



**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT**

Board of Trustees
New Roots Charter School
Ithaca, New York

We have audited the financial statements of New Roots Charter School (the School) for the year ended June 30, 2021, and have issued our report thereon dated October 26, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 27, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the allowance for disputed claims, depreciation expense, allocation of functional expenses, and compensated absences.

Management's estimate of the allowance for disputed claims is based on an analysis of the collectability of the receivable balances at year end. Management's estimate of depreciation expense is based on estimated useful lives of equipment and leasehold improvements. Management's estimate of the allocation of functional expenses is primarily based on the costs attributable by function based on estimated percentage of time and effort, square footage, or full-time equivalent. Management's estimate of compensated absences is based on pay rates and accrued sick time. We evaluated the key factors and assumptions used to develop the allowance for disputed claims, depreciation expense, allocation of functional expenses, and compensated absences estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of the allowance for disputed claims, equipment and leasehold improvements, leases, availability and liquidity, and the Charter Status, the details of which are presented in Notes 3, 4, 5, 11 and 12 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material corrected or uncorrected misstatements detected as a result of audit procedures.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 26, 2021.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Respectfully submitted,

A handwritten signature in dark ink that reads "Inero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 26, 2021

NEW ROOTS CHARTER SCHOOL

Ithaca, New York

EXECUTIVE SUMMARY

**For the Years Ended
June 30, 2021 and 2020**



NEW ROOTS CHARTER SCHOOL

EXECUTIVE SUMMARY OF 2021 AUDIT RESULTS

Independent Auditors' Report on the financial statements.	An unmodified report on New Roots Charter School's (the School) financial statements for the years ended June 30, 2021 and 2020.
Communication With Those Charged with Governance at the Conclusion of the Audit.	<p>A letter that specifically addresses certain required communications to the Board of Trustees in accordance with professional standards. The letter discusses the following:</p> <ul style="list-style-type: none">• Qualitative Aspects of Accounting Practices• Difficulties Encountered in Performing the Audit• Corrected and Uncorrected Misstatements• Disagreements with Management• Management Representations• Management Consultations with Other Independent Accountants• Other Audit Findings or Issues
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 <i>Government Auditing Standards</i> .	Report on the School's compliance with laws and regulations that may have a direct and material effect on the basic financial statements, and on the School's internal control structure, policies, and procedures based on the auditors' understanding of the internal control structure and assessment of control risk obtained as part of the audit of the basic financial statements. This report identified no material instances of noncompliance and no material weaknesses at the financial statement level. Additionally, a separate letter dated October 26, 2021, discusses upcoming accounting pronouncements and enhancements regarding financial reporting.

NEW ROOTS CHARTER SCHOOL

STATEMENTS OF FINANCIAL POSITION JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2018</u>	<u>2017</u>
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 579,178	\$ 260,439	\$ 143,164	\$ 182,202	\$ 167,268
State and Federal Aid Receivable	104,681	37,533	2,312	-	57,241
Accounts Receivables, Net	70,621	83,523	297,031	267,010	291,413
Inventories	1,374	1,374	1,395	1,017	963
Prepaid Expenses and Other Current Assets	30,887	-	3,326	3,327	3,854
Total Current Assets	786,741	382,869	447,228	453,556	520,739
Noncurrent Assets					
Cash - Reserve	75,000	75,000	25,000	-	-
Deposits	23,457	23,457	23,457	23,457	23,457
Equipment and Leasehold Improvements, Net	310,995	360,671	416,716	467,757	496,919
Total Assets	\$ 1,196,193	\$ 841,997	\$ 912,401	\$ 944,770	\$ 1,041,115
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts Payable	\$ 20,177	\$ 14,363	\$ 13,601	\$ 8,070	\$ 7,653
Accrued Liabilities	128,488	111,781	148,492	117,350	117,259
Deferred Revenue	-	-	-	-	43,317
Due to Retirement System	58,313	267,033	288,608	217,497	190,850
Total Liabilities	206,978	393,177	450,701	342,917	359,079
NET ASSETS					
Net Assets Without Donor Restrictions					
Investment in Equipment and Leasehold Improvements	310,995	360,671	416,716	467,757	496,919
Reserve	75,000	75,000	25,000	-	-
Undesignated	594,138	4,067	5,803	119,915	170,936
Total Net Assets Without Donor Restrictions	980,133	439,738	447,519	587,672	667,855
Net Assets With Donor Restrictions	9,082	9,082	14,181	14,181	14,181
Total Net Assets	989,215	448,820	461,700	601,853	682,036
Total Liabilities and Net Assets	\$ 1,196,193	\$ 841,997	\$ 912,401	\$ 944,770	\$ 1,041,115

Note: Abstracted from Audited Financial Statements. See Audit Reports for Complete Information.

