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**GRAND CONCOURSE ACADEMY  
CHARTER SCHOOL**

**Financial Statements**

For the years ended June 30, 2020 and 2019

**GRAND CONCOURSE ACADEMY CHARTER SCHOOL**

**Financial Statements**

June 30, 2020 and 2019

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**GRAND CONCOURSE ACADEMY CHARTER SCHOOL****Statements of Financial Position**

As of June 30,

	<u>2020</u>	<u>2019</u>
<b><u>Assets</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 10,551,154	\$ 8,423,622
Grants receivable	383,259	176,263
Other receivable	2,246	2,246
Prepaid expenses	82,607	17,703
	<hr/>	<hr/>
Total current assets	11,019,266	8,619,834
	<hr/>	<hr/>
<b>Property and equipment, net - Note 4</b>	2,055,762	727,747
	<hr/>	<hr/>
<b>Other assets</b>		
Reserve for contingency	75,071	75,048
Escrow for building fund	-	2,013,613
Security deposits	16,500	224,026
	<hr/>	<hr/>
Total assets	<u>\$ 13,166,599</u>	<u>\$ 11,660,268</u>
	<hr/>	<hr/>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities</b>		
Accounts payable	\$ 91,275	\$ 14,795
Accrued salaries and other payroll related expenses - Note 5	839,533	775,794
Deferred revenue	19,677	49,241
	<hr/>	<hr/>
Total current liabilities	950,485	839,830
	<hr/>	<hr/>
<b>Long-term liability</b>		
SBA Loan - paycheck protection program	1,100,620	-
	<hr/>	<hr/>
Total liabilities	2,051,105	839,830
	<hr/>	<hr/>
<b>Net assets without donor restrictions</b>		
Reserve - contingency	75,071	75,048
Board designated reserves	-	2,013,613
Undesignated	11,040,423	8,731,777
	<hr/>	<hr/>
Total net assets without donor restrictions	11,115,494	10,820,438
	<hr/>	<hr/>
Total liabilities and net assets without donor restrictions	<u>\$ 13,166,599</u>	<u>\$ 11,660,268</u>
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The accompanying notes are an integral part of these financial statements.

**GRAND CONCOURSE ACADEMY CHARTER SCHOOL**

**Statements of Activities**

For the years ended June 30,

	2020	2019
<b><u>Operating revenue and other support</u></b>		
<b>State and local per pupil operating revenue</b>		
General education	\$ 9,478,223	\$ 8,557,394
Special education	924,390	668,451
Facility lease assistance	677,796	801,374
Total state and local per pupil operating revenue	11,080,409	10,027,219
<b>Grants, contracts and other support</b>		
Federal grants	418,098	477,148
State and local grants	164,737	312,476
Interest and other income	5,117	61,832
Total grants, contracts and other support	587,952	851,456
Total operating revenue and other support	11,668,361	10,878,675
<b><u>Expenses</u></b>		
<b>Program expenses</b>		
Regular education	7,516,806	5,720,215

