

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NEW YORK, NEW YORK

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

OTHER FINANCIAL INFORMATION

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2018

(With Comparative Totals for 2017)



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

CONTENTS

<u>AUDITED CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
Independent Auditor's Report	3
Consolidated Statement of Financial Position	5
Consolidated Statement of Activities and Changes in Net Assets	6
Consolidated Statement of Functional Expenses	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9
 <u>OTHER FINANCIAL INFORMATION</u>	
Independent Auditor's Report on Other Financial Information	19
Consolidating Statement of Financial Position by Charter	20
Consolidating Statement of Activities and Changes in Net Assets by Charter	21
Statement of Functional Expenses by Charter:	
Girls Preparatory Charter School of New York	22
Boys Preparatory Charter School of New York	23
Girls Preparatory Charter School of the Bronx	24
PrePrep: the Joan Ganz Cooney Early Learning Program	25

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Public Prep Charter School Academies

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Public Prep Charter School Academies (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2018 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Public Prep Charter School Academies as of June 30, 2018, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2018 on our consideration of Public Prep Charter School Academies' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Public Prep Charter School Academies' internal control over other financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Public Prep Charter School Academies' consolidated financial statements as of and for the year ended June 30, 2017, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 17, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 31, 2018

PUBLIC PREP CHARTER SCHOOL ACADEMIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018
(With Comparative Totals for 2017)

	<u>June 30,</u>	
<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 2,787,502	\$ 2,497,441
Cash in escrow	175,114	2,431,009
Grants and contracts receivable	2,584,738	1,840,416
Prepaid expenses and other current assets	86,363	469,936
Related party receivables, net	<u>444,812</u>	<u>501,411</u>
TOTAL CURRENT ASSETS	6,078,529	7,740,213
<u>OTHER ASSETS</u>		
Property and equipment, net	4,477,322	2,168,372
Security deposit	<u>495,000</u>	<u>495,000</u>
	<u>4,972,322</u>	<u>2,663,372</u>
TOTAL ASSETS	<u>\$ 11,050,851</u>	<u>\$ 10,403,585</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 806,274	\$ 818,552
Accrued payroll and benefits	2,473,400	2,511,739
Deferred revenue	235,859	42,468
Current portion of deferred lease incentive	<u>26,004</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	3,541,537	3,372,759
<u>DEFERRED LEASE INCENTIVE</u>	91,408	-
<u>NET ASSETS</u>		
Unrestricted	7,142,738	7,010,825
Temporarily restricted	<u>275,168</u>	<u>20,001</u>
TOTAL NET ASSETS	<u>7,417,906</u>	<u>7,030,826</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,050,851</u>	<u>\$ 10,403,585</u>

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

PUBLIC PREP CHARTER SCHOOL ACADEMIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	Year ended June 30,			
	2018			2017
	Unrestricted	Temporarily restricted	Total	Total
Revenue, gains and other support:				
Public school district:				
Resident student enrollment	\$ 25,543,788	\$ -	\$ 25,543,788	\$ 23,390,368
Students with disabilities	3,994,481	-	3,994,481	3,682,054
Grants and contracts:				
State and local	1,220,504	-	1,220,504	1,095,135
Federal - Title and IDEA	1,439,614	-	1,439,614	952,521
Federal - other	186,084	-	186,084	298,730
TOTAL REVENUE, GAINS AND OTHER SUPPORT	32,384,471	-	32,384,471	29,418,808
Expenses:				
Program services:				
Regular education	22,329,127	-	22,329,127	19,709,526
Special education	6,609,842	-	6,609,842	5,749,820
Pre-K	358,688	-	358,688	337,186
Total program services	29,297,657	-	29,297,657	25,796,532
Management and general	2,821,691	-	2,821,691	2,414,849
Fundraising and special events	38,165	-	38,165	26,736
TOTAL OPERATING EXPENSES	32,157,513	-	32,157,513	28,238,117
SURPLUS FROM SCHOOL OPERATIONS	226,958	-	226,958	1,180,691
Support and other revenue:				
Contributions:				
Foundations	-	259,800	259,800	170,600
Individuals	60,100	-	60,100	1,842,201
Corporations	5,600	-	5,600	188,158
Fundraising	-	-	-	1,985
Interest income	967	-	967	42
Other income	1,145	-	1,145	50
Loss on abandonment of lease	(167,490)	-	(167,490)	(352,871)
Net assets released from restriction	4,633	(4,633)	-	-
TOTAL SUPPORT AND OTHER REVENUE	(95,045)	255,167	160,122	1,850,165
CHANGE IN NET ASSETS	131,913	255,167	387,080	3,030,856
Net assets at beginning of year	7,010,825	20,001	7,030,826	3,999,970
NET ASSETS AT END OF YEAR	\$ 7,142,738	\$ 275,168	\$ 7,417,906	\$ 7,030,826

