

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

QUEENS, NEW YORK

AUDITED FINANCIAL STATEMENTS

OTHER FINANCIAL INFORMATION

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2023

(With Comparative Totals for 2022)



BUSINESS
ADVISORS
AND CPAS

CONTENTS

<u>AUDITED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
Independent Auditor's Report	3
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9
 <u>OTHER FINANCIAL INFORMATION</u>	
Independent Auditor's Report on Other Financial Information	21
Statement of Activities and Changes in Net Assets by Charter	22
Statement of Functional Expenses by Charter – Our World Neighborhood Charter School	23
Statement of Functional Expenses by Charter – Our World Neighborhood Charter School 2	24
Statement of Functional Expenses by Charter – Our World Neighborhood Charter School 3	25

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Our World Neighborhood Charter Schools

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Our World Neighborhood Charter Schools, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Our World Neighborhood Charter Schools as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Our World Neighborhood Charter Schools 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 opinion.

Change in Accounting Principle

As discussed in Note A to the financial statements, during the year ended June 30, 2023, the entity adopted new accounting guidance related to accounting for leases. Our opinion is not modified with respect to this matter.

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 Our World Neighborhood Charter Schools' ability to continue as a going concern for 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 GAAS 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 GAAS, 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 Our World Neighborhood Charter Schools' 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 Our World Neighborhood Charter Schools' 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.

Report on Summarized Comparative Information

We have previously audited Our World Neighborhood Charter Schools' June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023 on our consideration of Our World Neighborhood Charter Schools' 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 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 Our World Neighborhood Charter Schools' internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 31, 2023

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

(With Comparative Totals for 2022)

	<u>June 30,</u>	
<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 2,102,558	\$ 3,178,086
Grants and contracts receivable	1,735,102	1,228,467
Prepaid expenses	189,472	477,880
TOTAL CURRENT ASSETS	4,027,132	4,884,433
<u>PROPERTY AND EQUIPMENT, net</u>	2,526,918	1,697,271
<u>OTHER ASSETS</u>		
Cash in escrow	182,128	157,064
Security deposits	1,031,744	963,361
Right-of-use-assets - operating	44,766,029	-
TOTAL OTHER ASSETS	45,979,901	1,120,425
TOTAL ASSETS	<u>\$ 52,533,951</u>	<u>\$ 7,702,129</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 1,037,156	\$ 258,644
Accrued payroll and benefits	2,041,576	1,680,060
Deferred revenue	492,181	135,201
Current portion of lease liabilities - operating	1,487,034	-
TOTAL CURRENT LIABILITIES	5,057,947	2,073,905
<u>OTHER LIABILITIES</u>		
Deferred lease liabilities	-	3,192,280
Long-term lease liabilities - operating	46,745,808	-
	46,745,808	3,192,280
TOTAL LIABILITIES	51,803,755	5,266,185
<u>NET ASSETS, without donor restrictions</u>	730,196	2,435,944
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 52,533,951</u>	<u>\$ 7,702,129</u>

The accompanying notes are an integral part of the financial statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

		Without donor restrictions	
		Year ended June 30,	
		2023	2022
Revenue, gains and other support:			
Public school district			
Resident student enrollment		\$ 20,058,359	\$ 17,163,617
Students with disabilities		1,600,344	1,538,447
Grants and contracts			
State and local		128,594	75,392
Federal - Title and IDEA		389,644	405,158
Federal - Other		2,208,502	1,628,511
NYC DOE rental assistance		2,341,919	1,517,476
Food service / child nutrition program		369,790	464,124
	TOTAL REVENUE, GAINS AND OTHER SUPPORT	27,097,152	22,792,725
Expenses:			
Program services:			
Regular education		22,584,363	17,911,266
Special education		1,905,987	1,581,165
Total program services		24,490,350	19,492,431
Management and general		4,600,111	4,256,163
Fundraising		201,758	114,030
	TOTAL OPERATING EXPENSES	29,292,219	23,862,624
	DEFICIT FROM SCHOOL OPERATIONS	(2,195,067)	(1,069,899)
Support and other revenue:			
Contributions		462,020	2,622
Interest income		89	116
Paycheck Protection Program loan forgiveness		-	2,018,605
Miscellaneous income		27,210	15,294
	TOTAL SUPPORT AND OTHER REVENUE	489,319	2,036,637
	CHANGE IN NET ASSETS	(1,705,748)	966,738
Net assets at beginning of year		2,435,944	1,469,206
	NET ASSETS AT END OF YEAR	\$ 730,196	\$ 2,435,944

