

KING CENTER CHARTER SCHOOL  
Financial Statements and  
Supplementary Information  
June 30, 2025 and 2024  
(With Independent Auditors' Report Thereon)

KING CENTER CHARTER SCHOOL

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
King Center Charter School:

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of King Center Charter School (the School) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of King Center Charter School as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2025, 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 the 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 30, 2025

KING CENTER CHARTER SCHOOL  
 Statements of Financial Position  
 June 30, 2025 and 2024

	<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:			
Cash		\$ 1,241,329	1,169,370
Grants and other receivables		100,739	537,493
Prepaid expenses		<u>20,986</u>	<u>25,964</u>
Total current assets		<u>1,363,054</u>	<u>1,732,827</u>
Investments, at fair value		1,114,847	1,390,357
Property and equipment, at cost		6,690,030	6,270,591
Less accumulated depreciation		<u>(1,921,627)</u>	<u>(1,706,560)</u>
Net property and equipment		<u>4,768,403</u>	<u>4,564,031</u>
Total assets		<u><u>\$ 7,246,304</u></u>	<u><u>7,687,215</u></u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable		136,095	134,601
Accrued expenses:			
Payroll and payroll taxes		314,650	318,085
Pension		<u>449,785</u>	<u>433,828</u>
Total accrued expenses		764,435	751,913
Deferred revenue		<u>1,250</u>	<u>-</u>
Total current liabilities		<u>901,780</u>	<u>886,514</u>
Net assets:			
Without donor restrictions		6,304,690	6,760,867
With donor restrictions		<u>39,834</u>	<u>39,834</u>
Total net assets		6,344,524	6,800,701
Contingency (note 8)		<u>                    </u>	<u>                    </u>
Total liabilities and net assets		<u><u>\$ 7,246,304</u></u>	<u><u>7,687,215</u></u>

See accompanying notes to financial statements.

KING CENTER CHARTER SCHOOL  
Statements of Activities  
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Changes in net assets without donor restrictions:		
Revenue:		
Public school districts:		
Resident student enrollment	\$ 5,744,290	5,197,646
Students with disabilities	134,780	181,250
State aid	247,900	226,724
Interest income	48,472	5,553
Unrealized gain on investments	54,859	68,387
Other income	37,865	2,312
Net assets released from restrictions	<u>319,702</u>	<u>421,262</u>
Total revenue	<u>6,587,868</u>	<u>6,103,134</u>
Expenses:		
Program services:		
Regular education	4,878,175	4,860,952
Special education	470,670	432,830
Other programs	<u>70,145</u>	<u>59,612</u>
Total program services	5,418,990	5,353,394
Management and general	<u>1,625,055</u>	<u>1,546,602</u>
Total expenses	<u>7,044,045</u>	<u>6,899,996</u>
Change in net assets without donor restrictions	<u>(456,177)</u>	<u>(796,862)</u>
Change in net assets with donor restrictions:		
Federal and State grants	319,702	421,262
Net assets released from restrictions	<u>(319,702)</u>	<u>(421,262)</u>
Change in net assets with donor restrictions	<u>-</u>	<u>-</u>
Change in net assets	(456,177)	(796,862)
Net assets at beginning of year	<u>6,800,701</u>	<u>7,597,563</u>
Net assets at end of year	<u>\$ 6,344,524</u>	<u>6,800,701</u>

See accompanying notes to financial statements.

KING CENTER CHARTER SCHOOL  
Statement of Functional Expenses  
Year ended June 30, 2025  
with comparative totals for 2024

