



Blackstone Valley Prep Mayoral Academy

Board Meeting

Date and Time

Monday October 26, 2020 at 5:30 PM EDT

Meeting url: <http://bit.ly/BVPBoard102620>

Materials available online at <http://bit.ly/BVPBoardMaterials102620>

Agenda

	Purpose	Presenter	Time
I. Opening Items			5:30 PM
Opening Items			
A. Record Attendance and Guests			
B. Call the Meeting to Order			
C. Vote to Approve Minutes 10/5	Approve Minutes		
Approve minutes for Board Meeting on October 5, 2020			
D. Public Comment	Discuss		
Public comment welcome, with 3 minutes allotted per speaker.			
 II. Recurring Items			
A. CEO Report	Vote	Jeremy Chiappetta	
School Highlights			
Human Capital Update			
School Data Update (Attendance, Suspension, Academic Indicators)			
Media/Advocacy			
Fundraising/Partnerships			
B. CFO Report	Vote	Christine Losea	
Revenue Narrative			
Expense Narrative			
Cash Narrative			
Financial Statements			
 III. New Business Items			
A. Reopening Update	Vote		

B. FY20 Audit Report

Vote

IV. Closing Items

A. Adjourn Meeting

Vote

Cover Sheet

Vote to Approve Minutes 10/5

Section: I. Opening Items
Item: C. Vote to Approve Minutes 10/5
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Board Meeting on October 5, 2020

APPROVED



Blackstone Valley Prep Mayoral Academy

Minutes

Board Meeting

Date and Time

Monday October 5, 2020 at 5:30 PM

Meeting url: <http://bit.ly/BVPBoard10520>

Materials available online at <http://bit.ly/BVPBoardMaterials10520>

Directors Present

D. McKee (remote), J. Diossa (remote), J. Morton (remote), J. Mutter (remote), J. Silva (remote), J. Waters (remote), M. Magee (remote), W. Murray (remote)

Directors Absent

J. Almond, M. Zuluaga, R. Vrees

Guests Present

A. Bernard (remote), A. Chatham (remote), A. Fatal (remote), A. Summers (remote), B. Dowd (remote), B. Gadoury (remote), C. Colarusso (remote), C. Heng (remote), C. Losea (remote), Cathy Johnson (remote), G. Cichoski (remote), J. Chiappetta (remote), J. Falk (remote), J. Giraldo (remote), K. Joyce (remote), K. Scherben (remote), M. DeMatteo (remote), M. Emet (remote), Monia Cabral (remote), S. Anderson (remote), S. Tucker (remote), T. Afonso (remote), T. Tonino (remote), V. Bello (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

J. Diossa called a meeting of the board of directors of Blackstone Valley Prep Mayoral Academy to order on Monday Oct 5, 2020 @ 5:34 PM.

C. Vote to Approve Minutes 8/31

J. Waters made a motion to approve the minutes from BVP Board Meeting on 08-31-20.
W. Murray seconded the motion.
The board **VOTED** unanimously to approve the motion.

D. Approve Minutes 9/10

J. Waters made a motion to approve the minutes from Emergency Meeting on 09-10-20.
W. Murray seconded the motion.
The board **VOTED** unanimously to approve the motion.

E. Public Comment

M. Cabral noted that she was attending the Board meeting on behalf of a group of parents, and is particularly interested in hearing more about the reopening plan, particularly for scholars who currently do not have the choice to participate in in-person learning.

II. Recurring Items

A. CEO Report

J. Chiappetta noted that BVP continues to focus on reopening plans, and implementing both in-person and distance learning plans. Reopening has a dedicated discussion time later in the agenda.
W. Murray made a motion to accept the CEO report, as included in the Board packet.
D. McKee seconded the motion.
The board **VOTED** unanimously to approve the motion.

B. Finance Director Report

C. Losea noted that the CFO report, as included in the Board packet, includes all financial numbers through the end of July. The Finance team is currently working with KLV to conduct the annual audit.

In response to a question from J. Silva, she also noted that BankRI has not yet opened the portal to apply for PPP forgiveness, but she will be undergoing that process as soon as it is available.

J. Silva made a motion to accept the CFO report as included in the Board packet.
J. Morton seconded the motion.
The board **VOTED** unanimously to approve the motion.

III. New Business Items

A. Reopening Update

J. Chiappetta shared a presentation to provide the Board and guests an update on BVP's reopening plans, as well as the context and relevant community-based COVID data that is driving and influencing reopening decisions. In particular, BVP's sending districts' COVID data are still of concern relative to community spread, and does not seem to support a move to a full return at this time.

The Board entered an in-depth discussion, and many members expressed concern over the safety and budgetary implications of bringing back more scholars in-person, while also balancing an acknowledged long-term risk of having scholars continue to stay at home. Ultimately, the board reached a consensus that BVP should take a slow, deliberate, and cautious approach to reopening, and make decisions rooted in data.

Members of the Board also raised discussion about "when, not if" BVP needs to pivot some or all of its in-person learning to distance learning. S. Anderson described the distance learning plans and schedules that are currently in place and BVP's ability to transition scholars smoothly into these should the need arise.