NEW ROOTS CHARTER SCHOOL

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017
Operating Revenues					
Public School District:					
Resident Student Enrollment, Net	\$ 1,464,051	\$ 1,550,649	\$ 1,974,558	\$ 1,880,090	\$ 1,741,929
Less Allowance for Current Year Disputed Claims	-	-	(129,578)	(79,383)	-
Subtotal	<u>1,464,051</u>	<u>1,550,649</u>	<u>1,844,980</u>	<u>1,800,707</u>	<u>1,741,929</u>
Students with Disabilities	102,708	124,109	194,579	213,994	170,492
Grants and Contracts:					
State and Local	15,692	930	37,502	-	-
Federal Grants - Title I and Other Title Grants	45,222	57,990	59,635	88,852	52,089
Federal Grants - IDEA funds	36,877	57,359	57,448	38,217	57,161
Federal Grants - Cares	34,168	-	-	-	-
Federal and State Grants - School Lunch	21,801	35,064	44,761	50,458	45,542
Payroll Protection Program	326,285	-	-	-	-
Contributions	204,413	225,449	5,042	6,561	11,376
Investment Income	306	228	187	180	228
Food Service Income	273	1,079	401	945	6,391
Fundraising Income	-	7,825	2,282	3,066	3,984
E-Rate Reimbursement	-	-	3,261	6,137	5,719
Other Income	15,685	22,089	3,049	3,349	47
(Loss) on Disposal of Fixed Assets	-	-	-	(3,559)	(3,105)
Total Revenues and Other Support	<u>2,267,481</u>	<u>2,082,771</u>	<u>2,253,127</u>	<u>2,208,907</u>	<u>2,091,853</u>
Expenses					
Salaries	966,153	1,078,072	1,374,793	1,332,725	1,098,552
Benefits and Payroll Taxes	168,036	207,400	289,997	261,328	274,467
Legal Fees	35,847	26,049	21,329	22,511	13,000
Accounting/Auditing Fees	36,687	27,490	16,000	15,000	16,000
Board Expenses	-	150	128	300	250
Contracted Services	51,482	58,819	56,582	60,855	69,564
Supplies and Materials	5,282	12,401	11,862	3,669	9,479
Office Expense	3,236	3,565	5,122	15,894	7,421
Expensed Equipment	729	246	894	811	-
Food Service	20,763	30,897	39,069	37,518	31,769
Insurance	25,433	40,514	41,619	44,074	40,382
Maintenance and Repairs	5,511	2,750	5,805	5,841	6,943
Marketing and Recruitment	25,582	30,935	15,585	19,993	9,949
Rent	322,454	329,488	306,685	296,470	280,116
Staff Development	3,207	3,326	5,671	13,472	4,631
Technology	45,747	17,894	32,110	13,843	10,419
Textbooks	44	120	712	2,757	8,022
Student Services	3,643	3,824	4,414	5,444	8,117
Travel and Conferences	126	2,733	2,119	2,073	1,099
Utilities	10,922	14,545	20,664	24,081	25,474
Other Expenses	14,806	8,680	1,967	1,804	7,397
Depreciation and Amortization	49,526	56,045	56,159	59,280	59,118
Total Expenses	<u>1,795,216</u>	<u>1,955,943</u>	<u>2,309,286</u>	<u>2,239,743</u>	<u>1,982,169</u>
Change in Net Assets Before the Change in the Allowance for Disputed Claims	<u>472,265</u>	<u>126,828</u>	<u>(56,159)</u>	<u>(30,836)</u>	<u>109,684</u>
Change in the Allowance for Disputed Claims	<u>68,130</u>	<u>(139,708)</u>	<u>(83,994)</u>	<u>(49,347)</u>	<u>(97,065)</u>
Net Assets, July 1,	<u>448,820</u>	<u>461,700</u>	<u>601,853</u>	<u>682,036</u>	<u>669,417</u>
Net Assets, June 30,	<u>\$ 989,215</u>	<u>\$ 448,820</u>	<u>\$ 461,700</u>	<u>\$ 601,853</u>	<u>\$ 682,036</u>

Note: Abstracted from Audited Financial Statements. See Audit Reports for Complete Information.