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

PUBLIC PREP CHARTER SCHOOL ACADEMIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	No. of Positions	Program Services				Supporting Services			Total	
		Regular Education	Special Education	Pre-K	Sub-total	Management and general	Fundraising and special events	Sub-total	Year ended June 30,	
									2018	2017
Personnel services costs:										
Administrative staff personnel	60	\$ 2,369,380	\$ 513,421	\$ -	\$ 2,882,801	\$ 1,505,535	\$ -	\$ 1,505,535	\$ 4,388,336	\$ 3,812,092
Instructional personnel	258	10,604,858	3,561,134	258,141	14,424,133	-	-	-	14,424,133	13,064,692
Non-instructional personnel	3	25,139	7,479	-	32,618	-	-	-	32,618	40,936
Total personnel services costs	321	12,999,377	4,082,034	258,141	17,339,552	1,505,535	-	1,505,535	18,845,087	16,917,720
Fringe benefits and payroll taxes		2,950,968	925,068	70,137	3,946,173	342,256	-	342,256	4,288,429	3,690,596
Retirement		199,153	60,020	2,391	261,564	22,445	-	22,445	284,009	377,565
Management company fees		2,766,046	630,564	-	3,396,610	381,641	38,165	419,806	3,816,416	2,673,596
Accounting / audit services		-	-	-	-	53,834	-	53,834	53,834	44,510
Other purchased / professional / consulting services		203,606	48,368	490	252,464	264,961	-	264,961	517,425	845,423
Repairs and maintenance		99,392	40,332	-	139,724	14,947	-	14,947	154,671	77,874
Insurance		95,926	30,112	-	126,038	14,196	-	14,196	140,234	128,867
Utilities		129,313	40,645	-	169,958	15,029	-	15,029	184,987	250,107
Supplies / materials		711,310	171,278	10,720	893,308	-	-	-	893,308	892,758
Equipment / furnishings		45,083	13,363	-	58,446	2,286	-	2,286	60,732	56,132
Staff development		653,510	152,456	740	806,706	4,372	-	4,372	811,078	765,319
Marketing / recruiting		55,926	17,327	450	73,703	6,371	-	6,371	80,074	24,767
Technology		59,085	14,179	-	73,264	37,234	-	37,234	110,498	27,268
Food service		28,476	7,164	-	35,640	-	-	-	35,640	78,588
Student services		554,874	127,407	2,926	685,207	20,059	-	20,059	705,266	360,900
Office expense		291,612	96,603	-	388,215	43,810	-	43,810	432,025	297,368
Depreciation and amortization		485,470	152,922	12,693	651,085	55,729	-	55,729	706,814	728,759
Other								36,986		
		<u>\$ 22,329,127</u>	<u>\$ 6,609,842</u>	<u>\$ 358,688</u>	<u>\$ 29,297,657</u>	<u>\$ 2,821,691</u>	<u>\$ 38,165</u>	<u>\$ 2,859,856</u>	<u>\$ 32,157,513</u>	<u>\$ 28,238,117</u>
						36,986			36,986	
		-	-	-	-	-	-	-	-	-

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

PUBLIC PREP CHARTER SCHOOL ACADEMIES

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	Year ended June 30,	
	2018	2017
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 387,080	\$ 3,030,856
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation and amortization	706,814	728,759
Loss on abandonment of lease	167,490	352,871
Changes in certain assets and liabilities affecting operations:		
Grants and other contracts receivable	(744,322)	(541,528)
Prepaid expenses and other current assets	383,573	(23,124)
Related party receivables and payables	56,599	(563,531)
Accounts payable and accrued expenses	(12,278)	95,927
Accrued payroll and benefits	(38,339)	139,900
Deferred revenue	193,391	14,137
Deferred lease incentive	117,412	-
NET CASH PROVIDED FROM OPERATING ACTIVITIES	1,217,420	3,234,267
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(3,183,254)	(987,451)
Changes in cash in escrow	2,255,895	(2,256,009)
Security deposit	-	(433,202)
NET CASH USED FOR INVESTING ACTIVITIES	(927,359)	(3,676,662)
NET INCREASE (DECREASE) IN CASH	290,061	(442,395)
Cash at beginning of year	2,497,441	2,939,836
CASH AT END OF YEAR	<u>\$ 2,787,502</u>	<u>\$ 2,497,441</u>

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

PUBLIC PREP CHARTER SCHOOL ACADEMIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018
(With Comparative Totals for 2017)

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements include the accounts of Girls Preparatory Charter School of New York (“Girls Prep LES”), Boys Preparatory Charter School of New York (“Boys Prep”), Girls Preparatory Charter School of the Bronx (“Girls Prep Bronx”), PrePrep: the Joan Ganz Cooney Early Learning Program (“PrePrep”), collectively forming Public Prep Charter School Academies, and Friends of Girls Preparatory Charter School of New York, Inc. (“Friends”), (collectively referred to as the “Organization”). The Organization is presenting consolidated financial statements because they have a common Board of Trustees and economic interest. All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

The Organization

Public Prep Charter School Academies is an education corporation that has authority to operate the Charter Schools as described below. Friends was organized under the laws of the State of New York as a not-for-profit corporation under subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation law.