	No. of <u>positions</u>	Program Services			Total	Management and <u>general</u>	Total	
		<u>Regular education</u>	<u>Special education</u>	<u>Other programs</u>			<u>2025</u>	<u>2024</u>
Salaries:								
Instructional	62	\$ 3,037,254	321,148	-	3,358,402	-	3,358,402	3,314,749
Administrative	15	-	-	-	-	1,037,244	1,037,244	1,027,468
Non-instructional	<u>1</u>	-	-	<u>49,793</u>	<u>49,793</u>	-	<u>49,793</u>	<u>42,406</u>
Total salaries	<u>78</u>	3,037,254	321,148	49,793	3,408,195	1,037,244	4,445,439	4,384,623
Payroll taxes		253,276	26,780	4,152	284,208	86,496	370,704	366,595
Employee benefits		606,656	64,146	9,946	680,748	207,178	887,926	829,942
Instructional materials		23,007	-	-	23,007	-	23,007	23,610
Classroom supplies		24,669	-	-	24,669	-	24,669	14,306
Field trips		10,132	-	-	10,132	-	10,132	14,585
Transportation		11,269	-	-	11,269	-	11,269	11,227
Student activities		41,789	-	-	41,789	-	41,789	42,147
Student testing and assessment		88,477	-	-	88,477	-	88,477	82,666
Special education services		-	18,262	-	18,262	-	18,262	16,569
Technology		89,621	-	-	89,621	-	89,621	121,702
Staff development		17,410	-	-	17,410	-	17,410	59,094
Dues and subscriptions		20,520	-	-	20,520	-	20,520	13,989
Consultants		170,335	-	-	170,335	-	170,335	26,294
LIM		10,011	-	-	10,011	-	10,011	13,117
Summer school		4,549	-	-	4,549	-	4,549	41,721
Utilities		79,625	8,419	1,305	89,349	27,192	116,541	111,382
Insurance		73,047	7,724	1,198	81,969	24,946	106,915	114,993
Office supplies		-	-	-	-	2,916	2,916	10,779
Postage		3,711	-	-	3,711	-	3,711	1,968
Printing and promotion		21,808	-	-	21,808	-	21,808	18,771
Building repair and maintenance		48,710	-	-	48,710	-	48,710	86,357
Contractual services		81,844	8,654	1,342	91,840	27,950	119,790	129,977
Professional fees		-	-	-	-	160,952	160,952	91,463
Miscellaneous		13,515	-	-	13,515	-	13,515	45,955
Depreciation		<u>146,940</u>	<u>15,537</u>	<u>2,409</u>	<u>164,886</u>	<u>50,181</u>	<u>215,067</u>	<u>226,164</u>
Total expenses		<u>\$ 4,878,175</u>	<u>470,670</u>	<u>70,145</u>	<u>5,418,990</u>	<u>1,625,055</u>	<u>7,044,045</u>	<u>6,899,996</u>

See accompanying notes to financial statements.

KING CENTER CHARTER SCHOOL  
Statement of Functional Expenses  
Year ended June 30, 2024

	No. of <u>positions</u>	Program Services			<u>Total</u>	Management and	<u>Total</u>
		<u>Regular education</u>	<u>Special education</u>	<u>Other programs</u>		<u>general</u>	
Salaries:							
Instructional	65	\$ 3,018,636	296,113	-	3,314,749	-	3,314,749
Administrative	16	-	-	-	-	1,027,468	1,027,468
Non-instructional	<u>1</u>	-	-	42,406	42,406	-	42,406
Total salaries	<u>82</u>	3,018,636	296,113	42,406	3,357,155	1,027,468	4,384,623
Payroll taxes		252,387	24,758	3,546	280,691	85,904	366,595
Employee benefits		571,381	56,050	8,027	635,458	194,484	829,942
Instructional materials		23,610	-	-	23,610	-	23,610
Classroom supplies		14,306	-	-	14,306	-	14,306
Field trips		14,585	-	-	14,585	-	14,585
Transportation		11,227	-	-	11,227	-	11,227
Student activities		42,147	-	-	42,147	-	42,147
Student testing and assessment		82,666	-	-	82,666	-	82,666
Special education services		-	16,569	-	16,569	-	16,569
Technology		121,702	-	-	121,702	-	121,702
Staff development		59,094	-	-	59,094	-	59,094
Dues and subscriptions		13,989	-	-	13,989	-	13,989
Consultants		26,294	-	-	26,294	-	26,294
LIM		13,117	-	-	13,117	-	13,117
Summer school		41,721	-	-	41,721	-	41,721
Utilities		76,682	7,522	1,077	85,281	26,101	111,382
Insurance		79,168	7,766	1,112	88,046	26,947	114,993
Office supplies		-	-	-	-	10,779	10,779
Postage		1,968	-	-	1,968	-	1,968
Printing and promotion		18,771	-	-	18,771	-	18,771
Building repair and maintenance		86,357	-	-	86,357	-	86,357
Contractual services		89,484	8,778	1,257	99,519	30,458	129,977
Professional fees		-	-	-	-	91,463	91,463
Miscellaneous		45,955	-	-	45,955	-	45,955
Depreciation		155,705	15,274	2,187	173,166	52,998	226,164
Total expenses		<u>\$ 4,860,952</u>	<u>432,830</u>	<u>59,612</u>	<u>5,353,394</u>	<u>1,546,602</u>	<u>6,899,996</u>

See accompanying notes to financial statements.