NEW ROOTS CHARTER SCHOOL

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities					
Cash Received from Providing Services	\$ 1,648,064	\$ 1,749,637	\$ 1,925,945	\$ 1,947,385	\$ 1,894,265
Cash Received from Contributors and Grants	617,310	341,571	202,076	241,329	138,614
Interest Received	306	228	187	180	228
Other Cash Received	15,685	29,914	8,592	12,552	22,425
Cash Paid to Employees and Suppliers	<u>(1,962,626)</u>	<u>(1,954,075)</u>	<u>(2,145,720)</u>	<u>(2,152,835)</u>	<u>(1,962,070)</u>
Net Cash Provided (Used) by Operating Activities	<u>318,739</u>	<u>167,275</u>	<u>(8,920)</u>	<u>48,611</u>	<u>93,462</u>
Cash Flows From Investing Activities					
Equipment Acquisitions	-	-	(5,118)	(33,677)	(37,466)
Leasehold Improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,812)</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>(5,118)</u>	<u>(33,677)</u>	<u>(74,278)</u>
Cash Flows From Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash From Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	<u>318,739</u>	<u>167,275</u>	<u>(14,038)</u>	<u>14,934</u>	<u>19,184</u>
Cash and Cash Equivalents at July 1,	<u>335,439</u>	<u>168,164</u>	<u>182,202</u>	<u>167,268</u>	<u>148,084</u>
Cash and Cash Equivalents at June 30,	<u><u>\$ 654,178</u></u>	<u><u>\$ 335,439</u></u>	<u><u>\$ 168,164</u></u>	<u><u>\$ 182,202</u></u>	<u><u>\$ 167,268</u></u>

Note: Abstracted from Audited Financial Statements. See Audit Reports for Complete Information.

NEW ROOTS CHARTER SCHOOL

Ithaca, New York

FINANCIAL REPORT

**For the Years Ended
June 30, 2021 and 2020**



NEW ROOTS CHARTER SCHOOL

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
New Roots Charter School
Ithaca, New York

We have audited the accompanying financial statements of New Roots Charter School (the School), which comprise the Statements of Financial Position as of June 30, 2021 and 2020, 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 auditors consider 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 New Roots Charter School as of June 30, 2021 and 2020, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021, on our consideration of the 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 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 the School's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 26, 2021

NEW ROOTS CHARTER SCHOOL

STATEMENTS OF FINANCIAL POSITION JUNE 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 579,178	\$ 260,439
State and Federal Aid Receivable	104,681	37,533
Accounts Receivables Net of Allowance for Disputed Claims of \$516,089 and \$578,685 (See Note 3)	70,621	83,523
Inventories	1,374	1,374
Prepaid Expenses	30,887	-
Total Current Assets	<u>786,741</u>	<u>382,869</u>
Noncurrent Assets		
Cash - Reserve	75,000	75,000
Deposits	23,457	23,457
Equipment and Leasehold Improvements, Net of Accumulated Depreciation of \$573,519 and \$523,993	310,995	360,671
Total Noncurrent Assets	<u>409,452</u>	<u>459,128</u>
Total Assets	<u>\$ 1,196,193</u>	<u>\$ 841,997</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 20,177	\$ 14,363
Accrued Liabilities	128,488	111,781
Due to Retirement System	58,313	267,033
Total Liabilities	206,978	393,177
NET ASSETS		
Net Assets Without Donor Restrictions		
Investment in Equipment and Leasehold Improvements	310,995	360,671
Reserve	75,000	75,000
Undesignated	594,138	4,067
Total Net Assets Without Donor Restrictions	980,133	439,738
Net Assets With Donor Restrictions	9,082	9,082
Total Net Assets	<u>989,215</u>	<u>448,820</u>
Total Liabilities and Net Assets	<u>\$ 1,196,193</u>	<u>\$ 841,997</u>