Girls Prep LES operates in the borough of Manhattan, New York. On March 23, 2004, the Board of Regents of the University of the State of New York granted Girls Prep LES a provisional charter valid for a term of five years and renewable upon expiration. Girls Prep LES obtained a renewal through June 30, 2020.

Boys Prep operates in the borough of Bronx, New York. On December 14, 2010, the Board of Regents of the University of the State of New York granted Boys Prep a provisional charter valid for a term of five years and renewable upon expiration. Boys Prep obtained a renewal through July 31, 2019.

Girls Prep Bronx operates in the borough of Bronx, New York. On February 23, 2009, the Board of Regents of the University of the State of New York granted Girls Prep Bronx a provisional charter valid for a term of five years and renewable upon expiration. Girls Prep Bronx obtained a renewal through July 31, 2022.

Each of the Charter Schools were established to prepare underserved elementary and middle school students for higher education, civic involvement and lifelong success through a structured, caring environment of high academic expectations.

PrePrep operates in the borough of Bronx, New York. The Organization obtained approval from the New York City Department of Education to open a Pre-K program. The contract authorized operation of a universal prekindergarten program for a term of three years through June 30, 2018 and was renewable for two years upon expiration. In 2018, PrePrep obtained a renewal through June 30, 2020.

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2018

(With Comparative Totals for 2017)

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

Financial Statement presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

These classes of net assets are defined as follows:

Permanently restricted – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization had no permanently restricted net assets at June 30, 2018 or 2017.

Temporarily restricted – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. As of June 30, 2018, the Organization had temporarily restricted net assets of \$275,168 which were restricted to use for eyeglasses, literacy programs, and science labs. As of June 30, 2017, the Organization had temporarily restricted net assets of \$20,001 which were restricted to use for eyeglasses, literacy programs, field trips, and counseling.

Unrestricted – The net assets over which the Governing Board has discretionary control to use in carrying on the Organization's operations in accordance with the guidelines established by the Organization. The Board may designate portions of the current unrestricted net assets for specific purposes, projects or investment.

Revenue and support recognition

Revenue from state and local governments resulting from the Organization's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement.

Revenue from federal, state and local government grants and contracts are recorded by the Organization when qualifying expenditures are incurred and billable.

Contributions are recognized as revenue in the period the pledge is received and documented.

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2018

(With Comparative Totals for 2017)

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

Contributions

Contributions and unconditional promises to give are recorded as unrestricted, temporarily or permanently restricted support 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 unrestricted revenue.

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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Cash

Cash balances are maintained at certain financial institutions located in New York and are insured by the FDIC up to \$250,000 at each institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Organization has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

Cash in escrow

The Organization maintains cash in escrow accounts for dissolution reserves in accordance with the terms of their charter agreements. The amount in escrow for dissolution as of June 30, 2018 and 2017 was \$175,114 and \$175,009, respectively. The escrow is restricted to fund legal and other costs related to the dissolution of the Organization. As of June 30, 2017, Boys Prep had an additional balance of \$2,256,000 in escrow related to the construction of a facility, see Note C. The Organization had no additional escrow balance at June 30, 2018.

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, 2018 or 2017.

Property and equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to ten years. Leasehold improvements are amortized over the lesser of the lease term or useful life.

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2018

(With Comparative Totals for 2017)

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

Tax exempt status

The Organization is a tax-exempt organization 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 Charter School files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the years ended June 30, 2015 through June 30, 2018 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits.

Contributed services

The Organization receives contributed services from volunteers to serve on the Board of Trustees. In addition, the Organization received transportation services, special education services and speech therapy instruction for the students from the local district. The Charter School was unable to determine a value for these services.

Marketing and recruiting costs

The Organization expenses marketing and recruiting costs as they are incurred. Total marketing and recruiting costs approximated \$80,100 and \$24,800 for the years ended June 30, 2018 and 2017, respectively.

Deferred revenue

The Organization records grant revenue as deferred revenue until it is expended for the purpose of the grant, at which time it is recognized as revenue.

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.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent events

The Organization has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 31, 2018, which is the date the financial statements are available to be issued. Except as described in Note C and I, no subsequent events requiring disclosure were noted.

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2018

(With Comparative Totals for 2017)

NOTE B: RELATED PARTY TRANSACTIONS

The Organization has related party receivables from and payables to one related organization, Public Preparatory Network, Inc. Public Preparatory Network, Inc., a not-for-profit organization, provides management and other administrative support services to the Organization. The Organization entered into an agreement with Public Preparatory Network, Inc., dated September 30, 2014, under which the Organization paid an annual service fee of 12% of the year end student enrollment full time equivalents multiplied by the approved per pupil operating expenses for the school year. For the year ended June 30, 2018 and forward the fee was increased from 12% to 15%, plus a separate flat fee of \$50,000 of special education funding was added. For the year ending June 30, 2019, the \$50,000 of special education funding will be applied to each campus, for a total of \$250,000. The term of the agreement is concurrent with the initial charter term and can be extended for subsequent three year periods if desired. The fee incurred for the years ended June 30, 2018 and 2017 was \$3,816,416 and \$2,673,596, respectively.