KING CENTER CHARTER SCHOOL  
Statements of Cash Flows  
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ (456,177)	(796,862)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	215,067	226,164
Unrealized gain on investments	(54,859)	(68,387)
Changes in:		
Grants and other receivables	436,754	82,860
Prepaid expenses	4,978	(1,977)
Accounts payable	(35,699)	40,907
Accrued expenses	12,522	(25,472)
Deferred revenue	<u>1,250</u>	<u>(369)</u>
Net cash provided by (used in) operating activities	<u>123,836</u>	<u>(543,136)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(382,246)	(39,561)
Change in investments, net	<u>330,369</u>	<u>2,012</u>
Net cash used in investing activities	<u>(51,877)</u>	<u>(37,549)</u>
Net change in cash and cash equivalents	71,959	(580,685)
Cash and cash equivalents at beginning of year	<u>1,169,370</u>	<u>1,750,055</u>
Cash and cash equivalents at end of year	<u>\$ 1,241,329</u>	<u>1,169,370</u>
Supplemental schedule of cash flow information - purchase of property and equipment financed through accounts payable	<u>\$ 37,193</u>	<u>-</u>

See accompanying notes to financial statements.

## KING CENTER CHARTER SCHOOL

### Notes to Financial Statements

June 30, 2025 and 2024

#### (1) Summary of Significant Accounting Policies

##### (a) Nature of Activities

King Center Charter School (the School) was chartered by the Board of Regents of the University at the State of New York (the State) on February 1, 2000 for a term of five years pursuant to Article 56 of the New York State Education Law. As of March 2023, the State extended the School's Charter through July 31, 2028.

Charter schools receive State and Federal public-school funding and must meet all the same state and Federal testing and learning requirements as public schools, yet they operate independently of the local school district, serving as their own local education agency.

The School is governed by a twelve member, uncompensated Board of Directors and has 426 students in kindergarten through eighth grade. The school offers additional opportunities for enrichment activity including after-school and summer programs.

##### (b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### (c) Basis of Presentation

The School reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represent resources available for the general support of the School's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the School. As of June 30, 2025 and 2024, the School had net assets with donor restrictions of \$39,834, for contributions restricted for use by the athletic department.

##### (d) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### (e) Cash

For purposes of reporting cash flows, the School considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

KING CENTER CHARTER SCHOOL  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Concentration of Credit Risk

Financial instruments that potentially subject the School to concentration of credit risk consist principally of cash accounts in financial institutions. The School maintains financial instruments at financial institutions which periodically may exceed federally insured limits. At June 30, 2025 and 2024, the School had \$991,379 and \$922,296, respectively in excess of the federally insured limits.

(g) Receivables and Credit Losses

The School's accounts receivable are primarily derived from tuition revenue. At each statement of financial position date, the School recognizes an expected allowance for credit losses. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

The allowance method is derived from a review of the School's historical losses based on an aging of receivables. Historical losses have been consistent. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors. As a result, management has determined that the allowance for credit losses is adequate.

The School writes off receivables when there is information that indicates that there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in revenue. There were no write-offs for the years ended June 30, 2025 and 2024.

Additionally, the School has receivables related to grants in which they recognize an expected allowance for uncollectable accounts based on similar methodology. At June 30, 2025 and 2024, management has determined that no allowance for credit losses was deemed necessary.

(h) Contracts with Customers

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the School expects to be entitled in exchange for these goods or services. The School utilizes a five-step framework as identified in ASU No. 2014-09. The primary source of revenue from contracts with customers for the School is as follows:

Tuition revenue consists of a single performance obligation and revenue is typically recognized when the service is provided. The School contracts with various public school districts to receive funding for student's education. The transaction price is based on a rate per pupil as the service is provided.

KING CENTER CHARTER SCHOOL  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as net assets without donor restrictions. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities. Generally, property and equipment which has a cost in excess of \$5,000 at the date of acquisition and has an expected useful life of five years is capitalized.

(j) Long-Lived Assets

The School reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In determining whether there is an impairment of long-lived assets, the School compares the sum of the expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the assets. At June 30, 2025 and 2024, no impairment in value has been recognized.

(k) Public School District Revenue

The School receives per pupil aid which is passed through several school districts. The Buffalo Public School District provides the largest portion of public school district revenue. New York State Education Department mandates the rate per pupil. For the years ended June 30, 2025 and 2024, the per pupil rate was \$14,614 and \$13,966, respectively, for the Buffalo Public School District.

(l) Deferred Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statements of financial position as deferred revenue.

(m) Contributed Nonfinancial Assets

Contributed equipment, materials and supplies are reflected in the financial statements based on the fair market value at the time of donation.

Contributed personnel services meeting the requirements for recognition in the financial statements were not material and have not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the School.

KING CENTER CHARTER SCHOOL  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the School. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(o) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program related expenses are allocated by direct allocation of expenses. Management and general and fundraising expenses are allocated based on level of effort.

