

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

FINANCIAL STATEMENTS

June 30, 2025



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INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
Genesee Community Charter School - Flour City Campus
Rochester, New York

Opinion

We have audited the accompanying financial statements of Genesee Community Charter School - Flour City Campus (a New York State nonprofit organization), 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 the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Genesee Community Charter School - Flour City Campus as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 Genesee Community Charter School - Flour City Campus and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 Genesee Community Charter School - Flour City Campus' 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, including omissions, 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 audit.
- 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 audit 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 Genesee Community Charter School - Flour City Campus' 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 Genesee Community Charter School - Flour City Campus' ability to continue as a going concern for a reasonable period of time.

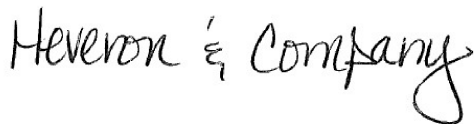
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Genesee Community Charter School - Flour City Campus's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2024. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2025 on our consideration of Genesee Community Charter School - Flour City Campus' 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 Genesee Community Charter School - Flour City Campus' 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 Genesee Community Charter School - Flour City Campus' internal control over financial reporting and compliance.



Heveron & Company
Certified Public Accountants

Rochester, New York
October 29, 2025

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 54,265	\$ 65,283
Accounts Receivable	40,726	14,600
Grants Receivable	60,766	249,407
Prepaid Expenses	<u>14,401</u>	<u>5,397</u>
Total Current Assets	<u>170,158</u>	<u>334,687</u>
<u>Fixed Assets</u>		
Leasehold Improvements and Equipment, Net	<u>387,719</u>	<u>424,254</u>
<u>Other Assets</u>		
Deposits	18,893	18,893
Right-of-Use Assets - Operating Leases	1,878,096	2,166,092
Escrow Account	<u>75,029</u>	<u>-</u>
Total Other Assets	<u>1,972,018</u>	<u>2,184,985</u>
TOTAL ASSETS	<u><u>\$ 2,529,895</u></u>	<u><u>\$ 2,943,926</u></u>

LIABILITIES AND NET ASSETS

	<u>2025</u>	<u>2024</u>
<u>Current Liabilities</u>		
Line of Credit	\$ 175,000	\$ 175,000
Accounts Payable	61,581	85,863
Accrued Payroll	174,333	144,669
Accrued Liabilities	165,421	139,241
Refundable Advances	-	11,250
Current Portion of Operating Lease Liabilities	275,249	267,232
Current Portion of Long-Term Debt	<u>82,931</u>	<u>102,927</u>
Total Current Liabilities	<u>934,515</u>	<u>926,182</u>
<u>Long-Term Liabilities</u>		
Long-Term Portion of Operating Lease Liabilities	1,794,879	2,070,128
Long-Term Debt	<u>160,323</u>	<u>243,112</u>
Total Long-Term Liabilities	<u>1,955,202</u>	<u>2,313,240</u>
Total Liabilities	<u>2,889,717</u>	<u>3,239,422</u>
<u>Net Assets/(Deficit)</u>		
Net Assets Without Donor Restrictions:		
Undesignated	<u>(359,822)</u>	<u>(295,496)</u>
Total Net Assets/(Deficit)	<u>(359,822)</u>	<u>(295,496)</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,529,895</u></u>	<u><u>\$ 2,943,926</u></u>

See Accompanying Notes to Financial Statements.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>Revenues, Gains and Other Support:</u>		
Public School District:		
Resident Student Enrollment	\$ 2,213,601	\$ 1,642,493
Federal Grants	86,248	448,383
State Grants	-	3,867
In Kind State Grants	13,149	7,985
Food Service Fees	98,814	69,013
Contributions	12,146	-
Other Income	16,592	1,110
Interest/Dividends Income	<u>4,715</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>2,445,265</u>	<u>2,172,851</u>
<u>Expenses:</u>		
<u>Program Services:</u>		
Regular Education	1,716,059	1,687,307
Special Education	49,868	46,636
Food Services	<u>135,551</u>	<u>103,500</u>
Total Program Services Expense	1,901,478	1,837,443
<u>Supporting Services:</u>		
Management and General	<u>620,162</u>	<u>495,665</u>
Total Expenses	<u>2,521,640</u>	<u>2,333,108</u>
Change in Net Assets Before Other Income/(Expenses)	(76,375)	(160,257)
<u>Other Income/(Expenses)</u>		
Gain on Lease Amendment	<u>12,049</u>	<u>-</u>
Change in Net Assets	(64,326)	(160,257)
Net Assets/(Deficit) - Beginning of Year	<u>(295,496)</u>	<u>(135,239)</u>
Net Assets/(Deficit) - End of Year	<u><u>\$ (359,822)</u></u>	<u><u>\$ (295,496)</u></u>