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

**GRAND CONCOURSE ACADEMY CHARTER SCHOOL**

**Statement of Functional Expenses**

For the year ended June 30, 2020

	Regular education	Special education	Total programs	Management & general	
<b>Salaries</b>					
Instructional staff personnel	\$ 3,196,299	\$ 987,912	\$4,184,211	\$ -	\$ 4,184,211
Administrative staff personnel	670,297	64,652	734,949	567,758	1,302,707
Noninstructional staff personnel	-	-	-	251,893	251,893
Total salaries	3,866,596	1,052,564	4,919,160	819,651	5,738,811
<b>Operating expenses</b>					
Payroll taxes and fringe benefits	781,557	212,755	994,312	165,676	1,159,988
Retirement	129,417	35,230	164,647	27,434	192,081
Professional and consulting services	12	1	13	196,992	197,005
Occupancy	1,632,699	444,453	2,077,152	346,104	2,423,256
Repairs and maintenance	38,184	10,394	48,578	8,094	56,672
Insurance	65,456	17,819	83,275	13,877	97,152
Utilities	55,274	15,047	70,321	11,717	82,038
Supplies and materials	208,572	20,117	228,689	-	228,689
Equipment and furnishings	1,974	537	2,511	418	2,929
Staff development	11,336	3,005	14,341	2,306	16,647
Marketing and recruitment	111	33	144	30	174
Technology	57,129	15,552	72,681	12,110	84,791
Leased equipment	4,608	1,255	5,863	977	6,840
Telephone and internet	22,759	6,195	28,954	4,824	33,778
Food service	4,560	440	5,000	-	5,000
Student services	64,537	6,225	70,762	-	70,762
Administrative	44,972	12,242	57,214	10,629	67,843
Travel	3,846	1,047	4,893	815	5,708
Storage and moving	-	-	-	4,366	4,366
Depreciation	523,207	140,563	663,770	117,136	780,906
Loss on abandonment of leasehold improvement	-	-	-	117,869	117,869
Total operating expenses	3,650,210				

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

**GRAND CONCOURSE ACADEMY CHARTER SCHOOL**

**Statement of Functional Expenses**

For the year ended June 30, 2019

	Program expenses			Supporting services	Total program expenses and supporting services
	Regular education	Special education	Total programs	Management & general	
<b>Salaries</b>					
Instructional staff personnel	\$ 2,431,732	\$ 721,921	\$ 3,153,653	\$ 645,929	\$ 3,799,582
Administrative staff personnel	765,560	227,276	992,836	203,352	1,196,188
Noninstructional staff personnel	150,959	44,816	195,775	40,099	235,874
<b>Total salaries</b>	<b>3,348,251</b>	<b>994,013</b>	<b>4,342,264</b>	<b>889,380</b>	<b>5,231,644</b>
<b>Operating expenses</b>					
Payroll taxes and fringe benefits	753,194	223,605	976,799	200,067	1,176,866
Retirement	105,167	31,222	136,389	27,935	164,324
Professional and consulting services	121,294	36,009	157,303	32,219	189,522
Occupancy	860,035	255,323	1,115,358	228,446	1,343,804
Repairs and maintenance	37,159	11,032	48,191	9,870	58,061
Insurance	37,709	11,195	48,904	10,016	58,920
Utilities	83,170	24,691	107,861	22,092	129,953
Supplies and materials	101,969	12,603	114,572	-	114,572
Staff development	24,441	7,256	31,697	6,492	38,189
Marketing and recruitment	19,161	5,688	24,849	5,091	29,940
Technology	43,378	12,878	56,256	11,522	67,778
Leased equipment	9,796	2,908	12,704	2,603	15,307
Telephone and internet	9,896	2,938	12,834	2,628	15,462
Student services	62,538	18,566	81,104	16,612	97,716
Administrative	22,632	6,936	29,568	6,935	36,503
Travel	17,974	5,336	23,310	4,774	28,084
Storage and moving	239	71	310	66,938	67,248
Depreciation	62,212	18,469	80,681	16,526	97,207
<b>Total operating expenses</b>	<b>2,371,964</b>	<b>686,726</b>	<b>3,058,690</b>	<b>670,766</b>	<b>3,729,456</b>
<b>Total expenses</b>	<b>\$ 5,720,215</b>	<b>\$ 1,680,739</b>	<b>\$ 7,400,954</b>	<b>\$ 1,560,146</b>	<b>\$ 8,961,100</b>

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

**GRAND CONCOURSE ACADEMY CHARTER SCHOOL**

**Statements of Cash Flows**

For the years ended June 30,

	2020	2019
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 295,056	\$ 1,917,575
Adjustment to reconcile change in net assets		

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





**GRAND CONCOURSE ACADEMY CHARTER SCHOOL**

**Notes to the Financial Statements**

June 30, 2020 and 2019

**Note 2 Summary of significant accounting policies - (continued)**

**Functional allocation of expenses.** The cost of providing the various programs and other activities has been summarized on an individual basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expense includes expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the school.