Amounts due (to) from these related parties as of June 30, 2018 were as follows:

	Girls Preparatory Charter School of New York	Boys Preparatory Charter School of New York	Girls Preparatory Charter School of the Bronx	PrePrep: the Joan Ganz Cooney Early Learning Program	Friends of Girls Preparatory Charter School of New York	Eliminations	Total
Due from (to) Public Preparatory Network, Inc.	\$ 15,829	\$ 549,680	\$ (12,830)	\$ (107,867)	\$ -	\$ -	\$ 444,812
Due from (to) Girls Preparatory Charter School of New York	-	(1,209,858)	62,741	185,060	-	962,057	-
Due from (to) Boys Preparatory Charter School of New York	1,209,858	-	1,054,588	890	(2,997,418)	732,082	-
Due from (to) Girls Preparatory Charter School of the Bronx	(62,741)	(1,054,588)	-	(268,074)	-	1,385,403	-
Due from (to) PrePrep: the Joan Ganz Cooney Early Learning Program	(185,060)	(890)	268,074	-	-	(82,124)	-
Due from (to) Friends of Girls Preparatory Charter School of New York	-	2,997,418	-	-	-	(2,997,418)	-
	<u>\$ 977,886</u>	<u>\$ 1,281,762</u>	<u>\$ 1,372,573</u>	<u>\$ (189,991)</u>	<u>\$ (2,997,418)</u>	<u>\$ -</u>	<u>\$ 444,812</u>

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2018

(With Comparative Totals for 2017)

NOTE B: RELATED PARTY TRANSACTIONS, Cont'd

Amounts due (to) from these related parties as of June 30, 2017 were as follows:

	Girls Preparatory Charter School of New York	Boys Preparatory Charter School of New York	Girls Preparatory Charter School of the Bronx	PrePrep: the Joan Ganz Cooney Early Learning Program	Eliminations	Total
Due from (to) Public Preparatory Network, Inc.	\$ (18,004)	\$ 650,870	\$ (28,484)	\$ (102,971)	\$ -	\$ 501,411
Due from (to) Girls Preparatory Charter School of New York	-	(675,386)	(43,855)	47,875	671,366	-
Due from (to) Boys Preparatory Charter School of New York	675,386	-	627,730	-	(1,303,116)	-
Due from (to) Girls Preparatory Charter School of the Bronx	43,855	(627,730)	-	(240,890)	824,765	-
Due from (to) PrePrep: the Joan Ganz Cooney Early Learning Program	(47,875)	-	240,890	-	(193,015)	-
	<u>\$ 653,362</u>	<u>\$ (652,246)</u>	<u>\$ 796,281</u>	<u>\$ (295,986)</u>	<u>\$ -</u>	<u>\$ 501,411</u>

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2018

(With Comparative Totals for 2017)

NOTE C: SCHOOL FACILITY

As part of the New York City Chancellor's Charter School Initiative, the New York City Department of Education has committed space to the Organization at no charge under a verbal agreement.

In December 2016 Friends entered into a lease agreement with a third party for school facility space for use by Boys Prep. The Organization intends to execute a sublease between Friends and Public Prep Charter School Academies for the school facility space. The lease required a security deposit of \$495,000 which was paid in fiscal 2017 by Boys Prep. The lease term is 35 years, which commenced upon occupancy in September 2018, with the option to renew the agreement for two renewal terms, the first for ten years and the second for four years. The current agreement provides for monthly payments of approximately \$202,300 for the first year, increasing annually based upon the greater of the changes in the Consumer Price Index above a base year or a fixed percentage of 1.5%. In accordance with the April 2018 lease amendment, these monthly payments will be reduced by \$33,750 through April 2019 and may be further reduced after that if the completed facility space is not provided in accordance with the terms outlined in the agreement. Due to uncertainty, these rent reductions are not reflected in the future minimum payments below. The landlord is in the process of making improvements to the space, including construction of additional space, the cost of which is to be shared between the landlord and Friends. This amount (anticipated at \$6,250,000) is expected to be repaid to the landlord through a ten-year \$3,000,000 loan with a fixed interest rate of 5%, and an eight-year \$3,250,000 loan at an interest rate equal to the landlord's rate of interest at the time of the landlord's mortgage closing. For purposes of the future minimum payments, an estimated interest rate of 5% is included in determining the payment amounts. This estimated payment amount will change upon closing of the landlord's mortgage in the future. Payment of the \$3,000,000 loan commenced in September 2018, and payment of the \$3,250,000 loan will commence in year three of the lease term. The anticipated loan payments are included in the future minimum payments as shown below. The lease required \$2,256,000 to be deposited in an escrow account to be used toward construction and for Friends to pay up to \$608,000 directly to the architect and up to \$92,000 to the construction manager upon receipt of invoices. As of June 30, 2018 and 2017, Boys Prep paid \$589,838 and \$349,743, respectively, for architect fees which are included in construction in progress in the accompanying statement of financial position. During fiscal 2018, these improvements were transferred from Boys Prep to Friends in accordance with the lease agreement.

