

The Organization is the recipient of awards and reimbursements from federal and local sources. The awards and reimbursements are subject to compliance and financial audits by the funding sources. Management believes no significant adjustments are necessary to recognized amounts.

### Contributions:

Contributions, including unconditional promises to give, are reported at fair value at the date the contribution is made. Contributions are reported as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated purpose or time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions whose stipulated purpose restriction is accomplished in the same reporting period as received are reported as an increase in net assets without donor restrictions.

### Transportation and Food Services:

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

### Income Taxes:

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

### 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 and benefits, 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. Grants and Other Receivables:

	2019	2018
Resident student enrollment	\$ 49,729	\$ 107,157
Grants	195,680	132,814
	<u>\$ 245,409</u>	<u>\$ 239,971</u>

### 3. Property and Equipment:

	2019	2018
Land	\$ 546,400	\$ 546,400
Building and improvements	11,853,702	11,835,564
Leasehold improvements	140,806	140,806
Instructional equipment	960,332	900,384
Office equipment	350,380	301,760
	<u>13,851,620</u>	<u>13,724,914</u>
Less accumulated depreciation	2,687,656	2,112,370
	<u>\$ 11,163,964</u>	<u>\$ 11,612,544</u>

### 4. Short-Term Borrowings:

At June 30, 2019, 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, 2019 and 2018.

### 5. Long Term Debt:

	2019	2018
Bank mortgage notes payable, monthly installments of \$28,409 including interest at 3.675%, secured by related building and equipment, balloon payment of approximately \$2,236,000 due July 2021.	\$ 2,732,439	\$ 2,966,760
Bank construction mortgage and term notes payable, monthly installments of \$28,377 including interest at 3.675%, secured by Organization property and equipment, balloon payment of approximately \$3,374,000 due August 2021.	3,826,834	4,020,822
Equipment loans, varying monthly installments and interest rates, secured by related equipment, due through March 2024.	77,231	70,485
	<u>\$ 6,636,504</u>	<u>\$ 7,058,067</u>
Less unamortized debt issuance costs	41,097	51,177
	<u>6,595,407</u>	<u>7,006,890</u>
Less current portion	454,955	440,562
	<u>\$ 6,140,452</u>	<u>\$ 6,566,328</u>

Debt issuance costs are amortized as interest expense over the remaining term of the debt arrangements. Amortization expense of debt issuance costs for the years ended June 30, 2019 and 2018 was \$10,080 and \$11,207 respectively.

Estimated net aggregate maturities of long-term debt balances at June 30, 2019 are:

2020	\$	454,955
2021		473,032
2022		5,659,593
2023		1,762
2024		6,065
	\$	<u>6,595,407</u>

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

#### 6. Net Assets with Donor Restrictions:

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

#### 7. Retirement Plan:

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](http://www.nystrs.org).

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

Pursuant to Article 11 of the Education Law, an actuarially determined contribution rate is established annually by the New York State Teachers' Retirement Board. The rate is 10.62% of the annual covered payroll for the year ended June 30, 2019, and 9.80% for the year ended June 30, 2018. The Organization's required contributions for the years ended June 30, 2019 and 2018 were \$458,793 and \$339,310.

The Organization also has a contributory defined contribution pension plan covering essentially all employees. The Organization contributes a percentage of non-instructional employees' salaries to the plan, subject to certain limitations. The Organization's pension expenses for the years ended June 30, 2019 and 2018 were \$24,304 and \$18,872.

#### 8. Operating Lease:

The Organization leases property under the terms of a non-cancelable operating lease. Rental expense under this lease was \$286,503 and \$277,431 for the years ended June 30, 2019 and 2018. The Organization purchased a building from the City during fiscal 2012, and entered into a non-cancellable sub lease for this property.

Future minimum annual rentals due are:

2020	\$	265,100
2021		265,100
2022		287,200
2023		289,200
2024		289,200
Thereafter		602,500
	\$	<u>1,998,300</u>

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

2020	\$	235,900
2021		235,900
2022		235,900
2023		255,600
2024		257,400
Thereafter		536,300
	\$	<u>1,757,000</u>

#### 9. Cash Flows Information:

The 2019 statement of cash flows excludes property and equipment additions acquired with term financing of \$33,691.

**10. Financial Assets Available for Operations:**

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

The Organization’s financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash	\$ 4,485,854	\$ 3,664,809
Receivables	245,409	239,971
	<u>\$ 4,731,263</u>	<u>\$ 3,904,780</u>

ELMWOOD VILLAGE CHARTER SCHOOLS

**Additional Information**  
**Combining Statement of Activities**

For the year ended June 30, 2019  
 With comparative totals for June 30, 2018

	EVCS Days Park	EVCS Hertel	Total 2019	Total 2018
<b>Net assets without donor restrictions:</b>				
Support and revenue:				
Public school districts:				
Revenue - resident student enrollment	\$ 5,926,016	\$ 2,656,443	\$ 8,582,459	\$ 7,341,681
Revenue - students with disabilities	621,336	192,164	813,500	690,772
Revenue - additional state aid	122,007	54,617	176,624	-
Federal grants	195,055	93,541	288,596	638,744
Contributions and local grants	212,439	290,830	503,269	197,372
Special events, net	15,801	(4,465)	11,336	29,735
Rental income	235,939	9,850	245,789	240,159
Other income	68,956	67,045	136,001	52,260
Total support and revenue	<u>7,397,549</u>	<u>3,360,025</u>	<u>10,757,574</u>	<u>9,190,723</u>
Expenses:				
Program expenses:				
Regular education	3,673,839	2,012,137	5,685,976	4,888,444
Special education	893,165	446,422	1,339,587	1,080,374
Other program	454,346	559,558	1,013,904	646,497
Supporting services:				
Management and general	1,204,946	680,382	1,885,328	1,816,009
Total expenses	<u>6,226,296</u>	<u>3,698,499</u>	<u>9,924,795</u>	<u>8,431,324</u>
<b>Change in net assets without donor restrictions</b>	<u>1,171,253</u>	<u>(338,474)</u>	<u>832,779</u>	<u>759,399</u>
<b>Net assets with donor restrictions:</b>				
Contributions	-	34,328	34,328	-
Changes in net assets	1,171,253	(304,146)	867,107	759,399
Net assets - beginning	<u>6,212,550</u>	<u>1,216,660</u>	<u>7,429,210</u>	<u>6,669,811</u>
Net assets - ending	<u>\$ 7,383,803</u>	<u>\$ 912,514</u>	<u>\$ 8,296,317</u>	<u>\$ 7,429,210</u>