See Accompanying Notes to Financial Statements.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2025
(With Comparative Totals For The Year Ended June 30, 2024)

	No. of Positions	Program Services			Management and General	Totals	
		Regular Education	Special Education	Food Services		2025	2024
Personnel Services Costs							
Instructional Personnel	19	\$ 961,211	\$ -	\$ -	\$ -	\$ 961,211	\$ 919,764
Administrative Staff Personnel	7	46,920	20,655	-	291,827	359,402	268,154
Non-Instructional Personnel	3	-	-	15,692	-	15,692	14,430
Total Salaries	29	1,008,131	20,655	15,692	291,827	1,336,305	1,202,348
Employee Benefits and Payroll Taxes		138,270	7,436	1,412	93,650	240,768	194,515
Retirement Expense		101,788	-	-	27,046	128,834	114,831
Total Personnel Services		1,248,189	28,091	17,104	412,523	1,705,907	1,511,694
Rent		200,570	15,101	15,101	71,249	302,021	308,045
Food Service		-	-	96,670	-	96,670	67,889
Other Purchased Services		47,729	-	-	9,943	57,672	75,357
Depreciation		33,314	2,776	2,776	16,657	55,523	44,645
Repairs and Maintenance		26,485	2,207	2,207	13,242	44,141	32,300
Accounting and Auditing Fees		-	-	-	41,961	41,961	24,705
Technology		39,235	-	-	2,037	41,272	25,906
Student Services		38,388	-	-	-	38,388	9,784
Office Expense		19,826	-	-	14,024	33,850	32,958
Staff Development		32,013	-	-	-	32,013	61,388
Insurance		13,427	1,119	1,119	6,713	22,378	18,142
Legal		-	-	-	18,588	18,588	22,873
Interest Expense		6,894	574	574	3,447	11,489	25,986
Supplies and Materials		9,954	-	-	-	9,954	30,611
Other Expenses		35	-	-	9,778	9,813	3,939
Furniture		-	-	-	-	-	36,886
Total Expenses		<u>\$ 1,716,059</u>	<u>\$ 49,868</u>	<u>\$ 135,551</u>	<u>\$ 620,162</u>	<u>\$ 2,521,640</u>	<u>\$ 2,333,108</u>

See Accompanying Notes to Financial Statements.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>Cash Flows From Operating Activities</u>		
Receipts from School Districts	\$ 2,182,885	\$ 1,651,302
Grants	263,639	278,458
Other Sources	112,460	73,530
Contributions	12,146	-
Payments for Interest	(11,489)	(25,986)
Payments to Vendors for Goods and Services Rendered	(723,795)	(661,965)
Payments to Charter School Personnel for Services Rendered	<u>(1,650,062)</u>	<u>(1,431,372)</u>
Net Cash Flows Provided/(Used) By Operating Activities	<u>185,784</u>	<u>(116,033)</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of Fixed Assets	<u>(18,988)</u>	<u>(97,660)</u>
Net Cash Flows Provided/(Used) By Investing Activities	<u>(18,988)</u>	<u>(97,660)</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds from Loan	-	200,000
Payments on Loan	(102,785)	(253,961)
Proceeds from Line of Credit	<u>-</u>	<u>175,000</u>
Net Cash Flows Provided/(Used) By Financing Activities	<u>(102,785)</u>	<u>121,039</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	64,011	(92,654)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>65,283</u>	<u>157,937</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 129,294</u>	<u>\$ 65,283</u>

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024
(Continued)

	<u>2025</u>	<u>2024</u>
<u>Reconciliation of Change in Net Assets to Net Cash</u>		
<u>Provided by Operating Activities</u>		
Change in Net Assets	\$ (64,326)	\$ (160,257)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	55,523	44,645
Gain on Lease Amendment	(12,049)	-
(Increase)/Decrease In:		
Accounts Receivable	(26,126)	(5,593)
Pledges and Grants Receivable	188,641	(33,371)
Prepaid Expenses	(9,004)	(5,397)
Right-of-Use Assets - Operating Leases	241,554	240,813
Increase/(Decrease) In:		
Accounts Payable	(24,282)	30,253
Accrued Payroll	29,664	30,778
Accrued Liabilities	26,180	49,545
Operating Lease Liabilities	(208,741)	(167,028)
Refundable Advances	<u>(11,250)</u>	<u>(140,421)</u>
Net Cash Flows Provided/(Used) By Operating Activities	<u>\$ 185,784</u>	<u>\$ (116,033)</u>