See Notes to Financial Statements

NEW ROOTS CHARTER SCHOOL

STATEMENTS OF ACTIVITIES JUNE 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues						
Public School Districts:						
Resident Student Enrollment	\$ 1,464,051	\$ -	\$ 1,464,051	\$ 1,550,649	\$ -	\$ 1,550,649
Special Education Revenue	102,708	-	102,708	124,109	-	124,109
Grants and Contracts:						
State and Local	-	15,692	15,692	-	930	930
Federal Grants - Title I and Other Title Grants	-	45,222	45,222	-	57,990	57,990
Federal Grants - IDEA Funds	-	36,877	36,877	-	57,359	57,359
Federal Grants - Cares	-	34,168	34,168	-	-	-
Federal and State Grants - School Lunch	-	21,801	21,801	-	35,064	35,064
Payroll Protection Program	326,285	-	326,285	-	-	-
Contributions	181,613	22,800	204,413	202,649	22,800	225,449
Investment Income	306	-	306	228	-	228
Food Service Income	273	-	273	1,079	-	1,079
Fundraising Income	-	-	-	7,825	-	7,825
Other Income	15,685	-	15,685	22,089	-	22,089
Net Assets Released from Purpose Restrictions	176,560	(176,560)	-	179,242	(179,242)	-
Total Revenues and Other Support	2,267,481	-	2,267,481	2,087,870	(5,099)	2,082,771
Expenses						
Program Expenses						
Regular Education	1,128,431	-	1,128,431	1,230,464	-	1,230,464
Special Education	139,949	-	139,949	153,770	-	153,770
Enrichment Programs	115,033	-	115,033	135,939	-	135,939
Total Program Expenses	1,383,413	-	1,383,413	1,520,173	-	1,520,173
Supporting Services						
Management and General	411,803	-	411,803	435,770	-	435,770
Total Supporting Services	411,803	-	411,803	435,770	-	435,770
Total Expenses	1,795,216	-	1,795,216	1,955,943	-	1,955,943
Change in Net Assets Before the Change in the Allowance for Prior Year's Disputed Claims	472,265	-	472,265	131,927	(5,099)	126,828
Change in the Allowance for Disputed Claims	68,130	-	68,130	(139,708)	-	(139,708)
Net Assets, Beginning of Year	439,738	9,082	448,820	447,519	14,181	461,700
Net Assets, End of Year	\$ 980,133	\$ 9,082	\$ 989,215	\$ 439,738	\$ 9,082	\$ 448,820

See Notes to Financial Statements

NEW ROOTS CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2021

	Program Services				Supporting Services	Total
	Regular Education	Special Education	Enrichment Programs	Program Services Subtotal	Management and General	
Personnel Service Costs						
Administrative Staff Personnel	\$ 19,876	\$ 3,110	\$ 1,677	\$ 24,663	\$ 233,590	\$ 258,253
Instructional Personnel	569,280	89,261	48,200	706,741	-	706,741
Non-Instructional Personnel	1,159	-	-	1,159	-	1,159
Total Personnel Service Costs	590,315	92,371	49,877	732,563	233,590	966,153
Benefits and Payroll Taxes	102,676	16,066	8,663	127,405	40,631	168,036
Legal Fees	-	-	-	-	35,847	35,847
Accounting/Auditing Fees	-	-	-	-	36,687	36,687
Contracted Services	24,553	4,670	4,209	33,432	18,050	51,482
Supplies and Materials	4,225	951	-	5,176	106	5,282
Office Expense	-	-	-	-	3,236	3,236
Expensed Equipment	-	-	-	-	729	729
Food Service	-	-	20,763	20,763	-	20,763
Insurance	20,364	764	1,958	23,086	2,347	25,433
Maintenance and Repairs	4,190	632	-	4,822	689	5,511
Marketing and Recruitment	16,709	3,966	737	21,412	4,170	25,582
Rent	258,179	9,694	25,012	292,885	29,569	322,454
Staff Development	2,129	1,078	-	3,207	-	3,207
Technology	38,885	6,862	-	45,747	-	45,747
Textbooks	40	4	-	44	-	44
Student Services	2,732	911	-	3,643	-	3,643
Travel and Conferences	126	-	-	126	-	126
Utilities	8,930	490	-	9,420	1,502	10,922
Other Expenses	14,806	-	-	14,806	-	14,806
Depreciation	39,572	1,490	3,814	44,876	4,650	49,526
Total Expenses	\$ 1,128,431	\$ 139,949	\$ 115,033	\$ 1,383,413	\$ 411,803	\$ 1,795,216