Future minimum payments under this lease are estimated to be approximately as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2019	\$ 2,023,405
2020	3,302,713
2021	3,931,334
2022	4,065,026
2023	4,117,286
Thereafter	131,877,379
	<u>\$ 149,317,143</u>

During February 2018, terms were agreed to sublease a portion of the new Boys Prep facilities for a term of two years, beginning September 2018. The anticipated rental income is \$100,000 for year one, and \$325,000 for year two.

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2018

(With Comparative Totals for 2017)

NOTE D: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
Furniture and fixtures	\$ 1,202,924	\$ 1,068,238
Computer equipment	1,925,490	1,646,506
Office equipment	1,311,069	1,294,694
Web development	5,250	5,250
Leasehold improvements	1,127,807	1,302,378
Construction in progress	<u>2,997,418</u>	<u>349,743</u>
	8,569,958	5,666,809
Less accumulated depreciation and amortization	<u>4,092,636</u>	<u>3,498,437</u>
	<u>\$ 4,477,322</u>	<u>\$ 2,168,372</u>

At June 30, 2018 and 2017, \$2,997,418 and \$349,743, respectively, is included in construction in progress related to construction of the new Boys Prep facility, see Note C. A portion of the facility was placed into service during September 2018, and the remainder is expected to be completed prior to commencement of the 2019-2020 school year. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use.

NOTE E: OPERATING LEASES

The Organization leases office equipment under non-cancelable lease agreements expiring at various dates through March 2023. The future minimum payments on these agreements are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2019	\$ 190,583
2020	157,956
2021	139,068
2022	127,969
2023	<u>54,370</u>
	<u>\$ 669,946</u>

During fiscal 2018, existing leases for certain office equipment were bought out by a new vendor who provided a cash lease incentive to the Organization. The deferred lease incentive associated with these buyouts will be amortized over five years (the term of the new leases) and is included in deferred lease incentive on the accompanying consolidated statement of financial position as of June 30, 2018. Approximately \$26,000 is expected to be recognized annually through 2022, with the remainder recognized in 2023.

PUBLIC PREP CHARTER SCHOOL ACADEMIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2018

(With Comparative Totals for 2017)

NOTE F: RETIREMENT PLAN

The Organization sponsors a defined contribution 403(b) plan covering all regular employees. The Organization matches employees' contributions based on years of service, up to a maximum of 7.5% of base salary. The Organization's total contribution to the Plan for the years ended June 30, 2018 and 2017 was \$284,009 and \$377,565, respectively.

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 Organization. Management is of the opinion that such disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.

NOTE H: CONCENTRATIONS

At June 30, 2018 and 2017, approximately 61% and 70%, respectively of grants and contracts receivables are due from New York State relating to certain grants. At June 30, 2018 and 2017, approximately 36% and 26%, respectively, of grants and contracts receivables are due from New York City relating to certain grants.

During the years ended June 30, 2018, and 2017, 91% and 92%, respectively 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 each Charter School's students are located.

NOTE I: SUBSEQUENT EVENTS

In August 2018, the New York State Education Department (NYSED) notified the Organization that it had over-allocated \$120,010 in Title IIA funding to the Organization for the year ended June 30, 2018. NYSED will reduce the Organization's Title IIA funding for a period of up to five years to recoup the over-allocated funding. The Organization has not accounted for this over-allocated funding as a liability as of June 30, 2018.

PUBLIC PREP CHARTER SCHOOL ACADEMIES

OTHER FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Public Prep Charter School Academies

We have audited the consolidated financial statements of Public Prep Charter School Academies as of and for the year ended June 30, 2018, and have issued our report thereon dated October 31, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The financial information hereinafter is presented for purposes of additional analysis and are not required parts of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements for the year ended June 30, 2018, as a whole.

We have also audited the consolidated financial statements of Public Prep Charter School Academies as of and for the year ended June 30, 2017, and our report thereon dated October 17, 2017, expressed an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on those consolidated financial statements as a whole. The 2017 financial information hereinafter is presented for purposes of additional analysis and is not a required part of the 2017 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 consolidated financial statements or to the 2017 consolidated 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 consolidated financial statements for the year ended June 30, 2017, as a whole.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
October 31, 2018