Discussion also arose around staffing capabilities and needs. Staff are currently spread thin and substitutes are mostly unavailable, which means that if staff are out BVP may need to pivot some or all scholars to distance learning because it won't have enough staff to safely support in-person learning.

BVP continues to plan for a number of different scenarios, but needs maximize consistency where it can to move the work forward and respond appropriately to situations that do arise.

IV. Executive Session - Real Estate

A. 42-46-5(a)5 Real Estate

The Board did not enter executive session

V. Closing Items

A. Adjourn Meeting

W. Murray made a motion to adjourn.

J. Morton seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:47 PM.

Respectfully Submitted,

B. Dowd

Documents used during the meeting

None

Cover Sheet

CEO Report

Section:	II. Recurring Items
Item:	A. CEO Report
Purpose:	Vote
Submitted by:	
Related Material:	10262020 CEO Report.pdf



BLACKSTONE VALLEY PREP

Preparing every scholar for success in college and the world beyond.

Chief Executive Officer Report

Jeremy Chiappetta

October 26, 2020

Key Highlights:

- BVP continues to work to reopen safely and maintain our re-opening. Several challenges have occurred:
 - 10/13: MVP program closed: positive case, 4 staff members directed to quarantine
 - 10/14-10/16: ES3 closed: positive case, 6 of 14 on-site staff members had to quarantine
 - 10/19-10/30: ES2 K Class closed: positive case, several scholars/staff had to quarantine
 - 10/21-11/2: HS Boys Soccer Team directed to quarantine
 - 10/23-10/30: Several members of the HS Cross-Country Team directed to quarantine
 - In addition to the above closures, we have had more than a dozen other additional staff members out based on awaiting symptomatic test results or staying home with minor symptoms (as per the RIDOH Playbook)
- BVP has two finalists for the prestigious Questbridge National College Match, which helps match the nation's top 1st generation college students with top colleges and universities.
<https://www.facebook.com/BVPrep/posts/3476951372351707>
- In an effort to best support families, Chief Academic Officer Sarah Anderson has worked with her team to design a family literacy training series for K-4 families, especially recommended for K-2 families.

Talent

- While we continue to have staff vacancies that impact our ability to safely reopen, including substitutes, a K special educator, a 4th grade teacher, art teachers, and a secondary math teacher, we have hired six new day-to-day substitute teachers!

Key Data

- Current enrollment is 2103 (down from 2113 at our last meeting and 2151 at the start of the year). Most of the newest changes are a result of families opting for

local schools for a variety of reasons, including being more open for in-person instruction.

- Attendance:

Year-to-Date

School	Attendance Percentage	On-Time Percentage	Chronically Absent Percentage
Elementary School 1	96.01 %	99.80 %	13.97 %
Elementary School 2	95.69 %	98.49 %	15.12 %
Elementary School 3	94.33 %	99.69 %	21.79 %
High School	94.72 %	95.96 %	19.01 %
Junior High School	94.65 %	95.19 %	22.71 %
Out-of-District	100.00 %	100.00 %	0.00 %
Upper Elementary	96.12 %	97.08 %	12.01 %
District Total	95.37 %	97.76 %	16.83 %

- Attendance has been very strong overall, though slightly below our attendance levels in years past (continuing to be about 1.5% below YTD attendance at this time last year). Please note that the chronic absenteeism percentages are quite off at this time of the year
- Any child out four or more days is calculated as “chronically absent.” With that said, there are several scholars who have been identified as struggling with attendance, and our school teams are focused on identifying and supporting those scholars and families.

Development

- BVP was awarded a grant of up to \$63,711 to support the hiring of substitute teachers.
- BVP has a continued need to support families in crisis. We encourage all to support our Social Worker’s Fund, which has received over \$2,300 in the past few weeks. Please give generously!
<https://blackstonevalleyprep.org/product/social-workers-fund/>

Media and Advocacy

- BVP continues to gain positive press on our athletic programs, with celebrations in *The Valley Breeze*.
- BVP is working locally with Achievement First and RISE Prep to continue to advocate for fair funding and investment of RI COVID dollars in support of schools. Excel Academies of Massachusetts has applied to be a mayoral academy and is also now meeting with our advocacy group.

Facility Updates

- We continue to work with RIDE and RIDOH to ensure our facilities are ready for the start of the school year. We have been told that each campus will be inspected prior to the start of the year, relative to the [Facilities Guidance](#). To be prepared, we have:
 - Multiple “deep cleanings” and the purchase of electrostatic sprayers for additional nightly cleaning
 - Completed training for all school-based operations leads and custodial staff on updated cleaning protocols to be followed during in-person instruction
 - Installed touchless sanitizer stations in each learning space and procured adequate hand sanitizer for all campuses
 - Installed plastic barriers for front office managers
 - Removed carpets from elementary classrooms
 - Spaced furniture in classrooms to allow for as much social distancing as possible based on 55% of families continuing to opt for distance learning
 - Upgraded to MERV11 filters, where possible
 - Added HEPA filter machines as well as window fans for outside air in several rooms that did not otherwise have 4-6 air circulation turns per hour
 - Acquired HEPA filter machines for each isolation room for each campus

