

November 2, 2020

The Board of Trustees and Management
Health Sciences Charter School

In planning and performing our audit of the financial statements of Health Sciences Charter School, Management for the year ended June 30, 2020 in accordance with the auditing standards promulgated by the American Institute of Certified Public Accountants, we considered the School's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances for the expression of 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 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 deficiency is a control deficiency that either results in the loss of control effectiveness or the inability to prevent or detect and correct misstatements on a timely basis. A control deficiency exists if the design or operation of one or more controls does not allow the control 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.

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

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



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Annual Financial Statements Audit Report

for Board of Regents Authorized Charter Schools

| | |
|--|------------------------------|
| School Name: | Urban Science Charter School |
| Date (Report is due November 1): | November 1, 2019 |
| Primary District of Location: (If NYC DOE select DOE) | Buffalo City School District |
| If located in NYC DOE select DOB: | |
| School Fiscal Contact Name: | Karen Barnans |
| School Fiscal Contact Email: | |
| School Fiscal Contact Phone: | |
| School Audit Firm Name: | Peat Marwick Main & Co LLP |
| School Audit Contact Name: | Sarah Hopkins |
| School Audit Contact Email: | |
| School Audit Contact Phone: | |
| Audit Period: | 2019-20 |
| Prior Year: | 2018-19 |

The following items are required to be included:

- 1.) The independent auditor's report on financial statements and notes.
- 2.) Excel worksheets.
- 3.) Report on internal controls over financial reporting and compliance.

The additional items that are required to be included are: If the total amount of the Single Audit is in excess of the Single Audit threshold of \$750,000, the report letter response will be submitted by the following date (should have been later than 30 days from the submission of the report, etc.

| | |
|------------------------------|----------|
| Item | Due Date |
| Management Letter | N/A |
| Management Letter Response | N/A |
| Form 990 | Extended |
| Federal Single Audit (A-133) | N/A |
| Corrective Action Plan | N/A |

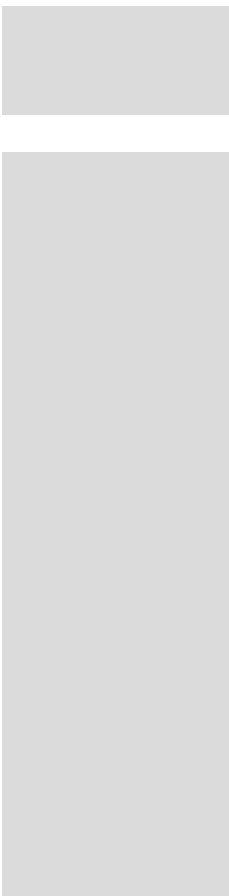
| | 2020 | 2019 |
|---|------------------|------------------|
| <u>CURRENT ASSETS</u> | | |
| Cash and cash equivalents | \$ 2,818,017 | \$ 2,222,44 |
| Grants and contracts receivable | 472,243 | 172,478 |
| Accounts receivables | - | - |
| Prepaid Expenses | 21,016 | 15,6 |
| Contributions and other receivables | - | - |
| Other current assets | - | - |
| TOTAL CURRENT ASSETS | 3,311,276 | 2,410,54 |
| <u>NON-CURRENT ASSETS</u> | | |
| Property, Building and Equipment, net | \$ 6,071,264 | \$ 6,344,25 |
| Restricted Cash | - | - |
| Security Deposits | 4,200 | 8,8 |
| Other Non-Current Assets | - | 2,9 |
| TOTAL NON-CURRENT ASSETS | 6,075,464 | 6,355,96 |
| TOTAL ASSETS | 9,386,740 | 8,766,541 |
| <u>CURRENT LIABILITIES</u> | | |
| Accounts payable and accrued expenses | \$ 396,058 | \$ 366,67 |
| Accrued payroll, payroll taxes and benefits | - | - |
| Current Portion of Loan Payable | 259,852 | 225,7 |
| Due to Related Parties | - | - |
| Refundable Advances | - | 3,3 |
| Deferred Revenue | - | - |
| Other Current Liabilities | - | - |
| TOTAL CURRENT LIABILITIES | 655,910 | 595,7 |
| <u>LONG-TERM LIABILITIES</u> | | |
| Loan Payable; Due in More than One Year | \$ 7,143,194 | \$ 7,407,18 |
| Deferred Rent | - | - |

| | Unrestricted | Temporarily Restricted | Total | 2019 Total |
|---|--------------|---|--------------|--------------|
| OPERATING REVENUE | | | | |
| State and Local Per Pupil Revenue - Reg. Ed | \$ 4,867,120 | \$ - | \$ 4,867,120 | \$ 5,591,170 |
| State and Local Per Pupil Revenue - SPED | 454,753 | - | 454,753 | 526,190 |
| State and Local Per Pupil Facilities Revenue | - | - | - | 122,000 |
| Feder EMC3a607 Tw 1O7002 Tc 0.cal - de006 454,753 | 454,753 | 58 m [(F)5.8 (e)42.3 (a)34232.4 (e)P.35325.81095] | 454,753 | 532,500 |

2020

2019

CASH FLOWS - OPERATING ACTIVITIES



November 2, 2020

The Board of Trustees and Management
Health Sciences Charter School

In planning and performing our audit of the financial statements of Health Sciences Charter School, New York, for the year ended June 30, 2020, in accordance with the auditing standards promulgated by the American Institute of Certified Public Accountants, we considered the School's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances for the expression of 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.

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