

**GENESEE COMMUNITY CHARTER
SCHOOL - FLOUR CITY CAMPUS**

**AGREED UPON PROCEDURES REPORT
ON THE INITIAL STATEMENT**



TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT ACCOUNTANT'S REPORT ON AGREED UPON PROCEDURES	1
RECOMMENDATIONS TO MANAGEMENT	5



INDEPENDENT ACCOUNTANT'S REPORT ON AGREED UPON PROCEDURES

To The Board of Trustees
Genesee Community Charter School - Flour City Campus

We have performed the procedures enumerated below, which were agreed to by the management of Genesee Community Charter School - Flour City Campus (the "School") and the State University of New York ("SUNY") and the New York State Education Department solely to assist the specified parties in evaluating the School's assertion to the SUNY that it has financial controls in place for transactions outlined below. The School's management is responsible for these procedures. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose:

1. Preparing and maintaining the financial statements and records in accordance with generally accepted accounting principles ("GAAP");
2. Payroll procedures;
3. Accounting for contributions and grants;
4. Procedures for the creation and review of quarterly and annual financial statements, and procedures which shall specifically identify the individual(s) who will be responsible for preparing and reviewing such financial statements;
5. Appropriate internal financial controls and procedures;
6. Safeguarding of assets including cash and equipment;
7. Compliance with applicable laws and regulations;
8. Ensuring that the purchasing process results in the acquisition of necessary goods and services at the best price;
9. Following appropriate guidance relating to budget development and administration; and,
10. Following appropriate guidance relating to a code of ethics, and cash management and investments.

The procedures we performed and the related results are as follows:

Procedure #1: Obtain a copy of the Financial Policies and Procedures Manual ("FPPM") of the School and read it to ascertain whether it includes accounting procedures for the preparation of the School's financial statements in conformity with accounting principles generally accepted ("GAAP") in the United States of America.

Result: We reviewed the FPPM and noted it does include accounting procedures for the preparation of the School's financial statements in conformity with GAAP.

Procedure #2: Read the FPPM to ascertain whether it includes payroll procedures for the School and determine whether the School has hired an outside vendor to process the payroll.

Result: We reviewed the FPPM and noted that it does include payroll procedures. We confirmed the School is using an outside vendor to process payroll.

Procedure #3: Read the FPPM to ascertain whether it includes procedures for accounting for contributions and grants.

Result: We reviewed the FPPM and noted that there are procedures for accounting for contributions and grants.

Procedure #4: Identify and interview the person(s) responsible for financial management of the School regarding the existence and understanding of procedures for the creation and review of interim and annual financial statements.

Result: We identified and interviewed Shannon Hillman, Executive Director, as the person responsible for financial management of the School regarding the existence and understanding of procedures for the creation and review of interim and annual financial statements. She represented that they use QuickBooks as their accounting software and they have many levels of controls regarding cash receipts, disbursements, and journal entries. These all make up their internal financial statements that are generated within the software which are used for the annual financial statements.

Procedure #5: Read the available trial balance and documentation supporting cash receipts, cash disbursements, and payroll expenses on a sample basis to observe the status of implementation of the accounting procedures.

Result: We observed that there were no cash receipts yet to test. We did test 11 out of 53 cash disbursements (20.8% of population) and 1 out of 3 employee's salary (37% of total wages) and observed the implementation of the School's accounting procedures for those transactions. We noted ten disbursements that did not include purchase orders as stated in the accounting procedures manual. Of the ten disbursements, six of them had a contract in place.

Procedure #6: Interview the person(s) responsible for financial management of the School regarding the existence and understanding of appropriate internal financial controls and procedures, including procedures related to ensuring that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported.

Result: We identified Shannon Hillman, Executive Director, as the person(s) responsible for financial management of the School and she represented that there is a financial policy and procedure manual in place to ensure the existence of appropriate internal financial controls and procedures. She had an understanding of the controls in place and how to implement them.

Procedure #7: Interview the person(s) responsible for financial management of the School regarding compliance with applicable laws and regulations and how they stay current with all laws and regulations and obtain and review a copy of the School's code of ethics.

Result: We identified Shannon Hillman, Executive Director, as the person(s) responsible for financial management of the School and she represented that she has worked for charter schools in NYS for many years and is well aware of the various laws and regulations. She stays up to date on regulations related to grant funding due to communications from NYS and other resources. The School also has an attorney on retainer they consult with as needed. We obtained and reviewed a copy of the School's Code of Ethics.

Procedure #8: Review the FPPM to ascertain whether it includes procedures for ensuring the purchasing process results in the acquisition of necessary goods and services at the best price.

Result: We observed that the FPPM has procedures for acquiring the necessary goods and services at the best price.

Procedure #9: Interview the person(s) responsible for financial management of the School regarding the existence of procedures for budget development and administration to determine if the School is following appropriate guidance and obtain a copy of the most recent budget to determine if the budget was approved by the Board of Trustees of the School.

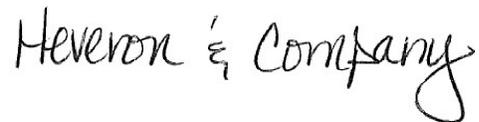
Result: We interviewed Shannon Hillman, Executive Director, as the person responsible for financial management of the School and she represented that the budget is based on the needs for the new school. The Executive Director and the Finance Committee gather required financial information together. It is submitted to the board for review and approval. We observed the budget and noted the unanimous approval of the budget in the minutes for the Board of Trustees.

Procedure #10: Read the FPPM to ascertain whether it includes procedures for ensuring the School has procedures for cash management and investments, if applicable.

Result: We observed that the FPPM has procedures for cash management and investments.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on these procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Genesee Community Charter School - Flour City Campus, SUNY, and the New York State Education Department, and it is not intended to be and should not be used by anyone other than the specified parties.

A handwritten signature in cursive script that reads "Heveron & Company".

Heveron & Company
Certified Public Accountants

Rochester, New York
November 11, 2022

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

RECOMMENDATIONS TO MANAGEMENT

- Regularly using purchase orders will allow for better tracking of spending. We noted that the accounting procedures manual says purchase orders should be used for all items purchased, however, we found that purchase orders are not being used consistently. The School should review its policy and ensure it is in line with the procedures being performed.