Address	Normal Use	“Partial” Use	Air System Notes
291 Broad Street	ES1	ES1 K-2	MERV 11, >6 turns/hour, windows open
52 Broad Street	ES2	ES2 K-2	MERV 11, >6 turns/hour, windows open
3357 Mendon Road	ES3	ES3 K-2	Windows Open, HEPA filters for each room, Window fans for each classroom
3 Fairlawn Way	UES	ES 3-4	MERV 8, >6 turns/hour, windows open (waiting on order for MERV 13)
909 Lonsdale Ave	JHS	Staff only	MERV 11, >6 turns/hour, windows open
65 Macondray	HS	MVPs 5-12	MERV 11, >6 turns/hour, windows open

- **Current portfolio:**
 - **291 Broad St. (ES1):** N/A.
 - **52 Broad St. (ES2):** N/A.
 - **3 Fairlawn Way (UES):** N/A.
 - **909 Lonsdale Ave. (JHS):** N/A.
 - **3357 Mendon Rd:** N/A.
 - **65 Macondray Street (HS):** N/A
 - **7 Fatima Drive (Network Support Team):** N/A.
 - **Other:** We continue to pursue other real estate opportunities to best support our mission, within the budget constraints with which we are operating.

Cover Sheet

CFO Report

Section:	II. Recurring Items
Item:	B. CFO Report
Purpose:	Vote
Submitted by:	
Related Material:	August 2020 - Budget to Actual.pdf August 2020 - Cash Flow.pdf August 2020 - Financial Dashboard.pdf



Blackstone Valley Prep, A Rhode Island Mayoral Academy

Monthly Reporting

Aug-20

	Fiscal 2020		
	Approved Budget	Through 8/31/2020	Under/(Over) Budget
REVENUE			
Total Public Funding Entitlement Revenue	\$ 32,053,059	\$ 3,167,956	\$ 28,885,103
Total Development Revenue	\$ 419,250	\$ 34,325	\$ 384,925
Total Other Revenue	\$ 3,856,364	\$ 216,879	\$ 3,639,485
TOTAL REVENUE	\$ 36,328,673	\$ 3,419,160	\$ 32,909,512
EXPENSES			
<i>Personnel Expenses</i>			
Salaries	\$ 18,750,728	\$ 1,827,913	\$ 16,922,815
Total Program Incentives	\$ 770,595	\$ 221,109	\$ 549,486
Total Fringe Benefits	\$ 4,873,798	\$ 589,270	\$ 4,284,528
Total Personnel	\$ 24,395,122	\$ 2,638,293	\$ 21,756,829
<i>Non Personnel Expenses</i>			
Total Professional Development	\$ 199,632	\$ 30,613	\$ 169,020
Total Special Education Services	\$ 1,085,827	\$ 76,682	\$ 1,009,145
Total Medical	\$ 29,230	\$ -	\$ 29,230
Total Business Services	\$ 444,979	\$ 91,958	\$ 353,021
Total Building and Office	\$ 3,400,091	\$ 125,664	\$ 3,274,426
Total Instructional	\$ 1,227,006	\$ 198,328	\$ 1,028,678
Total Other	\$ 150,119	\$ 19,418	\$ 130,701
Total Non-Personnel Expenses	\$ 6,536,884	\$ 542,663	\$ 5,994,221
<i>Facilities Expenses</i>			
Total Rent	\$ 3,176,609	\$ 472,798	\$ 2,703,811
Total Cost of Occupancy	\$ 450,173	\$ 55,360	\$ 394,813
Total Repairs and Maintenance	\$ 565,384	\$ 81,921	\$ 483,463
Total Facilities Expenses	\$ 4,192,166	\$ 610,078	\$ 3,582,088
Total Non-Capital Expenses	\$ 35,124,172	\$ 3,791,034	\$ 31,333,138
<i>Capital Expenses</i>			
Total Technology	\$ 630,877	\$ 394,952	\$ 235,925
Total Furniture, Fixtures and Equipment	\$ 88,632	\$ 45,901	\$ 42,732
Total Capital Expenditures	\$ 125,000	\$ 15,082	\$ 109,918
Total Capital Expenses	\$ 844,509	\$ 455,935	\$ 388,575
TOTAL EXPENSES	\$ 35,968,681	\$ 4,246,968	\$ 31,721,713
CHANGE IN NET ASSETS	\$ 359,991	\$ (827,808)	