The accompanying notes are an integral part of the financial statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

		Year ended June 30,							
		2023						2022	
		Program Services			Supporting Services				
	No. of Positions	Regular Education	Special Education	Sub-total	Management and general	Fundraising and special events	Sub-total	Total	Total
Personnel services costs:									
Administrative staff personnel	41	\$ 3,142,793	\$ 342,382	\$ 3,485,175	\$ 1,894,067	\$ 153,353	\$ 2,047,420	\$ 5,532,595	\$ 3,645,377
Instructional personnel	130	7,746,169	1,192,450	8,938,619	-	-	-	8,938,619	7,705,616
Non-instructional personnel	2	107,268	-	107,268	34,752	-	34,752	142,020	163,776
Total personnel services costs	173	10,996,230	1,534,832	12,531,062	1,928,819	153,353	2,082,172	14,613,234	11,514,769
Fringe benefits and payroll taxes		2,144,349	269,464	2,413,813	394,486	22,540	417,026	2,830,839	2,276,324
Retirement		511,061	68,099	579,160	105,368	9,047	114,415	693,575	549,898
Legal service		-	-	-	26,734	-	26,734	26,734	103,062
Accounting / audit services		-	-	-	69,671	-	69,671	69,671	60,400
Other purchased / professional / consulting services		1,605,919	-	1,605,919	449,960	-	449,960	2,055,879	1,705,720
Building and land rent / lease / facility finance interest		3,598,295	-	3,598,295	872,078	-	872,078	4,470,373	3,786,617
Repairs and maintenance		544,665	-	544,665	144,717	-	144,717	689,382	564,030
Insurance		161,195	-	161,195	40,303	-	40,303	201,498	155,676
Utilities		521,496	-	521,496	102,059	-	102,059	623,555	502,944
Supplies / materials		421,756	11,128	432,884	282	-	282	433,166	532,176
Equipment / furnishings		45,170	-	45,170	11,335	260	11,595	56,765	53,058
Staff development		297,124	6,897	304,021	12,989	-	12,989	317,010	270,945
Marketing / recruitment		221,350	-	221,350	33,250	16,304	49,554	270,904	275,691
Technology		250,410	-	250,410	117,465	156	117,621	368,031	261,288
Food service		481,338	-	481,338	-	-	-	481,338	484,516
Student services		38,047	250	38,297	200	-	200	38,497	6,268
Office expense		196,593	504	197,097	153,309	11	153,320	350,417	141,417
Depreciation		473,866	-	473,866	110,025	-	110,025	583,891	456,944
Other		75,499	14,813	90,312	27,061	87	27,148	117,460	160,881
		<u>\$ 22,584,363</u>	<u>\$ 1,905,987</u>	<u>\$ 24,490,350</u>	<u>\$ 4,600,111</u>	<u>\$ 201,758</u>	<u>\$ 4,801,869</u>	<u>\$ 29,292,219</u>	<u>\$ 23,862,624</u>

The accompanying notes are an integral part of the financial statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

	Year ended June 30,	
	2023	2022
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ (1,705,748)	\$ 966,738
Adjustments to reconcile change in net assets to net cash provided from (used for) operating activities:		
Depreciation	583,891	456,944
Paycheck Protection Program loan forgiveness	-	(2,018,605)
Changes in certain assets and liabilities affecting operations:		
Grants and contracts receivable	(506,635)	(654,412)
Prepaid expenses	288,408	(112,766)
Accounts payable and accrued expenses	778,512	54,357
Accrued payroll and benefits	361,516	34,602
Deferred revenue	356,980	135,201
Deferred lease liabilities	(3,192,280)	494,036
Operating lease liabilities, net of right-of-use assets	3,466,813	-
NET CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES	431,457	(643,905)
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(1,413,538)	(679,731)
Security deposits	(68,383)	(440,762)
NET CASH USED FOR INVESTING ACTIVITIES	(1,481,921)	(1,120,493)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,050,464)	(1,764,398)
Cash, cash equivalents, and restricted cash at beginning of year	3,335,150	5,099,548
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	\$ 2,284,686	\$ 3,335,150
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</u>		
Reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total amounts shown in the statement of cash flows:		
Cash and cash equivalents	\$ 2,102,558	\$ 3,178,086
Cash in escrow	182,128	157,064
	\$ 2,284,686	\$ 3,335,150

The accompanying notes are an integral part of the financial statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter School

Our World Neighborhood Charter Schools is an education corporation that has authority to operate the Charter Schools as described below. The education corporation was organized to increase learning opportunities for students through innovative educational programs and to enable parents to be more involved in their children's education.