(p) Subsequent Events

The School has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(q) Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The School has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The School presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the School has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the School are subject to examination by taxing authorities.

(2) Liquidity

The School has \$1,342,068 of financial assets available within one year of the statement of financial position date consisting of \$1,241,329 of cash and \$100,739 of receivables. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As more fully described in note 5, the School has a line of credit in the amount of \$200,000 which it could draw upon in the event of an unanticipated liquidity need.

KING CENTER CHARTER SCHOOL  
Notes to Financial Statements, Continued

(3) Investments

Financial Instruments

Investments at June 30, 2025 and 2024 consist of U.S. Treasury Securities amounting to \$1,114,847 and \$1,390,357, respectively.

Investments are stated at fair value. The fair value is based on quotations obtained from national securities exchanges. In accordance with the policy of carrying investments at fair value, the change in net unrealized appreciation or depreciation is included in the statements of activities.

Fair Value Measurement

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Level 1 assets and liabilities are those whose inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access. The School holds marketable securities with a quoted price in active markets for identical assets (level 1) of \$1,114,847 and \$1,390,357 at June 30, 2025 and 2024, respectively.

(4) Property and Equipment

Property and equipment are recorded at cost. A summary of property and equipment at June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 35,776	35,776
Building	345,828	345,828
Building improvements	5,349,550	5,336,197
Office equipment	47,277	47,277
Instructional equipment	435,288	435,288
Maintenance equipment	19,745	19,745
Construction in progress	421,734	15,648
Vehicles	33,750	33,750
Cafeteria equipment	<u>1,082</u>	<u>1,082</u>
	6,690,030	6,270,591
Less accumulated depreciation	<u>(1,921,627)</u>	<u>(1,706,560)</u>
Net property and equipment	\$ <u>4,768,403</u>	<u>4,564,031</u>

KING CENTER CHARTER SCHOOL  
Notes to Financial Statements, Continued

(5) Line of Credit

The School has a \$200,000 line of credit with a local bank with interest payable at 1% above the bank's prime rate (8.50% at June 30, 2025). This is a demand note and substantially all of the School's assets secure the loan. At June 30, 2025 and 2024 there was no balance on the line of credit.

(6) Pension Plan

The School participates in the New York State Teachers' Retirement System (NYSTRS), which is a cost-sharing multiple employer, public employees retirement system. NYSTRS 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.

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

NYSTRS is noncontributory, except for employees who joined the System after July 27, 1976 and prior to January 1, 2010, who contribute 3% of their salary, except that employees in NYSTRS more than ten years are no longer required to contribute. Those joining NYSTRS on or after January 1, 2010 are required to contribute 3.5% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School is required to contribute an actuarially determined rate. The rates for NYSTRS were 10.11% and 9.76% of the annual covered payroll as of June 30, 2025 and 2024, respectively. Required annual contributions of \$368,603 and \$349,354 were paid to NYSTRS by the School for the years ended June 30, 2025 and 2024, respectively.

(7) Defined Contribution Plan

The School sponsors a 401(k) contributory defined contribution plan (the Plan) covering employees who are at least 18 years of age. The employer contribution is calculated based on a pro rata basis of compensation of each eligible participant, but in no event will exceed the lesser of: (a) five percent (5%) of compensation or (b) one-third ( $\frac{1}{3}$ ) of the highest allocation rate for any highly compensated participant for the plan year. The School contributes a percentage of non-instructional employees' salaries to the plan, subject to certain limitations, as determined annually by the Board of Directors. Total expense for the years ended June 30, 2025 and 2024 was \$46,799 and \$37,740, respectively. The School also sponsors a non-contributory tax deferred annuity 403(b) plan. Eligible employees may contribute to the Plan up to the maximum allowed by Internal Revenue Code.

KING CENTER CHARTER SCHOOL  
Notes to Financial Statements, Continued

(8) Contingency

The School has received grants which are subject to audit by agencies of the State and Federal government. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the School's administration believes that disallowances, if any will be immaterial.

(9) Escrow Reserve

As set forth in its charter, the School established an escrow reserve in August 2007, in the amount of \$75,000 for the purpose of funding legal and audit fees in the event of dissolution. At June 30, 2025 the amount in escrow was \$82,563 and is included in investments in the accompanying statements of financial position. At June 30, 2024 the amount in escrow was \$80,470 and is included in investments in the accompanying statements of financial position.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors  
King Center Charter School:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of King Center Charter School (the School), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated October 30, 2025.

Report on 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 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 School's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether King Center Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 30, 2025