See Accompanying Notes to Financial Statements.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS
NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Genesee Community Charter School - Flour City Campus (the School) is a nonprofit organization that provides an integrated educational experience that values diversity, community responsibility, and intellectual rigor. The School's place-based curriculum, focused on science and local history, engages students in investigation and discovery using the cultural and natural resources of the community. The School teaches children to become reflective questioners, articulate communicators, critical thinkers, and skilled problem-solvers. The School currently serves grades K-4 with plans to grow to K-6 by 2027. The School's revenue is predominantly Resident Student Enrollment fees from the Rochester City School District and a few other surrounding school districts. The School also receives federal and state grants, contributions, and other income.

The main programs of the School are as follows:

REGULAR EDUCATION: The School curriculum is organized around six historical time periods - Prehistory, First Peoples of the Americas/Explorers, Settlement and Colonial Life, Village to City, City Grows, and Today and Tomorrow. The School integrates Math, Science, Social Studies, Language Arts, Art, Music, and Physical Education to provide a rich and challenging curriculum, while keeping in alignment with the New York State Learning Standards.

SPECIAL EDUCATION: The School is open to all children and does not discriminate on the basis of ethnicity, national origin, gender, disability, or any other grounds that would be unlawful or deny the civil rights of any individual. In accordance with the Individuals with Disabilities Education Act, the Rehabilitation Act, Section 504, and the Americans with Disabilities Act, the School provides a free and appropriate education, in the least restrictive environment to students with disabilities. The primary service delivery for students with special needs is inclusion. For students requiring supplemental services, the School contracts with local individuals or agencies to provide the required services outlined in the student's Individual Education Plan or 504 Plan.

FOOD SERVICES: The School believes that healthy meals are an important part of a child's day. Breakfast and lunch are delivered and served "family style" every day, as the School does not have a cafeteria or kitchen facilities. The children eat and socialize with each other, parents, and teachers in their classrooms. All meals meet the required New York State Child Nutrition Standards, and the School subscribes to the New York State free and reduced priced meal program.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Net Assets

In accordance with accounting principles generally accepted in the United States of America, the School reports information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

There were no net assets with donor restrictions at June 30, 2025 and 2024.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Contributions

The School recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions that are expected to be received in future years are recorded at their present value. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. Consequently, at June 30, 2024 contributions amount to \$11,250, have not been recognized in the accompanying statement of activities because the conditions on which they depend has not yet been met. There were no contributions that have not been recognized at June 30, 2025.

Revenue and Revenue Recognition

A portion of the School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Funding sources may, at their discretion, amend the grant and contract amounts. In addition, reimbursement for expenses or return of funds, or both, may be requested as a result of noncompliance by the School with the terms of the grants and contracts. The School records such amendments, reimbursements, and returns of funds as an adjustment to revenue in the year of the amendment.

The School recognizes revenue derived from tuition and food service. Tuition income is recognized during the school year based on enrollment. Food service revenue is recognized when earned at the time of service.

Use of Estimates in the Preparation of Financial Statements

Accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the amounts of revenue and expenses. Actual results could differ from those estimates.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect. Amounts that management believes to be uncollectible, after collection efforts have been completed, are written off. In addition, management evaluates the need for and, if appropriate, provides an allowance to reduce receivables to amounts management expects will be collected.

Management determines the allowance for uncollectible accounts receivable based on historical information, adjusted for current conditions, and reasonable and supportable forecasts. Management determined that no allowances were necessary at June 30, 2025 and 2024.

Grants and Contributions Receivable

Grants and contributions receivable are stated at the amount management expects to collect. Management provides for probable uncollectible amounts based on its assessment of the current status of receivables from grants, agencies, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off. There was no allowances for doubtful accounts at June 30, 2025 and 2024.

Advertising

Advertising costs are expensed as incurred.

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, and management and general categories. An immaterial amount of fund raising costs for the years ended June 30, 2025 and 2024 are included in management and general expenses.

The financial statements report certain categories of expenses that are attributed to both program and supporting functions. Therefore, allocation on a reasonable basis that is consistently applied is required. The expenses that are allocated include occupancy, repairs and maintenance, insurance, interest, and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, office expenses, technology, and other expenses, which are allocated on the basis of estimates of time and effort for each category.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2024 from which the summarized information was derived.

Income Taxes

The Internal Revenue Service has determined that the School is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code. As a result, no provision for federal or state income taxes has been made.