Our World Neighborhood Charter School ("OWN") is a charter school that operates under the education corporation in the borough of Queens, New York. On July 18, 2012, the Board of Regents of the University of the State of New York granted OWN a charter valid for a term of five years. The charter has been renewed multiple times, most recently on April 27, 2023, when the School was granted an additional renewal through July 2028.

On June 13, 2016, the Board of Regents of the University of the State of New York amended the OWN charter agreement permitting additional charter schools under OWN's education corporation. During the 2017 fiscal year, OWN added Our World Neighborhood Charter School 2 ("OWN 2") under its expanded charter. The school opened for students in Fall 2018. The charter was valid until July 2023. On April 27, 2023, the School was granted an additional renewal through July 2028.

On October 18, 2018, the Board of Regents of the University of the State of New York approved an additional charter school, Our World Neighborhood Charter School 3 ("OWN 3"), to operate under the OWN education corporation. The school opened for students in Fall 2022. The charter is valid until July 2027.

Basis of presentation

The accompanying financial statements include the accounts of OWN, OWN 2 and OWN 3 (collectively referred to as the "Charter Schools"). All intercompany balances and transactions have been eliminated in the accompanying financial statements.

Financial Statement presentation

The financial statements of the Charter Schools have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The Charter Schools report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

These classes of net assets are defined as follows:

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Charter Schools had no net assets with donor restrictions at June 30, 2023 or 2022.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Net Assets Without Donor Restrictions – The net assets over which the Board of Trustees has discretionary control to use in carrying on the Charter Schools' operations in accordance with the guidelines established by the Charter Schools. The Board may designate portions of the current net assets without donor restrictions for specific purposes, projects or investment.

Revenue recognition

Revenue from Exchange Transactions: The Charter Schools recognize revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

The Charter Schools record substantially all revenues over time as follows:

Public school district revenue

The Charter Schools recognize revenue as educational programming is provided to students throughout the year. The Charter Schools earn public school district revenue based on the approved per pupil tuition rate 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 per pupil tuition rate and the full-time equivalent student enrollment of the Charter Schools. Each NYS school district has a fixed per pupil tuition rate which is calculated annually by NYSED in accordance with NYS Education Law. Amounts are billed in advance every other month and payments are typically received in six installments during the year. At the end of each school year, a reconciliation of actual enrollment to billed enrollment is performed and any additional amounts due or excess funds received are agreed upon between the Charter Schools and the district(s) and are paid or recouped. Additional funding is available for students requiring special education services. The amount of additional funding is dependent upon the length of time and types of services provided by the Charter Schools to each student, subject to a maximum amount based upon a set rate for each district as calculated by NYSED.

Rental assistance

Facilities rental assistance funding is provided by the New York City Dept of Education (NYCDOE) to qualifying charter schools located in the five boroughs of NYC. In order to receive rental assistance funding, a charter school must have commenced instruction or added grade levels in the 2014-15 school year or thereafter, and go through a space request process with the NYCDOE. If NYCDOE is not able to provide adequate space, the charter school can become eligible for rental assistance. Rental assistance is calculated as the lesser of 30% of the per-pupil tuition rate for NYC times the number of students enrolled, or actual total rental costs. As rental assistance is based on the number of students enrolled, revenue is recognized throughout the year as educational programming is provided to students.

The following table summarizes contract balances at their respective statement of financial position dates:

	June 30,		
	2023	2022	2021
Grants and contracts receivable	\$ 62,907	\$ 6,975	\$ 118,020

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Contributions

The Charter Schools recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. No contributions were deferred at June 30, 2023 and 2022.

Contributions and unconditional promises to give are recorded as revenue in the appropriate class of net assets depending on the existence of any donor restrictions. A contribution that is received and expended in the same period for a specific purpose is classified as revenue without donor restrictions.