- 19 -

PUBLIC PREP CHARTER SCHOOL ACADEMIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY CHARTER

JUNE 30, 2018

ASSETS	Public Prep Charter School Academies					Friends of Girls Preparatory Charter School of New York	Eliminations	Consolidated Total
	Girls Preparatory Charter School of New York	Boys Preparatory Charter School of New York	Girls Preparatory Charter School of the Bronx	PrePrep: the Joan Ganz Cooney Early Learning Program	Total			
<u>CURRENT ASSETS</u>								
Cash	\$ 1,217,759	\$ 483,000	\$ 866,413	\$ 220,330	\$ 2,787,502	\$ -	\$ -	\$ 2,787,502
Cash in escrow	75,049	25,016	75,049	-	175,114	-	-	175,114
Grants and contracts receivable	761,119	369,374	1,439,300	14,945	2,584,738	-	-	2,584,738
Prepaid expenses and other current assets	13,601	24,232	48,530	-	86,363	-	-	86,363
Related party receivables (payables)	977,886	1,281,762	1,372,573	(189,991)	3,442,230	(2,997,418)		444,812
TOTAL CURRENT ASSETS	3,045,414	2,183,384	3,801,865	45,284	9,075,947	(2,997,418)	-	6,078,529
<u>OTHER ASSETS</u>								
Property and equipment, net	346,057	303,037	816,283	14,527	1,479,904	2,997,418	-	4,477,322
Security deposit	-	495,000			495,000			495,000
	346,057	798,037	816,283	14,527	1,974,904	2,997,418		4,972,322
TOTAL ASSETS	\$ 3,391,471	\$ 2,981,421	\$ 4,618,148	\$ 59,811	\$ 11,050,851	\$	\$	\$ 11,050,851
<u>LIABILITIES AND NET ASSETS</u>								
<u>CURRENT LIABILITIES</u>								
Accounts payable and accrued expenses	\$ 272,013	\$ 205,868	\$ 317,972	\$ 10,421	\$ 806,274	\$ -	\$ -	\$ 806,274
Accrued payroll and benefits	915,865	460,187	1,058,965	38,383	2,473,400	-	-	2,473,400
Deferred revenue	182,319	-	53,540	-	235,859	-	-	235,859
Current portion of deferred lease incentive	13,048		12,956		26,004			26,004
TOTAL CURRENT LIABILITIES	1,383,245	666,055	1,443,433	48,804	3,541,537	-	-	3,541,537
					-			
<u>DEFERRED LEASE INCENTIVE</u>	48,928	-	42,480	-	91,408	-	-	91,408
<u>NET ASSETS</u>								
Unrestricted	1,943,930	2,055,566	3,132,235	11,007	7,142,738	-	-	7,142,738
Temporarily restricted	15,368	259,800			275,168	-		275,168
TOTAL NET ASSETS	1,959,298	2,315,366	3,132,235	11,007	7,417,906			7,417,906
					-			
TOTAL LIABILITIES AND NET ASSETS	\$ 3,391,471	\$ 2,981,421	\$ 4,618,148	\$ 59,811	\$ 11,050,851	\$	\$	\$ 11,050,851

-

-

-

-

-

-

-

PUBLIC PREP CHARTER SCHOOL ACADEMIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY CHARTER

YEAR ENDED JUNE 30, 2018

	Public Prep Charter School Academies					Friends of Girls		Consolidated
	Girls Preparatory Charter School of New York	Boys Preparatory Charter School of New York	Girls Preparatory Charter School of the Bronx	PrePrep: the Joan Ganz Cooney Early Learning Program	Total	Preparatory Charter School of New York	Eliminations	Total
Revenue, gains and other support:								
Public school district:								
Resident student enrollment	\$ 9,447,059	\$ 4,723,977	\$ 10,968,347	\$ 404,405	\$ 25,543,788	\$ -	\$ -	\$ 25,543,788
Students with disabilities	1,511,710	866,382	1,616,389	-	3,994,481	-	-	3,994,481
Grants and contracts:								-
State and local	384,505	65,966	770,033	-	1,220,504	-	-	1,220,504
Federal Title and IDEA	447,063	315,746	676,805	-	1,439,614	-	-	1,439,614
Federal - other	88,710	32,454	64,920		186,084			186,084
TOTAL REVENUE, GAINS AND OTHER SUPPORT	11,879,047	6,004,525	14,096,494	404,405	32,384,471	-	-	32,384,471
Expenses:								
Program services:								
Regular education	8,378,633	4,190,355	9,760,139	-	22,329,127	-	-	22,329,127
Special education	2,128,006	1,684,599	2,797,237	-	6,609,842	-	-	6,609,842
Pre-K	-			358,688	358,688	-		358,688
Total Program Services	10,506,639	5,874,954	12,557,376	358,688	29,297,657	-	-	29,297,657
Management and general	1,015,421	657,512	1,136,977	11,781	2,821,691	-	-	2,821,691
Fundraising and special events	14,259	7,368	16,538		38,165			38,165
TOTAL OPERATING EXPENSES	11,536,319	6,539,834	13,710,891	370,469	32,157,513			32,157,513
SURPLUS (DEFICIT) FROM SCHOOL OPERATIONS	342,728	(535,309)	385,603	33,936	226,958	-	-	226,958
Support and other revenue:								
Contributions:								
Foundations	-	259,800	-	-	259,800	-	-	259,800
Individuals	100	55,000	5,000	-	60,100	-	-	60,100
Corporations	3,100	2,500	-	-	5,600	-	-	5,600
Interest income	762	160	45	-	967	-	-	967
Other income	-	1,145	-	-	1,145	-	-	1,145
Loss on abandonment of lease	-	(167,490)			(167,490)			(167,490)
TOTAL SUPPORT AND OTHER REVENUE	3,962	151,115	5,045		160,122			160,122
CHANGE IN NET ASSETS	346,690	(384,194)	390,648	33,936	387,080	-	-	387,080
Net assets (deficit) at beginning of year	1,612,608	2,699,560	2,741,587	(22,929)	7,030,826			7,030,826
NET ASSETS AT END OF YEAR	\$ 1,959,298	\$ 2,315,366	\$ 3,132,235	\$ 11,007	\$ 7,417,906	\$ -	\$ -	\$ 7,417,906