See Notes to Financial Statements

NEW ROOTS CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2020

	Program Services				Supporting Services	Total
	Regular Education	Special Education	Enrichment Programs	Program Services Subtotal	Management and General	
Personnel Service Costs						
Administrative Staff Personnel	\$ 22,178	\$ 3,470	\$ 1,872	\$ 27,520	\$ 260,649	\$ 288,169
Instructional Personnel	635,225	99,601	53,784	788,610	-	788,610
Non-Instructional Personnel	1,293	-	-	1,293	-	1,293
Total Personnel Service Costs	658,696	103,071	55,656	817,423	260,649	1,078,072
Benefits and Payroll Taxes	126,729	19,829	10,693	157,251	50,149	207,400
Legal Fees	-	-	-	-	26,049	26,049
Accounting/Auditing Fees	-	-	-	-	27,490	27,490
Board Expenses	-	-	-	-	150	150
Contracted Services	28,052	5,336	4,809	38,197	20,622	58,819
Supplies and Materials	9,920	2,233	-	12,153	248	12,401
Office Expense	-	-	-	-	3,565	3,565
Expensed Equipment	-	-	-	-	246	246
Food Service	-	-	30,897	30,897	-	30,897
Insurance	32,439	1,217	3,119	36,775	3,739	40,514
Maintenance and Repairs	2,091	315	-	2,406	344	2,750
Marketing and Recruitment	20,207	4,795	891	25,893	5,042	30,935
Rent	263,810	9,906	25,558	299,274	30,214	329,488
Staff Development	2,248	1,078	-	3,326	-	3,326
Technology	15,210	2,684	-	17,894	-	17,894
Textbooks	108	12	-	120	-	120
Student Services	2,868	956	-	3,824	-	3,824
Travel and Conferences	2,733	-	-	2,733	-	2,733
Utilities	11,893	652	-	12,545	2,000	14,545
Other Expenses	8,680	-	-	8,680	-	8,680
Depreciation	44,780	1,686	4,316	50,782	5,263	56,045
Total Expenses	\$ 1,230,464	\$ 153,770	\$ 135,939	\$ 1,520,173	\$ 435,770	\$ 1,955,943

See Notes to Financial Statements

NEW ROOTS CHARTER SCHOOL

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30,

	2021	2020
Cash Flows From Operating Activities		
Cash Received from Providing Services	\$ 1,648,064	\$ 1,749,637
Cash Received from Contributors and Grantors	617,310	341,571
Interest Received	306	228
Other Cash Received	15,685	29,914
Cash Paid to Employees	(1,061,992)	(1,343,758)
Cash Paid to Suppliers	(900,634)	(610,317)
Net Cash Provided (Used) by Operating Activities	318,739	167,275
Cash Flows From Investing Activities	-	-
Cash Flows From Financing Activities	-	-
Net Change in Cash and Cash Equivalents and Restricted Cash	318,739	167,275
Cash and Cash Equivalents and Restricted Cash, July 1,	335,439	168,164
Cash and Cash Equivalents and Restricted Cash, June 30,	\$ 654,178	\$ 335,439

See Notes to Financial Statements

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

***Note 1* Summary of Significant Accounting Policies**

Activity

New Roots Charter School (the School) is a nonprofit public high school committed to sustainable education and social justice located in Central New York. The School's first year of operations was 2009-2010. The School operates under a charter agreement, which was renewed on April 10, 2017 and expires after July 31, 2022. Most of the School's revenue is derived from New York State aid passed through to the School from the home school districts of its students.

Accounting Method

The School maintains its accounts on the accrual basis. Revenues are recorded in the year earned and expenses are recognized when incurred.

Basis of Presentation

The financial statements of the School have been prepared on the accrual basis in conformity with U.S. generally accepted accounting principles (U.S. GAAP), which require the School to report information regarding its financial position and activities according to the following net asset classifications.

Net Assets Without Donor Restrictions

Net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. All revenues, gains, and losses that are not restricted by donors and grantors are included in this classification. All expenses are reported as decreases in net assets without donor restrictions and may be used at the discretion of the School's management and the Board of Trustees.

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, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

Future Accounting Pronouncements

In February 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Updates (ASU) No. 2016-02, "Leases" (Topic 842). ASU No. 2016-02 improves transparency and comparability among companies by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for the year ending June 30, 2023. The School is currently assessing the financial impact of this guidance on the financial statements.

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

***Note 1* Nature of Activities and Summary of Significant Accounting Policies - Continued**

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, cash and cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management has provided an allowance for disputed claims based on an evaluation of the collectability of the outstanding receivable balances for the year ending June 30, 2021. See Note 3 for further information.

Prepaid Expenses

Prepaid expenses represents professional development services the School has the right to receive for which it has paid. This entire amount is expected to be expended during the next fiscal year.

Leasehold Improvements and Equipment

Leasehold improvements and equipment are stated at cost and depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The capitalization threshold for the School is \$250. Equipment is depreciated over 3 to 20 years and leasehold improvement costs over 20 years.

Inventory

Inventory is valued at the cost of quantity on hand.

Revenue Recognition

Revenue from school districts resulting from the School's charter status is based on the number of students enrolled and is recorded when services are performed in accordance with the charter agreement.