The expenses that are allocated include the following:

Salaries	Time and effort
Payroll taxes and fringe benefits	Time and effort

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# GRAND CONCOURSE ACADEMY CHARTER SCHOOL

## Notes to the Financial Statements

June 30, 2020 and 2019

### Note 3 Liquidity and availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of June 30, are:

Financial assets:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 10,551,154	\$ 8,423,622
Grants and other receivables	<u>385,505</u>	<u>178,509</u>
Amount available for general expenditures within one year	<u>\$ 10,936,659</u>	<u>\$ 8,602,131</u>

### Note 4 Property and equipment

Property and equipment consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 2,550,210	\$ 161,034
Furniture and fixtures	83,842	67,164
Computer equipment	172,515	258,957
Office equipment	12,038	221,314
Construction in progress	<u>-</u>	<u>532,135</u>
	2,818,605	1,240,604
Less: accumulated depreciation	<u>(762,843)</u>	<u>(512,857)</u>
Total	<u>\$ 2,055,762</u>	<u>\$ 727,747</u>

### Note 5 Accrued payroll and other payroll-related expenses

Accrued payroll and benefits consist of amounts earned by the staff during the school year but paid over the summer months. As of June 30, 2020 and 2019, total accrued salaries and other payroll-related expenses amounted to \$839,533 and \$775,794, respectively.

**GRAND CONCOURSE ACADEMY CHARTER SCHOOL**

**Notes to the Financial Statements**

June 30, ~~2020~~ and 2019

**Note 7 Retirement plan**

The School offers a 401(k) plan (n

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# GRAND CONCOURSE ACADEMY CHARTER SCHOOL

## Notes to the Financial Statements

June 30, 2020 and 2019

### Note 10 Commitment

The School is a lessee under an operating lease, primarily for classroom space and administrative offices. For the years ended June 30, 2020 and 2019, rent of \$2,423,256 and \$1,343,804 was included in occupancy expense. The accompanying statements of activities reflect the rent expense over the term of the lease.

Effective December 9, 2016, the School entered into a lease agreement with an unrelated third party (the "Landlord") whereby the landlord will develop and build the School's new education facility (the "Building") on the property located at 625 Bolton Avenue, Bronx, New York (collectively, the "Leased Premises"). As part of the lease agreement, the School shall not have any obligation to pay base rent or any other obligation to the Landlord under the lease during the construction period and until the lease term commencement date. The School has applied FASB Accounting Standards Codification (ASC), "Lease Accounting (Topic 840-40) and determined that it does not have substantially all of the construction period risks, and shall not be considered the owner of the asset during the construction period. The lease term of the operating lease commenced when the construction was substantially complete on August 1, 2019 and con

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# **GRAND CONCOURSE ACADEMY CHARTER SCHOOL**

## **Notes to the Financial Statements**

June 30, 2020 and 2019

### **Note 10 Commitment-** (continued)

In conjunction with the lease agreement, the Parties entered into an escrow agreement with ZB National Association (“Zions Bank”) which required the School to deposit \$2,000,000 into escrow to fund the Landlord's construction of the Building. Zions Bank agreed to act as the sole custodian of the escrow account, in the name of the Landlord. On September 17, 2019, the escrow account balance of \$2,000,000 was transferred to the landlord as tenant's contribution to the school's build out. This two million tenant contribution was treated as leasehold improvement and was depreciate over 3 years.

### **Note 11 Potential impact of the pandemic**

In December 2019, an outbreak of a novel strain of coronavirus (“COVID-19”) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. As a result of the pandemic, the School began the 2020-2021 school year utilizing three instructional models, remote learning, in-building instruction and blended with three days in building/two days remote learning. The ultimate effect of COVID-19 on the School and its future operations cannot presently be determined.

### **Note 12 Subsequent events**

Management has evaluated subsequent events



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