PUBLIC PREP CHARTER SCHOOL ACADEMIES

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER – GIRLS PREPARATORY CHARTER
SCHOOL OF NEW YORK

YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	No. of Positions	Program Services			Supporting Services			Total	
		Regular Education	Special Education	Sub-total	Management and general	Fundraising and special events	Sub-total	Year ended June 30,	
								2018	2017
Personnel services costs:									
Administrative staff personnel	24	\$ 1,072,121	\$ 200,337	\$ 1,272,458	\$ 553,931	\$ -	\$ 553,931	\$ 1,826,389	\$ 1,608,877
Instructional personnel	90	3,793,723	1,132,182	4,925,905	-	-	-	4,925,905	5,037,346
Non-instructional personnel	1	2,241	411	2,652	-	-	-	2,652	11,526
Total personnel services costs	115	4,868,085	1,332,930	6,201,015	553,931	-	553,931	6,754,946	6,657,749
Fringe benefits and payroll taxes		1,152,274	315,504	1,467,778	131,115	-	131,115	1,598,893	1,381,832
Retirement		94,178	25,787	119,965	10,716	-	10,716	130,681	152,882
Management company fees		1,063,926	205,083	1,269,009	142,585	14,259	156,844	1,425,853	1,035,108
Accounting and auditing services		-	-	-	21,052	-	21,052	21,052	14,836
Other professional and consulting services		65,121	12,123	77,244	96,590	-	96,590	173,834	178,679
Repairs and maintenance		6,272	1,717	7,989	714	-	714	8,703	13,047
Insurance		37,379	10,235	47,614	4,253	-	4,253	51,867	47,625
Utilities		49,830	13,644	63,474	5,670	-	5,670	69,144	102,793
Supplies and materials		244,918	47,504	292,422	-	-	-	292,422	262,420
Equipment and furnishings		3,756	793	4,549	97	-	97	4,646	13,603
Staff development		269,440	51,651	321,091	675	-	675	321,766	250,892
Marketing and recruiting		20,836	5,705	26,541	2,371	-	2,371	28,912	9,133
Technology		6,700	1,302	8,002	12,169	-	12,169	20,171	10,566
Food service		6,977	1,354	8,331	-	-	-	8,331	29,107
Student services		237,428	33,807	271,235	4,398	-	4,398	275,633	127,417
Office expense		97,739	26,762	124,501	11,587	-	11,587	136,088	132,607
Depreciation and amortization		153,774	42,105	195,879	17,498	-	17,498	213,377	206,416
		<u>\$ 8,378,633</u>	<u>\$ 2,128,006</u>	<u>\$ 10,506,639</u>	<u>\$ 1,015,421</u>	<u>\$ 14,259</u>	<u>\$ 1,029,680</u>	<u>\$ 11,536,319</u>	<u>\$ 10,626,712</u>

-

PUBLIC PREP CHARTER SCHOOL ACADEMIES

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER –
BOYS PREPARATORY CHARTER SCHOOL OF NEW YORK

YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	No. of Positions	Program Services			Supporting Services			Total	
		Regular Education	Special Education	Sub-total	Management and general	Fundraising and special events	Sub-total	Year ended June 30,	
								2018	2017
Personnel services costs:									
Administrative staff personnel	13	\$ 423,176	\$ 113,366	\$ 536,542	\$ 367,220	\$ -	\$ 367,220	\$ 903,762	\$ 545,116
Instructional personnel	45	1,886,869	881,210	2,768,079	-	-	-	2,768,079	2,151,031
Non-instructional personnel	2	22,898	7,068	29,966	-	-	-	29,966	29,410
Total personnel services costs	60	2,332,943	1,001,644	3,334,587	367,220	-	367,220	3,701,807	2,725,557
Fringe benefits and payroll taxes		527,361	226,420	753,781	83,010	-	83,010	836,791	610,786
Retirement		20,283	8,709	28,992	3,193	-	3,193	32,185	43,921
Management company fees		501,080	154,656	655,736	73,678	7,368	81,046	736,782	408,617
Accounting and auditing services		-	-	-	11,731	-	11,731	11,731	14,837
Other professional and consulting services		50,934	15,720	66,654	46,393	-	46,393	113,047	70,661
Repairs and maintenance		82,450	35,400	117,850	12,978	-	12,978	130,828	51,858
Insurance		17,448	7,491	24,939	2,746	-	2,746	27,685	22,364
Utilities		23,816	10,225	34,041	3,749	-	3,749	37,790	50,378
Supplies and materials		186,595	57,591	244,186	-	-	-	244,186	156,222
Equipment and furnishings		19,059	6,927	25,986	1,362	-	1,362	27,348	10,254
Staff development		147,467	45,515	192,982	1,889	-	1,889	194,871	184,689
Marketing and recruiting		8,181	3,512	11,693	1,288	-	1,288	12,981	3,408
Technology		3,232	1,196	4,428	13,501	-	13,501	17,929	3,942
Food service		5,058	1,561	6,619	-	-	-	6,619	3,234
Student services		98,756	36,892	135,648	8,362	-	8,362	144,010	32,342
Office expense		80,892	34,731	115,623	13,064	-	13,064	128,687	15,496
Depreciation and amortization		84,800	36,409	121,209	13,348	-	13,348	134,557	102,263
		<u>\$ 4,190,355</u>	<u>\$ 1,684,599</u>	<u>\$ 5,874,954</u>	<u>\$ 657,512</u>	<u>\$ 7,368</u>	<u>\$ 664,880</u>	<u>\$ 6,539,834</u>	<u>\$ 4,510,829</u>