Public Funding Entitlements			
Unrestricted Grants-in-Aid - State Sources	\$ 20,180,052	\$ 3,167,956	\$ 17,012,096
Tuition from Other Districts	\$ 9,533,527	0	\$ 9,533,527
<i>Per Pupil Allotment in District Funding</i>	\$ 29,713,579	\$ 3,167,956	\$ 26,545,623
Federal Title I	\$ 745,271	0	\$ 745,271
Title IIA	\$ 137,889	0	\$ 137,889
Title III	\$ 23,613	0	\$ 23,613
Title IV	\$ 87,226	0	\$ 87,226
Special Education IDEA Federal Funding	\$ 540,651	0	\$ 540,651
Erate Revenue	\$ 18,000	0	\$ 18,000
High End SPED Categorical	\$ 3,355	0	\$ 3,355
CLSD Grant	\$ 287,368	0	\$ 287,368
English Learner Grant	\$ 66,107	0	\$ 66,107
<i>Restricted Grants-in-Aid from Fed via the State</i>	\$ 1,909,480	\$ -	\$ 1,909,480
Restricted Grants in Aid Direct from Federal Govt	0	0	\$ -
Restricted Grants-in-Aid from Fed via the State	0	0	\$ -
<i>Total Federal Charter School Startup Grant</i>	\$ -	\$ -	\$ -
Medicaid Reimbursement	\$ 430,000	\$ -	\$ 430,000
Restricted Grants In Aid-State Sources	0	0	\$ -
Total Public Funding Entitlementment Revenue	\$ 32,053,059	\$ 3,167,956	\$ 28,885,103
Development			
Contributions & Donations from Private Sources	\$ 419,250	\$ 34,325	\$ 384,925
Non-Cash Contribs from Private Sources	0	0	\$ -
Other Grants	0	0	\$ -
In Kind Contributions - Rent	0	0	\$ -
Restricted Grants-Intermediate Sources	0	0	\$ -
Total Development Revenue	\$ 419,250	\$ 34,325	\$ 384,925
Earnings on Investments	\$ 17,550	\$ 2,484	\$ 15,066
Food Service - State Matching Funds	0	0	\$ -
Food Service - School Breakfast Reimbursement	0	0	\$ -
Food Service Sales - School Lunch Programs	0	0	\$ -
Food Service Sales - School Breakfast Programs	0	0	\$ -
Athletic Gate Receipts	0	\$ 1,600	\$ (1,600)
Book Store & Local Sales/Rental	\$ 8,161	\$ 975	\$ 7,186
Other Fees	0	0	\$ -
Rental Income (Fields/Pools/Buildings)	\$ 16,000	\$ 800	\$ 15,200
Refund of Prior Year Expenditures	\$ 5,600	\$ 568	\$ 5,032
Food Service Reimbursements	0	0	\$ -
Sale of Personal and Real Property	0	0	\$ -
Loan	0	\$ 210,453	\$ (210,453)
Miscellaneous	0	0	\$ -
In Kind - Business Services	0	0	\$ -
Use of Prior Year Surplus Funds	\$ 3,809,053	0	\$ 3,809,053
Total Other Revenue	\$ 3,856,364	\$ 216,879	\$ 3,639,485
TOTAL REVENUE	\$ 36,328,673	\$ 3,419,160	\$ 32,909,512

Professional Development						
Tuition Reimbursement - Non Taxable	\$	64,350	\$	24,000	\$	40,350
Mentoring	\$	-	\$	-	\$	-
Professional Development and Training Services	\$	41,595	\$	4,350	\$	37,245
Curriculum Development	\$	10,000	\$	500	\$	9,500
Conferences / Workshops	\$	55,460	\$	1,683	\$	53,777
Catering	\$	17,453	\$	-	\$	17,453
Employee Travel - Non-Teachers	\$	5,075	\$	80	\$	4,995
Employee Travel - Teachers	\$	5,700	\$	-	\$	5,700
Travel-Other		0	\$	-	\$	-
Total Professional Development	\$	199,632	\$	30,613	\$	169,020

Special Education Services						
Administrative Support		0	\$	-	\$	-
Speech Therapists	\$	81,500	\$	12,325	\$	69,175
Occupational Therapists	\$	32,250	\$	-	\$	32,250
Psychologist	\$	5,100	\$	-	\$	5,100
Translation	\$	6,477	\$	-	\$	6,477
Physical Therapists	\$	15,050	\$	-	\$	15,050
Evaluations	\$	6,450	\$	-	\$	6,450
Tutoring Services	\$	-	\$	-	\$	-
Student Assistance		0	\$	-	\$	-
Consultants, Special Education Services	\$	39,000	\$	160	\$	38,840
Instructional Teachers	\$	-	\$	-	\$	-
Tuition - Out of District	\$	900,000	\$	64,196	\$	835,804
Total Special Education Services	\$	1,085,827	\$	76,682	\$	1,009,145

Medical						
Health Service Providers-For Students		0	\$	-	\$	-
Physicians	\$	2,517	\$	-	\$	2,517
Dentists	\$	2,526	\$	-	\$	2,526
Contracted Nursing Services (savings in Salary Line)	\$	24,188	\$	-	\$	24,188
Consultants, Business Services		0	\$	-	\$	-
Total Medical	\$	29,230	\$	-	\$	29,230

Business Services						
Auditing/Actuarial Services	\$	53,040	\$	-	\$	53,040
Legal Services	\$	51,000	\$	6,930	\$	44,070
Pension Advisors	\$	10,000	\$	2,808	\$	7,193
Other Services	\$	28,005	\$	-	\$	28,005
Medicaid Claims Provider	\$	43,969	\$	12,860	\$	31,109
Data Processing Services	\$	82,774	\$	6,154	\$	76,620
Other Technical Services	\$	132,416	\$	23,769	\$	108,647
Other Charges	\$	43,775	\$	39,438	\$	4,337
Total Business Services	\$	444,979	\$	91,958	\$	353,021