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Grant revenue

Some of the Charter Schools' revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Charter Schools have incurred expenditures in compliance with specific contract or grant provisions. Certain grants are subject to audit and retroactive adjustments by its funders. Any changes resulting from these audits are recognized in the year they become known. Qualifying expenditures that have been incurred but are yet to be reimbursed are reported as grants receivable in the accompanying statement of financial position. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the accompanying statement of financial position and amounted to \$492,181 and \$135,201 at June 30, 2023 and 2022, respectively. The Charter Schools received cost-reimbursement grants of approximately \$666,600 and \$1,224,000 that have not been recognized at June 30, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred.

Cash and cash equivalents

Cash and certain money market account balances are maintained at financial institutions located in New York and are insured by the FDIC up to \$250,000 at each institution. The Charter Schools consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In the normal course of business, the cash and cash equivalent account balances at any given time may exceed insured limits. However, the Charter Schools have not experienced any losses in such accounts and do not believe they are exposed to significant risk in cash and cash equivalents.

Cash in escrow

The Charter Schools maintain cash in escrow accounts, in accordance with the terms of the Charter Agreements. A portion of the account is invested in a certificate of deposit with a maturity date of one year or less. The escrow is restricted to fund legal and other costs related to the dissolution of the Charter Schools, should this become necessary. The amount in escrow was \$182,128 and \$157,064 at June 30, 2023 and 2022, respectively.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Grants and contracts receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on its assessment of the current status of individual receivables from grants, agencies and others. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts. There was no allowance for doubtful accounts at June 30, 2023 or 2022.

Property and equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which typically range from three to forty years.

Major renewals and betterments are capitalized, while repairs and maintenance are charged to operations as incurred. Upon sale or retirement, the related cost and allowances for depreciation are removed from the accounts and the related gain or loss is reflect in operations.

Security deposits

Security deposits consist of payments to third parties in connection with facility lease agreements.

Deferred lease liability

The Charter Schools lease their facilities. The leases contain pre-determined fixed escalations of the base rent. In accordance with GAAP, the Charter Schools recognize the related rent expense on a straight-line basis and record the difference between the recognized rental expense and the amounts paid under the lease as a deferred lease liability. The amount of additional rent expense recognized in excess of amounts paid under the leases was \$494,036 for the year ended June 30, 2022. As further described below, effective July 1, 2022, the Charter Schools adopted ASC 842, *Leases*.

In-kind contributions

Gifts and donations other than cash are recorded at fair market value at the date of contribution.

Tax exempt status

The education corporation is a tax-exempt entity under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income.

The education corporation files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the years ended June 30, 2020 through June 30, 2023 are still subject to potential audit by the IRS. Management of the education corporation believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits.

Contributed services

The Charter Schools receive contributed services from volunteers to serve on the Board of Trustees. In addition, the Charter Schools receive transportation services and a school nurse for the students from the local district. The Charter Schools were unable to determine a value for these services.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Marketing and costs

The Charter Schools expense marketing costs as they are incurred. Total marketing and recruiting costs approximated \$270,900 and \$257,700 for the years ended June 30, 2023 and 2022, respectively.

Comparatives for year ended June 30, 2022

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Charter Schools' financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Leases

The Charter Schools leases several buildings and equipment and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and other liabilities on the accompanying statement of financial position.

ROU assets represent the Charter Schools' right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Charter Schools use a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Charter Schools will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Charter Schools' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Charter Schools consider factors such as if the Charter Schools have obtained substantially all of the rights to the underlying asset through exclusivity, if the Charter Schools can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Adoption of new accounting standard - leases

In February 2016, the FASB issued a new standard related to leases to increase transparency and comparability among entities by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. For nonpublic entities, the FASB voted on May 20, 2020, to extend the guidance in this new standard to be effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Charter Schools adopted ASC 842 with the date of initial application of July 1, 2022.

The Charter Schools recognized and measured leases existing at July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

As part of the adoption of ASC 842, the Charter Schools' elected practical expedients to account for any existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard; (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance; or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Charter Schools recognized on July 1, 2022 a lease liability of \$49,576,403, which represents the present value of the remaining operating lease payments of \$72,173,894, discounted using the risk free rate of 3.08%, and a right-of-use asset of \$46,384,123, which represents the operating lease liabilities of \$49,576,403 adjusted for deferred lease liability of \$3,192,280.

The standard had a material impact on the accompanying statement of financial position, but did not have an impact on the statement of activities and changes in net assets, nor statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

New accounting pronouncement – credit losses

In June 2016 the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13), which requires entities to use a new impairment model referred to as the current expected credit losses (CECL) model rather than incurred losses. The new standard affects accounting for loans, accounts (trade) receivable, held-to-maturity debt securities, and other financial assets included in the scope. For non-public entities, the new standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Charter Schools are currently evaluating the provisions of this standard to determine the impact the new standard will have on the Charter Schools' financial position or results of operations.