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

***Note 1* Nature of Activities and Summary of Significant Accounting Policies - Continued**

Revenue Recognition - Continued

The School receives grants from governmental and non-governmental sources. These grant awards are accounted for as exchange transactions if the grantor receives an equivalent benefit in return or as nonexchange transactions if the resources provided are for the benefit of the School, the mission of the grantor, or the public at large. For grant awards accounted for as exchange transactions, revenue is recognized as performance obligations are satisfied. For grant awards accounted for as nonexchange transactions, revenue is recognized when a promise to give has been made, or in the case of a conditional promise to give, when the condition has been met by the School. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions until the assets are acquired and placed in service. Contributions of assets other than cash are recorded at their estimated fair value at date of donation.

Income Tax Status

The School is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code. In addition, the School qualifies for the charitable contribution deduction under §170(b)(1)(A) and has been classified as an organization other than a private school under §590(a)(2).

Donated Services

A large number of volunteers have donated significant amounts of time, services, and materials on the School's behalf. The value of this contributed time and services has not been reflected in the financial statements, inasmuch as no objective basis is available to measure the value of such services and it does not meet the criteria for recognition under FASB ASC 958.

Functional Allocation of Expenses

The Statement of Functional Expenses provides an analysis of expenses by both natural and functional classification. Natural expenses are defined by their nature, such as salaries, rent supplies, etc. Functional expenses are classified by the type of activity for which the expenses were incurred; for example, administrative and program costs. Expenses are allocated to program, administration, and fundraising based on management's estimates of the time spent, square footage, and other allocation methods appropriate to the type of expense.

Events Subsequent to Report Date

The School has evaluated events and transactions occurring between June 30, 2021 and October 26, 2021, which is the date on which the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. No subsequent events were noted.

***Note 2* Concentration of Credit Risk**

The School maintains cash balances at one financial institution. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. During the year, deposits may exceed FDIC insurance limits.

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Note 3 Cash and Cash Equivalents

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the Statement of Cash Flows.

	2021	2020
Cash and Cash Equivalents	\$ 579,178	\$ 260,439
Restricted Cash	75,000	75,000
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 654,178</u>	<u>\$ 335,439</u>

Note 4 Allowance for Disputed Claims

The School derives its revenue via billings sent to the home School District for services provided to respective students. Occasionally, school districts dispute student residency and eligibility and refuse to pay the related bill. New York State has established an intercept process to ensure Charter Schools with substantiated claims are compensated for their services. The School anticipates receiving these funds, but has established an allowance for financial statement purposes. The allowance for disputed claims was \$516,089 and \$578,685 for the years ended June 30, 2021 and 2020, respectively.

Note 5 Equipment and Leasehold Improvements

A summary of changes in equipment and leasehold improvements is as follows:

	2021				
	Cost July 1,	Net Additions	Cost June 30,	Accumulated Depreciation	Net Book Value
Leasehold Improvements	\$ 596,645	\$ -	\$ 596,645	\$ (307,272)	\$ 289,373
Equipment	287,869	-	287,869	(266,247)	21,622
Total	<u>\$ 884,514</u>	<u>\$ -</u>	<u>\$ 884,514</u>	<u>\$ (573,519)</u>	<u>\$ 310,995</u>
	2020				
	Cost July 1,	Net Additions	Cost June 30,	Accumulated Depreciation	Net Book Value
Leasehold Improvements	\$ 595,757	\$ 888	\$ 596,645	\$ (277,373)	\$ 319,272
Equipment	283,789	4,230	288,019	(246,620)	41,399
Total	<u>\$ 879,546</u>	<u>\$ 5,118</u>	<u>\$ 884,664</u>	<u>\$ (523,993)</u>	<u>\$ 360,671</u>

Depreciation expense for 2021 and 2020 was \$49,526 and \$56,045, respectively.

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Note 6 **Leases**

On May 10, 2009, the School entered into a five year and two month lease agreement with the Historic Clinton House of Ithaca, LLC, commencing on May 15, 2009, for classroom and administrative space. Monthly payments for fiscal year 2020 included \$19,982 for the original lease contract and an additional \$5,220 for extra space. The original lease includes three 5-year options to renew with a 4% base rent increase at the end of each twelve month period. As of July 5, 2020, the School exercised its second five-year term extension beginning August 1, 2019 and ending July 30, 2024. The extension calls for a base rent of \$24,468 per month with 3% annual increases thereafter. The extra space agreement includes two five-year options to renew with a 4% base rent increase at the end of each twelve month period. Rent expense under this lease was \$301,690 and \$300,018 for the years ended June 30, 2021 and 2020, respectively. Future minimum rental payments will be:

<u>Year</u>	<u>Payment</u>
2022	\$ 321,024
2023	328,024
2024	337,507
2025	28,194

On September 27, 2018, the School entered into a 20 month lease agreement with St. Catherine Greek Orthodox Church for use of a commercial kitchen. The initial term of the agreement expired and the agreement was extended on a month by month basis with monthly payments of \$1,500 for the 2020-2021 school year. The agreement excludes July and August, months when school is not in session. Rent expense under these leases was \$15,000 and \$22,200, for the years ended June 30, 2021 and 2020, respectively.