Building and Office						
Shipping and Postage	\$	16,916	\$	1,619	\$	15,296
Rubbish Disposal Services	\$	75,370	\$	10,536	\$	64,834
Snow Plowing Services	\$	65,541	\$	-	\$	65,541
Custodial Services	\$	449,848	\$	16,410	\$	433,437
Rodent and Pest Control Services	\$	8,559	\$	375	\$	8,184
Telephone	\$	13,835	\$	2,346	\$	11,489
Wireless Communications	\$	183,630	\$	31,674	\$	151,956
Internet Connectivity	\$	43,726	\$	26,528	\$	17,199
Rental of Equipment and Vehicles	\$	177,699	\$	28,277	\$	149,422
Transportation Contractors	\$	2,190,955	\$	-	\$	2,190,955
Property and Liability Insurance	\$	103,897	\$	4,518	\$	99,380
Student Accident Insurance	\$	10,900	\$	-	\$	10,900
Errors & Omissions Ins (Dir & Officers)	\$	11,758	\$	-	\$	11,758
Advertising Costs	\$	10,404	\$	100	\$	10,304
Printing	\$	23,639	\$	-	\$	23,639
Food Service Contractors	\$	13,415	\$	3,282	\$	10,133
Total Building and Office	\$	3,400,091	\$	125,664	\$	3,274,426

Instructional						
Testing	\$	10,750	\$	-	\$	10,750
Virtual Classroom		0	\$	-	\$	-
General Supplies and Materials	\$	376,162	\$	67,252	\$	308,910
Web Based Supplemental Inst. Programs	\$	23,000	\$	48,738	\$	(25,738)
Running Start Tuition	\$	85,680	\$	-	\$	85,680
Uniform/Wearing Apparel Supplies	\$	8,550	\$	-	\$	8,550
Medical Supplies	\$	176,300	\$	60	\$	176,240
Athletic Supplies	\$	5,000	\$	-	\$	5,000
Honors/Awards Supplies	\$	42,079	\$	5,532	\$	36,547
Other Supplies		0	\$	-	\$	-
Custodial Supplies	\$	463,459	\$	74,534	\$	388,925
Textbooks		0	\$	2,213	\$	(2,213)
Library Books	\$	20,703	\$	-	\$	20,703
Reference Books		0	\$	-	\$	-
Textbooks	\$	10,200	\$	-	\$	10,200
Subscriptions and Periodicals	\$	5,124	\$	-	\$	5,124
Total Instructional	\$	1,227,006	\$	198,328	\$	1,028,678

Other						
Officials/Referees	\$	12,000	\$	-	\$	12,000
Police/Rescue Detail		0	\$	-	\$	-
Other Dues and Fees	\$	107,333	\$	18,534	\$	88,799
Bank Fees	\$	7,140	\$	884	\$	6,256
License & Permit Fees	\$	2,165	\$	-	\$	2,165
Injury Fund		0	\$	-	\$	-
Interest		0	\$	-	\$	-
Real & Personal Property Tax Payment	\$	21,481	\$	-	\$	21,481
Other Miscellaneous Expenses		0	\$	-	\$	-
Loan Payment - CSGF		0	\$	-	\$	-
Credit Card Transactions		0	\$	-	\$	-
Total Other	\$	150,119	\$	19,418	\$	130,701
TOTAL NON-PERSONNEL	\$	6,536,884	\$	542,663	\$	5,994,221

Other			
Rental Expense	\$ 2,226,329	\$ 315,284	\$ 1,911,045
Lease Obligations - Principal	\$ 667,689	\$ 111,243	\$ 556,445
lease Obligations - Interest	\$ 282,591	\$ 46,270	\$ 236,321
Total Rental	\$ 3,176,609	\$ 472,798	\$ 2,703,811

Cost of Occupancy			
Water	\$ 22,180	\$ 2,140	\$ 20,039
Sewage/Cesspool	\$ 39,882	\$ 8,625	\$ 31,257
Other Purchased Property Services	0	-	-
Alarm and Fire Safety Services	\$ 22,902	\$ 4,613	\$ 18,289
Moving	\$ 48,000	\$ 5,015	\$ 42,985
Inspections	\$ 4,896	-	\$ 4,896
Natural Gas	\$ 73,720	\$ 4,113	\$ 69,607
Electricity	\$ 238,594	\$ 30,854	\$ 207,740
Total Cost of Occupancy	\$ 450,173	\$ 55,360	\$ 394,813

Repairs and Maintenance			
Repairs & Maintenance	\$ 20,400	\$ -	\$ 20,400
Maintenance and Repairs - Fixtures and Equipment	\$ 19,995	\$ 2,575	\$ 17,420
Maintenance and Repairs - General	\$ 105,788	\$ 64,573	\$ 41,215
Maintenance and Repairs - Technology-Related Hardware	\$ 211,405	\$ 14,031	\$ 197,374
Maintenance and Repairs - Electrical	\$ 14,094	-	\$ 14,094
Maintenance and Repairs - Plumbing	\$ 193,702	\$ 742	\$ 192,960
Total Repairs and Maintenance	\$ 565,384	\$ 81,921	\$ 483,463
		\$ -	\$ -
TOTAL FACILITY EXPENDITURES	\$ 4,192,166	\$ 610,078	\$ 3,582,088