Subsequent events

The Charter Schools have conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 31, 2023, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE B: LIQUIDITY AND AVAILABILITY

The Charter Schools regularly monitor liquidity required to meet their operating needs and other contractual commitments. The Charter Schools' main source of liquidity is their cash accounts.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Charter Schools consider all expenditures related to their ongoing activities of education and public service as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Charter Schools anticipate collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	June 30,	
	2023	2022
Cash and cash equivalents	\$ 2,102,558	\$ 3,178,086
Grants and contracts receivable	1,735,102	1,228,467
Total financial assets available to management for general expenditures within one year	<u>\$ 3,837,660</u>	<u>\$ 4,406,553</u>

NOTE C: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	2023	2022
Leasehold improvements	\$ 4,887,348	\$ 4,561,247
Equipment and furniture and fixtures	5,260,494	4,173,057
	10,147,842	8,734,304
Less accumulated depreciation	7,620,924	7,037,033
	<u>\$ 2,526,918</u>	<u>\$ 1,697,271</u>

Total depreciation expense was \$583,891 and \$456,944 for the years ended June 30, 2023 and 2022, respectively.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE D: LEASES

The Charter Schools lease their school facilities under non-cancelable lease agreements expiring at various dates through July 2048. The Charter Schools lease office equipment under non-cancelable lease agreements expiring at various dates through October 2025. In addition to the above leases, the Charter Schools entered into two short-term lease agreements. The first agreement was for temporary space for OWN 3, beginning in August 2022 at approximately \$56,200 per month through December 2022, then decreasing to \$38,800 through June 2023. The Charter Schools also had a short-term lease for OWN middle school through June 30, 2023 which required rent payments of approximately \$65,600 per month. Rent expense paid for the year ended June 30, 2022 was approximately \$3,298,900.

A summary of lease right-of-use assets and liabilities at June 30, 2023 are as follows:

<u>Statement of Financial</u> <u>Position Classification</u>		
<u>Assets</u>		
Operating Leases	Other assets	<u>\$ 44,766,029</u>
<u>Liabilities</u>		
Current:		
Operating Leases	Current liabilities	\$ 1,487,034
Non-current		
Operating Leases	Other liabilities	<u>46,745,808</u>
		<u>\$ 48,232,842</u>

The components of lease expense were as follows:

Operating lease cost	<u>\$ 3,119,742</u>
Short-term lease cost	<u>\$ 1,363,866</u>

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE D: LEASES, Cont'd

As of June 30, 2023, minimum payments due for the above lease liabilities for each of the five succeeding fiscal years and thereafter are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ 2,943,609
2025	2,842,036
2026	2,524,299
2027	2,508,190
2028	2,526,305
Thereafter	<u>55,986,236</u>
Total lease payments	69,330,675
Less: Interest	<u>(21,097,833)</u>
Present value of lease liabilities	<u>\$ 48,232,842</u>

Supplemental information:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows paid for operating leases \$ 2,843,219

Right-of-use assets obtained in exchange for new lease liabilities
(non-cash):

Operating leases \$ 46,384,123

Weighted-average remaining lease term:

Operating leases 23.07 years

Weighted-average discount rate:

Operating leases 3.08%

As of June 30, 2023, the Charter Schools have additional operating leases that had not yet commenced with future payments of approximately \$161,550,000. These operating leases commence in fiscal 2024 with lease terms ranging from 30 to 33 years and are described below.

In August 2021, the Charter Schools entered into a lease agreement for a school facility for OWN middle school, which commenced on July 1, 2023. Monthly payments will begin at \$99,847 and increase to \$235,295 over the thirty-year term of the lease, through June 2053. The Charter Schools have the option to terminate the lease at various points throughout the lease term, the first at 12 years after commencement. The lease required payment of a \$300,000 security deposit.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE D: LEASES, Cont'd

In November 2021, the Charter Schools entered into a lease agreement for a permanent school facility for OWN 3. This lease commenced on July 1, 2023. The lease has a thirty-three year term through June 2056 and monthly payments will begin at \$56,187 and increase to \$417,645 over the term of the lease. The lease required payment of a \$250,000 security deposit.