Fixed Assets

Leasehold improvements and equipment are stated at cost, less accumulated depreciation and amortization. The School capitalizes property and equipment with a cost of over \$5,000 and an estimated life of three or more years. The cost and accumulated depreciation of property items sold or retired are eliminated from the accounts. Minor expenditures for maintenance, repairs and renewals are expensed. Donated assets are recorded at their estimated fair market value at the time of donation.

Fixed assets consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Leasehold Improvements	\$ 483,642	\$ 456,904
Equipment	35,302	35,302
Construction In Progress	-	7,750
Less: Accumulated Depreciation	<u>(131,225)</u>	<u>(75,702)</u>
Leasehold Improvements and Equipment, Net	<u>\$ 387,719</u>	<u>\$ 424,254</u>

Depreciation is computed on a straight-line basis over the estimated useful lives of assets. The ranges of estimated useful lives used in computing depreciation are as follows:

	<u>Years</u>
Leasehold Improvements	10
Equipment	5-7

Depreciation expense amounted to \$55,523 and \$44,645 for the years ended June 30, 2025 and 2024, respectively.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

On July 1, 2023, the School adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. The School adopted ASC 326 and all related subsequent amendments thereto effective July 1, 2023 using the modified retrospective transition approach for all financial assets. Accordingly, financial information for periods prior to the date of initial application has not been adjusted. This required recognition had no current impact to the School's financial statements

NOTE 2 - LIQUIDITY AND AVAILABILITY

The School regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities to be general expenditures.

At June 30, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 54,265	\$ 65,283
Accounts Receivable	40,726	14,600
Grants Receivable	<u>60,766</u>	<u>249,407</u>
	<u>\$ 155,757</u>	<u>\$ 329,290</u>

Resident Student Enrollment fees are received throughout the school year to provide additional funds for general expenditures.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

NOTE 3 - CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

For the purposes of the statements of cash flows, cash, cash equivalents, and restricted cash include all cash on hand and in banks, which at times, may exceed federally insured limits. The School considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The School has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash, cash equivalents and restricted cash.

The School maintains cash in an escrow account in accordance with the terms of their charter agreement. The escrow is restricted to fund legal and other costs related to the dissolution of the School.

Cash, cash equivalents, and restricted cash consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Checking	<u>\$ 54,265</u>	<u>\$ 65,283</u>
Total Cash and Cash Equivalents	54,265	65,283
Restricted Cash - Escrow	<u>75,029</u>	<u>-</u>
Total Cash, Cash Equivalents, and Restricted Cash	<u>\$ 129,294</u>	<u>\$ 65,283</u>

NOTE 4 - LINE OF CREDIT

During the year ending June 30, 2024, the School obtained a line of credit with a maximum authorization of \$175,000. Advances against this line bear interest at a rate of 1.0%. Monthly payments of interest only are required and principal is payable upon demand. There was an outstanding balance of \$175,000 at June 30, 2025 and 2024.

NOTE 5 - SPECIAL EDUCATION AND OTHER SERVICES

The majority of special education services required by students of the School are provided by the Rochester City School District. The Rochester City School District also provided transportation. The School was unable to determine a value for these services, thus, these financial statements do not reflect revenue or expenses associated with those services.

Occasionally, the School does need to offer special education services that are not provided through the Rochester City School District. The School uses contracted services at these times and the expense for these services has been included in the financial statements.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

NOTE 5 - SPECIAL EDUCATION AND OTHER SERVICES (Continued)

The School also receives State Aid in the form of textbooks, computer hardware, computer software, and library materials through the Rochester City School District. The total aid received for the years ended June 30, 2025 and 2024 was \$13,149 and \$7,985, respectively

NOTE 6 - LEASES

The School determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The School does not report ROU assets and lease liabilities for its immaterial or short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The School evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the School's right to use underlying assets for the lease term, and the lease liabilities represent the School's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The School has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The School's operating leases consist of a real estate lease for school operations and an equipment lease for a copier. The real estate lease term includes two five-year extensions, available at the School's option, which it is not reasonably certain to exercise. Therefore, the payments associated with these extensions are not included in the ROU asset and the lease liability recognized as of June 30, 2025.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

NOTE 6 - LEASES (Continued)

The following summarizes the weighted average remaining lease term and discount rate as of June 30:

	<u>2025</u>	<u>2024</u>
<u>Weighted Average Remaining Lease Term</u>		
Operating leases	7 years	8 years
<u>Weighted Average Discount Rate</u>		
Operating leases	3%	3%

Future maturities of lease liabilities are presented in the following table, for the years ending June 30:

	<u>Operating</u>
2026	\$ 337,353
2027	337,353
2028	337,353
2029	329,454
Thereafter	<u>988,362</u>
Total Lease Payments	2,329,875
Less Present Value Discount	<u>(259,747)</u>
Total Lease Obligations	<u><u>\$ 2,070,128</u></u>

The following summarizes the line items in the statements of activities which include the components of lease expense for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Operating lease expense included in program services expenses	\$ 226,948	\$ 232,973
Operating lease expense included in management and general expenses	<u>82,972</u>	<u>82,972</u>
Total operating lease costs	<u><u>\$ 309,920</u></u>	<u><u>\$ 315,945</u></u>

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

NOTE 6 - LEASES (Continued)

Supplemental Disclosures of Non-Cash Investing and Financing Activities

The following summarizes cash flow information related to leases for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used by operating leases	\$ 277,107	\$ 242,159

NOTE 7 - PENSION EXPENSE

The School participates in the New York State Teachers' Retirement System (System), a cost-sharing, multiple-employer, defined benefit pension plan administered by the New York State Teachers' Retirement Board. The System 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.

Plan members who joined the System before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. Those joining on or after January 1, 2010 and before April 1, 2012 are required to contribute 3.5% of their annual salary for their entire working career. Those joining after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career. Employers are required to contribute at an actuarially determined rate. Rates applicable to the fiscal years ended June 30, 2025 and 2024 were 10.11% and 9.76%, respectively.

The retirement contribution expense totaled \$128,834 and \$114,831 for the years ended June 30, 2025 and 2024, respectively.

The School also has a 403(b) annuity retirement plan for its employees. After one year of service, employees at least 21 years of age that work a minimum of 1,000 hours annually, may contribute a portion of their taxable salary not to exceed the statutory limits each year. Eligible employees may also receive discretionary amounts the School contributes. The Board of Trustees voted not to make a discretionary contribution for the years ended June 30, 2025 and 2024.

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

NOTE 8 - DONATED SERVICES AND GOODS

The School receives donated services that do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. During the years ended June 30, 2025 and 2024, 32 and 43 active volunteers provided 580 and 323 hours of service. These services primarily consisted of chaperoning field trips and board services.

The School's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the School. If an asset is provided that does not allow the School to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

NOTE 9 - LONG-TERM DEBT

Long-term debt consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Note payable to a bank originally in the amount of \$700,000. This note bears interest at a rate of 1% above prime. Interest only payments are payable in monthly installments through July 30, 2023. Effective August 30, 2023, the note was amended for the balance of \$353,267. Interest only payment at the rate of 1% above prime were payable through February 2024. Effective March 2024, the interest rate was adjusted to a fixed rate of 7.54%. Monthly payments of \$3,364 are payable through August 2028. This loan is guaranteed by Genesee Community Charter School - River Campus.	\$ 113,175	\$ 146,039
Note payable to Genesee Community Charter School - River Campus originally in the amount of \$200,000. This note bears interest at a rate of 1%. Monthly payments of \$4,252 are payable through January 2028.	130,079	200,000
Less: Current Maturities	<u>(82,931)</u>	<u>(102,927)</u>
Long-Term Portion	<u>\$ 160,323</u>	<u>\$ 243,112</u>

GENESEE COMMUNITY CHARTER SCHOOL - FLOUR CITY CAMPUS

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(Continued)

NOTE 9 - LONG-TERM DEBT (Continued)

Maturities of long-term debt for the years after June 30, 2026 are as follows:

<u>Year</u>	<u>Amount</u>
2027	\$ 86,004
2028	67,985
2029	<u>6,334</u>
Total	<u>\$ 160,323</u>

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 29, 2025, which is the date the statements were available for issuance.



**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**

Independent Auditors' Report

To the Board of Trustees
Genesee Community Charter School - Flour City Campus
Rochester, New York

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 Genesee Community Charter School - Flour City Campus (a nonprofit organization), 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 the financial statements and have issued our report thereon dated October 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Genesee Community Charter School - Flour City Campus' 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 Genesee Community Charter School - Flour City Campus' internal control. Accordingly, we do not express an opinion on the effectiveness of Genesee Community Charter School - Flour City Campus' 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 entity'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.

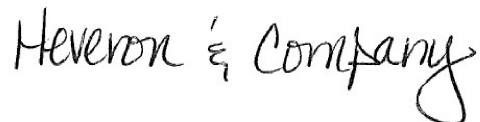
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Genesee Community Charter School - Flour City Campus' financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Heveron & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Heveron & Company
Certified Public Accountants

Rochester, New York
October 29, 2025