Technology			
Technology-Related Supplies	\$ 19,164	\$ 36,705	\$ (17,541)
Technology-Related Hardware	\$ 543,645	\$ 311,129	\$ 232,516
Technology Software	\$ 68,068	\$ 47,118	\$ 20,950
Total Technology	\$ 630,877	\$ 394,952	\$ 235,925

Furniture, Fixtures and Equipment			
Equipment	\$ 43,821	\$ 5,814	\$ 38,007
Furniture and Fixtures	\$ 44,811	\$ 40,087	\$ 4,724
Total Furniture, Fixtures and Equipment	\$ 88,632	\$ 45,901	\$ 42,732

Capital Improvements/Depreciation			
Building	0	\$ -	\$ -
Depreciation - Building Improvements	0	\$ 14,257	\$ (14,257)
Depreciation - B+C138uildings	0	\$ 33,451	\$ (33,451)
Depreciation - Equipment	0	\$ 563	\$ (563)
Depreciation - Furniture and Fixtures	0	\$ 6,744	\$ (6,744)
Depreciation - Technology-Related Hardware	0	\$ 5,006	\$ (5,006)
Depreciation - Technology Software	0	\$ 82	\$ (82)
Building Improvements/Capital Expenditures	\$ 125,000	\$ 1,250	\$ 123,750
Total Capital Expenditures	\$ 125,000	\$ 61,352	\$ 63,648

Contra Accounts (Fixed Assets)			
Building Const-Contra	0	\$	-
Electrical - Contra	0	\$	-
Plumbing-Contra	0	\$	-
Building Improvements - Contra	0	\$	-
Contra Building Improvements	0	\$	-
Equipment-Contra	0	\$	-
Furniture - Contra	0	\$	-
Interest - Contra	0	\$	(46,270)
Loan Proceeds - Contra	0	\$	-
Technology-Contra	0	\$	-
Total Contra Accounts (Fixed Assets)	\$	-	\$ (46,270) \$ -

TOTAL TECHNOLOGY AND CAPITAL EXPENDITURES \$ 844,509 \$ 455,935 \$ 342,305

TOTAL EXPENSES	\$ 35,968,681	\$ 4,246,968	\$ 31,721,713
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Change in Net Assets	\$ 359,991	\$ (827,808)
-----------------------------	------------	--------------

School Holdings I Activity

Revenue

Rental Revenue (SH1)	\$ 55,959
Total Revenue	\$ 55,959

Expenses

Depreciation Land Improve	\$ 1,224
Depreciation - Building	\$ 24,325
Prepaid Rental Expense	\$ -
Interest Expense - SH1	\$ 41,817
Total Expenses	\$ 67,366

Change in Net Assets (SH1)	\$ (11,407)
----------------------------	-------------

Combined Net Assets	\$ (839,215)
---------------------	--------------



Blackstone Valley Prep, A Rhode Island Mayoral Acade

Cash Flow Statement

8/31/2020

Beginning Cash	\$ 11,498,086
Projected Cash Receipts from Operations	\$ 1,825,267
Projected Cash Disbursements from Operations	\$ (2,862,488)
Net Cash from Operations	\$ 10,460,865
Cash Receipts from Accounts Receivable	\$ -
Change in Current Assets	\$ 369,487
Capital Expenditures	\$ -
Change in Depreciation	\$ 12,774
Change in Accounts Payable	\$ 92,911
Change in Current Liabilities	\$ 5,168
Change in Long-term Liabilities	\$ (53,017)
Change in Net Assets	\$ (7,713)
Ending Cash Balance	\$ 10,880,475



Blackstone Valley Prep - Financial Performance Dashboard

08/31/20

Revenues and Expenditures	YTD Actual as 8/31/2020	Budget 2021
Revenues		
Public Funding Entitlement Revenue	\$ 3,167,956	\$ 32,053,059
Development Revenue	\$ 34,325	\$ 419,250
Other Revenue	\$ 272,838	\$ 3,856,364
Total Revenue	\$ 3,475,119	\$ 36,328,673
Expenses		
Personnel	\$ 2,638,293	\$ 24,395,122
Non-Personnel Expenses	\$ 542,663	\$ 6,536,884
Facilities Expenses	\$ 610,078	\$ 4,192,166
Capital Expenses	\$ 523,300	\$ 844,509
Total Expenses	\$ 4,314,334	\$ 35,968,681
Net Surplus/(Deficit)	\$ (839,215)	\$ 359,991
Financial Position		
	Total As of 8/31/2020	Total As of 8/31/2019
Assets		
Cash	\$ 10,880,475	\$ 6,902,297
Receivables	\$ 224,877	\$ 232,179
Other Current Assets	\$ 948,414	\$ 827,654
Fixed Assets	\$ 26,292,049	\$ 23,295,688
Accumulated Depreciation	\$ (2,800,535)	\$ (1,994,551)
Assets Total	\$ 35,545,280	\$ 29,263,267
Liabilities		
Short Term	\$ 2,390,893	\$ 2,017,986
Long Term	\$ 26,785,296	\$ 20,434,966
Liabilities Total	\$ 29,176,189	\$ 22,452,952
Net Assets	\$ 6,369,090	\$ 6,810,315
Liabilities + Fund Balance	\$ 35,545,280	\$ 29,263,267