NOTE E: RETIREMENT PLAN

The Charter Schools sponsor a 401(k) plan (the "Plan") for its employees. All employees of the Charter Schools are eligible to participate. The Charter Schools match 100% of the employee's contributions up to 3% of eligible compensation and makes a safe harbor contribution of 3% of eligible compensation per year. During the years ended June 30, 2023 and 2022, the Charter Schools contributed approximately \$693,600 and \$549,900, respectively, to the Plan.

NOTE F: LONG TERM DEBT

In response to the COVID-19 outbreak, in April 2020 the Charter Schools applied for and were approved by a bank for a loan of \$2,018,605 through the Paycheck Protection Program established by the Small Business Administration. The loan had a maturity of 2 years and an interest rate of 0.98%. The loan had the potential for forgiveness provided certain requirements were met by the Charter Schools. The loan was funded on April 25, 2020 and was included as long term debt in the statement of financial position at June 30, 2021. In September 2021, the Small Business Administration approved the forgiveness of the loan and all accrued interest, which is reported as Paycheck Protection Program loan forgiveness on the accompanying statement of activities and changes in net assets for the year ended June 30, 2022.

NOTE G: CONTINGENCY

Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowance of costs submitted for reimbursement by the Charter Schools. Management is of the opinion that such disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE H: CONCENTRATIONS

At June 30, 2023, approximately 80% of grants and contracts receivable are due from New York State Department of Education relating to certain grants. During the year ended June 30, 2023, 80% of total operating revenue and support came from per-pupil funding provided by New York State. The per-pupil rate is set annually by the State based on the school district in which the Charter Schools' students are located.

At June 30, 2022, approximately 91% of grants and contracts receivable are due from New York State Department of Education relating to certain grants. During the year ended June 30, 2022, 82% of total operating revenue and support came from per-pupil funding. The per-pupil rate is set annually by the State based on the school district in which the Charter Schools' students are located.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

YEAR ENDED JUNE 30, 2023
(With Comparative Totals for 2022)

NOTE I: FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses (including salaries, benefits and payroll taxes, purchased services, occupancy costs, and supplies and materials) which are allocated to more than one program or supporting function are allocated on the basis of estimates of time, effort, and usage.

NOTE J: NET ASSETS (DEFICIENCY)

Net assets (deficiency) without donor restrictions are as follows:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Undesignated (deficiency) net assets	\$ (1,796,722)	\$ 738,673
Invested in property and equipment	<u>2,526,918</u>	<u>1,697,271</u>
	<u>\$ 730,196</u>	<u>\$ 2,435,944</u>

There were no net assets with donor restrictions at June 30, 2023 and 2022.

NOTE K: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The Elementary and Secondary School Emergency Relief Fund (ESSER Fund) was established to award grants to state and local educational agencies. The Charter Schools recognized \$819,156 and \$1,016,694 of revenue relative to ESSER grants during the years ended June 30, 2023 and 2022, respectively. As of June 30, 2023, the Charter Schools have approximately \$627,900 of ESSER grants available for expenditure through September 30, 2024.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

OTHER FINANCIAL INFORMATION



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Our World Neighborhood Charter Schools

We have audited the financial statements of Our World Neighborhood Charter Schools as of and for the year ended June 30, 2023, and have issued our report thereon dated October 31, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The financial information hereinafter 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 31, 2023