-

PUBLIC PREP CHARTER SCHOOL ACADEMIES

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER –
GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	No. of Positions	Program Services			Supporting Services			Total	
		Regular Education	Special Education	Sub-total	Management and general	Fundraising and special events	Sub-total	Year ended June 30,	
								2018	2017
Personnel services costs:									
Administrative staff personnel	23	\$ 874,083	\$ 199,718	\$ 1,073,801	\$ 584,384	\$ -	\$ 584,384	\$ 1,658,185	\$ 1,616,757
Instructional personnel	118	4,924,266	1,547,742	6,472,008	-	-	-	6,472,008	5,645,047
Non-instructional personnel	-	-	-	-	-	-	-	-	-
Total personnel services costs	141	5,798,349	1,747,460	7,545,809	584,384	-	584,384	8,130,193	7,261,804
Fringe benefits and payroll taxes		1,271,333	383,144	1,654,477	128,131	-	128,131	1,782,608	1,613,023
Retirement		84,692	25,524	110,216	8,536	-	8,536	118,752	173,227
Management company fees		1,201,040	270,825	1,471,865	165,378	16,538	181,916	1,653,781	1,229,871
Accounting and auditing services	-	-	-	-	21,051	-	21,051	21,051	14,837
Other professional and consulting services		87,551	20,525	108,076	116,861	-	116,861	224,937	589,704
Repairs and maintenance		10,670	3,215	13,885	1,075	-	1,075	14,960	11,840
Insurance		41,099	12,386	53,485	4,142	-	4,142	57,627	55,824
Utilities		55,667	16,776	72,443	5,610	-	5,610	78,053	96,558
Supplies and materials		279,797	66,183	345,980	-	-	-	345,980	470,549
Equipment and furnishings		22,268	5,643	27,911	827	-	827	28,738	32,275
Staff development		236,603	55,290	291,893	1,782	-	1,782	293,675	329,376
Marketing and recruiting		26,909	8,110	35,019	2,712	-	2,712	37,731	12,044
Technology		49,153	11,681	60,834	9,000	-	9,000	69,834	11,205
Food service		16,441	4,249	20,690	-	-	-	20,690	46,128
Student services		218,690	56,708	275,398	7,299	-	7,299	282,697	200,236
Office expense		112,981	35,110	148,091	18,320	-	18,320	166,411	147,003
Depreciation and amortization		246,896	74,408	321,304	24,883	-	24,883	346,187	402,377
Other		-	-	-	36,986	-	36,986	36,986	-
		\$ 9,760,139	\$ 2,797,237	\$ 12,557,376	\$ 1,136,977	\$ 16,538	\$ 1,153,515	\$ 13,710,891	\$ 12,697,881

- -

-

-

PUBLIC PREP CHARTER SCHOOL ACADEMIES

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER –
PREPREP: THE JOAN GANZ COONEY EARLY LEARNING PROGRAM

YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	No. of Positions	Program Services	Supporting Services		Total	
		Pre-K	Management and general	Fundraising and special events	Year ended June 30,	
					2018	2017
Personnel services costs:						
Administrative staff personnel	-	\$ -	\$ -	\$ -	\$ -	\$ 41,342
Instructional personnel	5	258,141	-	-	258,141	231,268
Non-instructional personnel	-	-	-	-	-	-
Total personnel services costs	5	258,141	-	-	258,141	272,610
Fringe benefits and payroll taxes		70,137	-	-	70,137	84,955
Retirement		2,391	-	-	2,391	7,535
Other professional and consulting services		490	5,117	-	5,607	6,379
Repairs and maintenance	-	-	180	-	180	1,129
Insurance		-	3,055	-	3,055	3,054
Utilities		-	-	-	-	378
Supplies and materials		10,720	-	-	10,720	3,567
Staff development		740	26	-	766	-
Marketing and recruiting		450	-	-	450	182
Technology		-	2,564	-	2,564	1,555
Food service		-	-	-	-	119
Student services		2,926	-	-	2,926	905
Office expense		-	839	-	839	2,624
Depreciation and amortization		12,693	-	-	12,693	17,703
		<u>\$ 358,688</u>	<u>\$ 11,781</u>	<u>\$ -</u>	<u>\$ 370,469</u>	<u>\$ 402,695</u>