Financial Performance Ratios	Current	Target	Benchmark
Current Ratio (Current Assets/Current Liabilities)			
Current Assets	\$ 9,253,231		
Current Liabilities	\$ 2,390,893		
Current Ratio	3.87	Exceeds	= > than 1
Unrestricted Days Cash			
Total Cash Available (at end of period)	\$ 10,880,475		
Total Projected Expenses	\$ 35,968,681		
Total days of the year	365		
Days Cash on Hand	110.41	Exceeds	= > than 60
Debt to Asset Ratio (Total Liabilities/Total Assets)			
Total Liabilities	\$ 29,176,189		
Total Assets	\$ 35,545,280		
Debt to Asset Ratio	0.82	Exceeds	< than .9
Statement of Cash Flows			
Beginning Cash		\$ 11,498,086	
Projected Cash Receipts from Operations		\$ 1,825,267	
Projected Cash Disbursements from Operations		\$ (2,862,488)	
Net Cash from Operations		\$ 10,460,865	
Cash Receipts from Accounts Receivable		\$ -	
Change in Current Assets		\$ 369,487	
Capital Expenditures		\$ -	
Change in Depreciation		\$ 12,774	
Change in Accounts Payable		\$ 92,911	
Change in Current Liabilities		\$ 5,168	
Change in Long-term Liabilities		\$ (53,017)	
Change in Net Assets		\$ (7,713)	
Ending Cash Balance		\$ 10,880,475	

Per Pupil Amounts	8/31/2020	8/31/2019
PPA YTD Revenue	\$ 1,590.31	\$ 1,637.47
PPA YTD Revenue - Fundraising	\$ 15.97	\$ 22.10
PPA YTD Expenses	\$ 1,975.33	\$ 344.43

Contributions	# of Donations	% of Donations
Family Giving	\$ 5.00	0.3%
Board	\$ 1.00	8.3%
Staff	\$ 2.00	0.7%
FLC Funds Raised (net of expenses)	\$ -	

Notes:

The RFP for the next round of long term financing is live and being managed along with Hilltop Financial. We should have the results at the next Board Meeting.

Still no update on State budget although we have been told to proceed with last year's numbers for English Learners Categorical

BVP received a \$2000 donation from the Carolina Dukceovich Family Fund

BVP Social Worker Fund is currently around \$1500, we are looking to raise more funds for this account to support those families most in need as we head into the winter season.

Cover Sheet

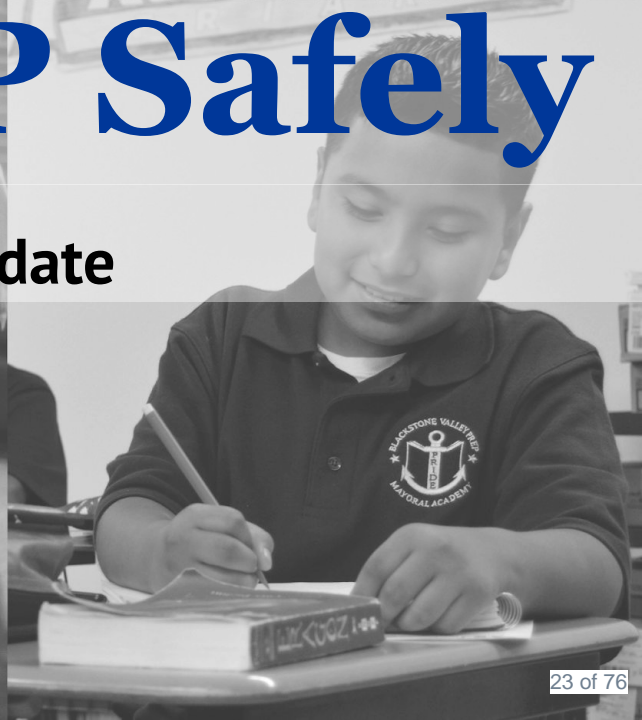
Reopening Update

Section: III. New Business Items
Item: A. Reopening Update
Purpose: Vote
Submitted by:
Related Material: Board Update Reopening Safely 10262020.pdf



Reopening BVP Safely

October 26, 2020 Board Update



Introduction

Jeremy Chiappetta

Superintendent and CEO

Blackstone Valley Prep

Parent of Three BVP Scholars

jchiappetta@blackstonevalleyprep.org

@chiachess on twitter

Our Mission

The mission of Blackstone Valley Prep is to prepare every scholar for success in college and the world beyond.