ELMWOOD VILLAGE CHARTER SCHOOLS

**Additional Information**  
**Combining Statement of Functional Expenses**

For the year ended June 30, 2019  
 With comparative totals for June 30, 2018

	EVCS Days Park					
	Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total
Administrative personnel	7.5	\$ -	\$ -	\$ -	\$ 505,967	\$ 505,967
Instructional personnel	61.8	2,028,378	536,697	-	-	2,565,075
Non-instructional personnel	3.0	-	-	247,555	-	247,555
Total salaries	<b>72.3</b>	<b>\$ 2,028,378</b>	<b>\$ 536,697</b>	<b>\$ 247,555</b>	<b>\$ 505,967</b>	<b>\$ 3,318,597</b>
Salaries		\$ 2,028,378	\$ 536,697	\$ 247,555	\$ 505,967	\$ 3,318,597
Employee benefits and taxes		537,494	143,449	106,022	100,029	886,994
Retirement		215,623	57,546	42,532	40,129	355,830
Professional fees		-	-	-	94,002	94,002
Other purchased and consulting services		11,380	54,579	-	-	65,959
Rent expense		-	-	-	286,503	286,503
Repairs and maintenance		131,768	35,167	25,992	24,523	217,450
Insurance		31,696	8,459	6,252	5,899	52,306
Utilities		46,778	12,484	9,227	8,706	77,195
Supplies and materials		79,382	-	-	-	79,382
Staff development		98,922	-	-	-	98,922
Marketing and recruitment		-	-	-	9,639	9,639
Technology		83,429	-	-	-	83,429
Student services		93,660	-	-	-	93,660
Afterschool		-	-	-	-	-
Office expense		-	-	-	43,799	43,799
Interest		76,728	20,477	15,135	14,279	126,619
Other expenses		-	-	-	17,495	17,495
		<b>3,435,238</b>	<b>868,858</b>	<b>452,715</b>	<b>1,150,970</b>	<b>5,907,781</b>
Depreciation		238,601	24,307	1,631	53,976	318,515
Total		<b>\$ 3,673,839</b>	<b>\$ 893,165</b>	<b>\$ 454,346</b>	<b>\$ 1,204,946</b>	<b>\$ 6,226,296</b>

EVCS Hertel

Number of Positions	Regular Education	Special Education	Other Programs	Management and General	Total	Total 2019	Total 2018
4.5	\$ -	\$ -	\$ -	\$ 342,495	\$ 342,495	\$ 848,462	\$ 746,241
33.0	1,047,624	247,027	-	-	1,294,651	3,859,726	3,219,420
3.5	-	-	191,108	-	191,108	438,663	312,042
<b>41.0</b>	<b>\$ 1,047,624</b>	<b>\$ 247,027</b>	<b>\$ 191,108</b>	<b>\$ 342,495</b>	<b>\$ 1,828,254</b>	<b>\$ 5,146,851</b>	<b>\$ 4,277,703</b>
	\$ 1,047,624	\$ 247,027	\$ 191,108	\$ 342,495	\$ 1,828,254	\$ 5,146,851	\$ 4,277,703
	227,240	62,692	97,026	77,022	463,980	1,350,974	1,132,097
	62,331	17,195	26,614	21,127	127,267	483,097	358,182
	-	-	-	89,009	89,009	183,011	185,641
	18,531	37,782	-	-	56,313	122,272	187,063
	-	-	-	-	-	286,503	294,290
	80,458	22,197	34,354	27,271	164,280	381,730	199,757
	25,839	7,129	11,033	8,758	52,759	105,065	107,046
	41,768	11,523	17,834	14,157	85,282	162,477	162,437
	50,562	-	-	-	50,562	129,944	187,503
	38,181	-	-	-	38,181	137,103	58,615
	-	-	-	7,031	7,031	16,670	10,085
	61,671	-	-	-	61,671	145,100	111,378
	69,604	-	-	-	69,604	163,264	136,511
	-	-	145,428	-	145,428	145,428	96,197
	-	-	-	26,996	26,996	70,795	82,588
	68,715	18,957	29,340	23,292	140,304	266,923	271,911
	-	-	-	14,445	14,445	31,940	33,928
	1,792,524	424,502	552,737	651,603	3,421,366	9,329,147	7,892,932
	219,613	21,920	6,821	28,779	277,133	595,648	538,392
	<b>\$ 2,012,137</b>	<b>\$ 446,422</b>	<b>\$ 559,558</b>	<b>\$ 680,382</b>	<b>\$ 3,698,499</b>	<b>\$ 9,924,795</b>	<b>\$ 8,431,324</b>



**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, 2019, 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 16, 2019.

**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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Lumden & McCormick, LLP*  
October 16, 2019