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY CHARTER

YEAR ENDED JUNE 30, 2023

	Our World Neighborhood Charter School	Our World Neighborhood Charter School 2	Our World Neighborhood Charter School 3	Eliminations	Total
Revenue, gains, and other support:					
Public school district					
Resident student enrollment	\$ 12,187,328	\$ 6,510,198	\$ 1,360,833	\$ -	\$ 20,058,359
Students with disabilities	941,728	572,690	85,926	-	1,600,344
Grants and contracts					
State and local	95,718	24,032	8,844	-	128,594
Federal - Title and IDEA	257,151	125,017	7,476	-	389,644
Federal - Other	917,707	631,250	659,545	-	2,208,502
NYC DOE rental assistance	-	1,932,046	409,873	-	2,341,919
Food service / child nutrition program	369,790	-	-	-	369,790
TOTAL REVENUE, GAINS AND OTHER SUPPORT	14,769,422	9,795,233	2,532,497	-	27,097,152
Expenses:					
Program services:					
Regular education	12,324,028	7,367,993	2,892,342	-	22,584,363
Special education	1,335,340	312,170	258,477	-	1,905,987
Total program services	13,659,368	7,680,163	3,150,819	-	24,490,350
Management and general	2,260,532	1,488,065	851,514	-	4,600,111
Fundraising	86,016	69,647	46,095	-	201,758
TOTAL OPERATING EXPENSES	16,005,916	9,237,875	4,048,428	-	29,292,219
(DEFICIT) SURPLUS FROM SCHOOL OPERATIONS	(1,236,494)	557,358	(1,515,931)	-	(2,195,067)
Support and other revenue:					
Contributions	277,220	184,800	-	-	462,020
Interest income	64	25	-	-	89
Miscellaneous income	14,670	12,090	450	-	27,210
TOTAL SUPPORT AND OTHER REVENUE	291,954	196,915	450	-	489,319
CHANGE IN NET ASSETS	(944,540)	754,273	(1,515,481)	-	(1,705,748)
Net assets (deficiency) at beginning of year	3,056,600	(259,105)	(361,551)	-	2,435,944
NET ASSETS (DEFICIENCY) AT END OF YEAR	\$ 2,112,060	\$ 495,168	\$ (1,877,032)	\$ -	\$ 730,196

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER –
OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

YEAR ENDED JUNE 30, 2023

	No. of Positions	Program Services			Supporting Services			Total
		Regular Education	Special Education	Sub-total	Management and general	Fundraising	Sub-total	
Personnel services costs:								
Administrative staff personnel	22	\$ 1,207,935	\$ 165,447	\$ 1,373,382	\$ 896,444	\$ 69,965	\$ 966,409	\$ 2,339,791
Instructional personnel	75	5,074,357	917,104	5,991,461	-	-	-	5,991,461
Non-instructional personnel	<u>2</u>	<u>107,268</u>	<u>-</u>	<u>107,268</u>	<u>34,752</u>	<u>-</u>	<u>34,752</u>	<u>142,020</u>
Total personnel services costs	99	6,389,560	1,082,551	7,472,111	931,196	69,965	1,001,161	8,473,272
Fringe benefits and payroll taxes		1,285,726	195,931	1,481,657	221,631	10,788	232,419	1,714,076
Retirement		292,696	48,073	340,769	50,103	4,899	55,002	395,771
Legal service		-	-	-	17,323	-	17,323	17,323
Accounting / audit services		-	-	-	36,657	-	36,657	36,657
Other purchased / professional / consulting services		950,970	-	950,970	285,878	-	285,878	1,236,848
Building and land rent / lease / facility finance interest		1,303,918	-	1,303,918	301,984	-	301,984	1,605,902
Repairs and maintenance		253,077	-	253,077	73,226	-	73,226	326,303
Insurance		91,358	-	91,358	22,844	-	22,844	114,202
Utilities		352,840	-	352,840	52,904	-	52,904	405,744
Supplies / materials		157,293	-	157,293	-	-	-	157,293
Equipment / furnishings		22,969	-	22,969	3,634	260	3,894	26,863
Staff development		123,513	-	123,513	11,224	-	11,224	134,737
Marketing / recruitment		105,446	-	105,446	33,250	-	33,250	138,696
Technology		144,512	-	144,512	65,161	104	65,265	209,777
Food service		481,338	-	481,338	-	-	-	481,338
Student services		23,599	250	23,849	72	-	72	23,921
Office expense		118,433	289	118,722	86,039	-	86,039	204,761
Depreciation		195,627	-	195,627	48,393	-	48,393	244,020
Other		<u>31,153</u>	<u>8,246</u>	<u>39,399</u>	<u>19,013</u>	<u>-</u>	<u>19,013</u>	<u>58,412</u>
		<u>\$ 12,324,028</u>	<u>\$ 1,335,340</u>	<u>\$ 13,659,368</u>	<u>\$ 2,260,532</u>	<u>\$ 86,016</u>	<u>\$ 2,346,548</u>	<u>\$ 16,005,916</u>

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER –
OUR WORLD NEIGHBORHOOD CHARTER SCHOOL 2