The School had additional rent expenses for parking and other purposes of \$5,764 and \$7,270, respectively, for the years ended June 30, 2021 and 2020.

Note 7 **Line of Credit**

During the years ended June 30, 2021 and 2020, the School maintained a \$20,000 line of credit with a local financial institution to ensure adequate cash flows throughout the school year. The line of credit was not utilized during either year.

Note 8 **Related Party Transactions**

One Board of Trustees member is the mother of one of the owners of the Historic Clinton House of Ithaca, LLC. This individual abstains from voting on matters pertaining to the building and/or the lease.

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

***Note 9* Pension System**

The School participates in the New York State Teachers' Retirement System (NYSTRS)(System). This is a cost-sharing multiple employer public defined benefit employee retirement system. The System 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. The School's contributions to the System are less than 0.004% of total contributions to the System.

The New York State Teachers' Retirement Board administers NYSTRS. The System provides benefits to plan members and beneficiaries as authorized by Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Plan members who joined NYSTRS before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3.0% of their annual salary. Those joining NYSTRS on or after January 1, 2010 and before April 1, 2012 are required to contribute 3.5% of their annual salary for their entire working career. Persons joining on or after April 1, 2012 are required to contribute between 3% and 6% of their annual salary throughout active service. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members which shall be used in computing the contributions required to be made by the employer to the Pension Accumulation Fund.

Once an employer joins, they cannot withdraw from the System. This eliminates the risk that an employer will withdraw, leaving unfunded obligations to be borne by the remaining employers. As of June 30, 2019, the most recent valuation available, the System's fiduciary net position was \$120,479,505,000 and its net pension liability was \$2,763,270,836 with a funded status of 99.9%.

The School is required to contribute at an actuarially determined rate. As of June 30, 2020, the School had an outstanding payable to the System in the amount of \$267,033. This amount was comprised of balances owed for the 2020 and past years and was past due. The School paid off these past due balances in 2021. Required contributions for the prior three years were:

Year	NYSTRS
2021	\$ 45,201
2020	48,745
2019	66,865

The School's total liability, including employer and employee contribution amounts, at June 30, 2021 and 2020 amounted to \$58,313 and \$267,033, respectively.

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Note 10 Net Assets With Donor Restrictions

Net Assets With Donor Restrictions at June 30, consisted of the following:

	2021	2020
CFTC Strategic Planning	\$ 4,000	\$ 4,000
CARS Grant	25	25
Scholarship Funds	410	410
Sponsor a Senior	2,073	2,073
Events	359	359
Jason New Roots Fund	826	826
Capital Campaign	625	625
Youth Entrepreneurship Market	764	764
Total	\$ 9,082	\$ 9,082

Note 11 Dissolution Reserve

As part of the charter agreement, education corporations agree to establish a dissolution reserve fund account of no less than \$75,000 as determined by the State University of New York (SUNY). This amount is established to pay for legal and audit expenses that would be associated with a dissolution should it occur. The reserve balance was \$75,000 at June 30, 2021 and 2020 and is reported as restricted cash and net position.

Note 12 Availability and Liquidity

The School's financial assets available within one year of the Statement Financial Position date for general expenditures are as follows:

	2021	2020
Financial Assets at Year End		
Cash and Cash Equivalents	\$ 654,178	\$ 335,439
Accounts Receivable, Net	70,621	83,523
State and Federal Aid Receivable	104,681	37,533
Total Financial Assets	829,480	456,495
Less:		
Amounts Unavailable for General Expenditures		
Within One Year Due to:		
Dissolution Reserve	(75,000)	(75,000)
Donor Restricted Financial Assets	(9,082)	(9,082)
Total Amounts Unavailable for		
General Expenditures Within One Year	(84,082)	(84,082)
Total Financial Assets Available for		
 General Expenditures Within One Year	\$ 745,398	\$ 372,413

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

***Note 12* Availability and Liquidity - Continued**

The School's governing Board of Trustees has designated a portion of its unrestricted resources for a dissolution reserve to conform to the School's charter agreement; see Note 10 for additional details.

Additionally, in prior years, management conducted a detailed review of the budgeting process and cash flow cycle and developed a detailed monthly budget and projected cash flow statement which is used to actively monitor the School's resources and satisfy reporting requirements.

The School also has a \$20,000 line of credit available to meet cash flow needs.

***Note 13* Charter Status**

On December 18, 2019, the SUNY Board of Trustees passed a resolution to place the School on probationary status. The probation included a remedial plan consisting of the following requirements:

- Submission of the 2019 audited financial statements by January 1, 2020.
- Submission of a proposed recruitment plan and budget for increasing enrollment by January 15, 2020.
- Commencing February 1, 2020, submission of monthly reports regarding current enrollment and applications received for the 2020-21 school year.
- Submission of a fiscally sound budget through June 30, 2020 based on the current and lower enrollment, which demonstrates the fiscal soundness of the School and includes substantial payments to NYSTRS totaling at least \$80,000.
- Submission of monthly unaudited financial statements as well as board meeting packets provided to the School's Board of Trustees.
- By the dates specified in the Charter Agreement, quarterly unaudited financial reports, annual budgets, annual audits, and annual accountability reports for the remainder of the charter term.
- Submission of documents showing the 2020-21 incoming class meets the age and grade requirements in the charter agreement.

Failure to comply with the requirements may result in the SUNY's termination of the School's Charter.

As of the date of this report, management had met the terms of the remedial plan and was in compliance with the SUNY requirements. Additionally, management has been attempting to collect on outstanding disputed balances, hired a consultant to assist them with meeting all the reporting requirements, improved the overall financial standing of the School, and is in the process of renewing the Charter Agreement.

NEW ROOTS CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Note 14* **Uncertainty*

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies on the area in which the School operates. While it is unknown how long these conditions will last and what the complete financial effect will be, the School expects disruptions to businesses and residents and potential effects to New York State government funding, which could negatively impact operating results in future periods.



**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***

Board of Trustees
New Roots Charter School
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Roots Charter School (the School), which comprise the statements of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 26, 2021



MANAGEMENT COMMENT LETTER

Board of Trustees
New Roots Charter School
Ithaca, New York

In planning and performing our audit of the financial statements of New Roots Charter School (the School) for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Other Matters

During our audit, we noted the following matters that provide opportunities for strengthening internal controls and operating efficiency.

Current and Prior Year Comments

Stale Dated Outstanding Checks

Finding:

The current and prior year cash reconciliations include stale dated checks from as far back as 2012.

Recommendation:

We recommend management research and resolve the stale dated checks through either resolving the balances with the original payee or remitting the funds to the New York State Comptroller Department of Uncollected Funds.

Accounts Receivable

Findings:

At June 30, 2021 and 2020, the School had receivable balances due from various School Districts of \$578,369 and \$795,058, respectively. Of the balances outstanding at June 30, 2021 and 2020, \$516,089 and \$590,438 represented balances outstanding for more than a year. Through our inquiries with management and some School District officials, it appears the discrepancies result from differences in the understanding on issues such as student residency, eligibility, and School District obligations under education law. We also noted some School Districts had overpaid, and these amounts had not been applied against the outstanding balances as of June 30, 2021.

Current Year Status:

The School has performed a reconciliation of the historical balances and has been working with School District officials to collect those balances. During 2021 the School was able to collect historical payments from several School Districts reducing the overall allowance balances.

Recommendation:

We recommend management continue to work with School District officials to determine a net realizable amount owed by the respective School Districts, and resolve discrepancies and settle outstanding balances.

DISCUSSION ITEM

Impact of Accounting Standard Updates (ASUs) of the Financial Accounting Standards Board (FASB)

In February 2016, FASB issued ASU No. 2016-02, "Leases." The update changes the recording and reporting requirements for operating leases, requiring assets and liabilities be recognized if the lease meets certain requirements.

ASU No. 2016-02 was to be effective for nonpublic entities for years beginning after December 15, 2019, applied on a retrospective basis. On June 3, 2020, the FASB issued ASU 2020-05, "Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)," which delays the effective date to fiscal years beginning after December 15, 2021.

We will review the status of these comments during our next audit engagement. Our comments and recommendations are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform additional study of these matters, or to assist you in implementing the recommendations.

We would like to thank you and your staff for the cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

This letter does not affect our report dated October 26, 2021 on the financial statements of the School.

This communication is intended solely for the information and use of management, the Audit Committee and Board of Trustees, and others within the School and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in dark ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 26, 2021