YEAR ENDED JUNE 30, 2023

	No. of Positions	Program Services			Supporting Services			Total
		Regular Education	Special Education	Sub-total	Management and general	Fundraising	Sub-total	
Personnel services costs:								
Administrative staff personnel	12	\$ 538,548	\$ 129,042	\$ 667,590	\$ 578,483	\$ 54,194	\$ 632,677	\$ 1,300,267
Instructional personnel	37	2,671,812	110,025	2,781,837	-	-	-	2,781,837
Total personnel services costs	49	3,210,360	239,067	3,449,427	578,483	54,194	632,677	4,082,104
Fringe benefits and payroll taxes		602,866	39,690	642,556	106,522	6,475	112,997	755,553
Retirement		146,222	10,340	156,562	31,020	2,524	33,544	190,106
Legal service		-	-	-	-	-	-	-
Accounting / audit services		-	-	-	23,580	-	23,580	23,580
Other purchased / professional / consulting services		538,918	-	538,918	59,144	-	59,144	598,062
Building and land rent / lease / facility finance interest		1,828,535	-	1,828,535	457,133	-	457,133	2,285,668
Repairs and maintenance		195,126	-	195,126	47,521	-	47,521	242,647
Insurance		49,157	-	49,157	12,289	-	12,289	61,446
Utilities		125,695	-	125,695	35,964	-	35,964	161,659
Supplies / materials		133,540	11,128	144,668	282	-	282	144,950
Equipment / furnishings		13,170	-	13,170	5,106	-	5,106	18,276
Staff development		139,876	6,897	146,773	399	-	399	147,172
Marketing / recruitment		48,461	-	48,461	-	6,304	6,304	54,765
Technology		72,748	-	72,748	38,364	52	38,416	111,164
Student services		12,961	-	12,961	-	-	-	12,961
Office expense		63,951	215	64,166	38,655	11	38,666	102,832
Depreciation		159,782	-	159,782	51,654	-	51,654	211,436
Other		26,625	4,833	31,458	1,949	87	2,036	33,494
		<u>\$ 7,367,993</u>	<u>\$ 312,170</u>	<u>\$ 7,680,163</u>	<u>\$ 1,488,065</u>	<u>\$ 69,647</u>	<u>\$ 1,557,712</u>	<u>\$ 9,237,875</u>

OUR WORLD NEIGHBORHOOD CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER –
OUR WORLD NEIGHBORHOOD CHARTER SCHOOL 3

YEAR ENDED JUNE 30, 2023

	No. of Positions	Program Services			Supporting Services			Total
		Regular Education	Special Education	Sub-total	Management and general	Fundraising	Sub-total	
Personnel services costs:								
Administrative staff personnel	7	\$ 1,396,310	\$ 47,893	\$ 1,444,203	\$ 419,140	\$ 29,194	\$ 448,334	\$ 1,892,537
Instructional personnel	18	-	165,321	165,321	-	-	-	165,321
Non-instructional personnel	-	-	-	-	-	-	-	-
Total personnel services costs	25	1,396,310	213,214	1,609,524	419,140	29,194	448,334	2,057,858
Fringe benefits and payroll taxes		255,757	33,843	289,600	66,333	5,277	71,610	361,210
Retirement		72,143	9,686	81,829	24,245	1,624	25,869	107,698
Legal service		-	-	-	9,411	-	9,411	9,411
Accounting / audit services		-	-	-	9,434	-	9,434	9,434
Other purchased / professional / consulting services		116,031	-	116,031	104,938	-	104,938	220,969
Building and land rent / lease / facility finance interest		465,842	-	465,842	112,961	-	112,961	578,803
Repairs and maintenance		96,462	-	96,462	23,970	-	23,970	120,432
Insurance		20,680	-	20,680	5,170	-	5,170	25,850
Utilities		42,961	-	42,961	13,191	-	13,191	56,152
Supplies / materials		130,923	-	130,923	-	-	-	130,923
Equipment / furnishings		9,031	-	9,031	2,595	-	2,595	11,626
Staff development		33,735	-	33,735	1,366	-	1,366	35,101
Marketing / recruitment		67,443	-	67,443	-	10,000	10,000	77,443
Technology		33,150	-	33,150	13,940	-	13,940	47,090
Student services		1,487	-	1,487	128	-	128	1,615
Office expense		14,209	-	14,209	28,615	-	28,615	42,824
Depreciation		118,457	-	118,457	9,978	-	9,978	128,435
Other		17,721	1,734	19,455	6,099	-	6,099	25,554
		<u>\$ 2,892,342</u>	<u>\$ 258,477</u>	<u>\$ 3,150,819</u>	<u>\$ 851,514</u>	<u>\$ 46,095</u>	<u>\$ 897,609</u>	<u>\$ 4,048,428</u>