Our Values

BVP Values

Perseverance
Respect
Integrity
Discipline
Enthusiasm
+ 1 Love

RI Reopening Guiding Principles

- 1) Safety First,**
- 2) Transparency,**
- 3) Equity,**
- 4) Listening, and**
- 5) Decisiveness.**

Our Values In Action



Dr. Stephanie Downey Toledo @sdowneytoledo · Oct 15

The shared commitment for all kids in RI is remarkable! As @CFSchoolsRI awaits CBs, Commissioner @AlfanteGreen gathered 750 devices from across RI to ensure every student has access to a device! Thanks Sup't @HarrisonPeters, @chiachess @SeguelFL and @ewinangun for the loans!



We are slowly and safely reopening, focused first on scholars with the highest need for in-person instruction

Completed:

- ✓ Monday, 9/14: Launch of Distance Learning K-12
- ✓ Tuesday, 9/22: 5th-12th Grade MVPs began
- ✓ Tuesday, 9/29: Kindergarten and K-4 MVPs began
- ✓ Tuesday, 10/13: 1st-4th grade began

Upcoming:

- ? TBD 5-12 In-person
- ? TBD K-4 Expansion of In-person

Reopening Data

A look at COVID-19 data and how that data may inform decisions



Last time we met on 10/5: R-naught is the “spread” of the disease

The aim is to be below 1.0; RI is at 1.14 (8th highest in the US)

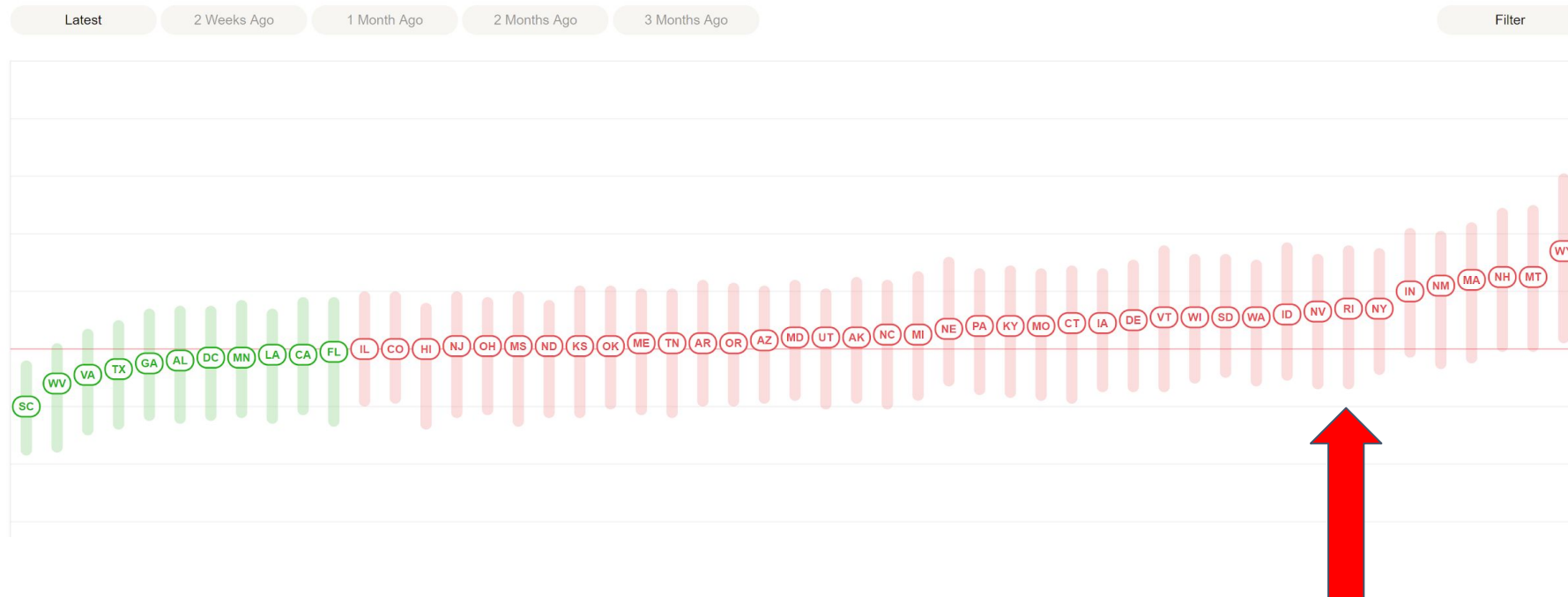
R_t COVID-19

[Tweet](#) [Share](#)

These are up-to-date values for R_t, a key measure of how fast the virus is growing. It's the average number of people who become infected by an infectious person. If R_t is above 1.0, the virus will spread quickly. When R_t is below 1.0, the virus will stop spreading. [Learn More](#).

[See details about the spread in Rhode Island](#)

Data Last Updated: 10/4 at 12:17PM



As of 10/24: R-naught is the “spread” of the disease

The aim is to be below 1.0; RI is at 1.27 (2nd highest in the US)

R_t COVID-19

[Tweet](#) [Share](#)

These are up-to-date values for R_t, a key measure of how fast the virus is growing. It's the average number of people who become infected by an infectious person. If R_t is above 1.0, the virus will spread quickly. When R_t is below 1.0, the virus will stop spreading. [Learn More](#).

[See details about the spread in Rhode Island](#)

Data Last Updated: 10/23 at 11:16AM

Latest

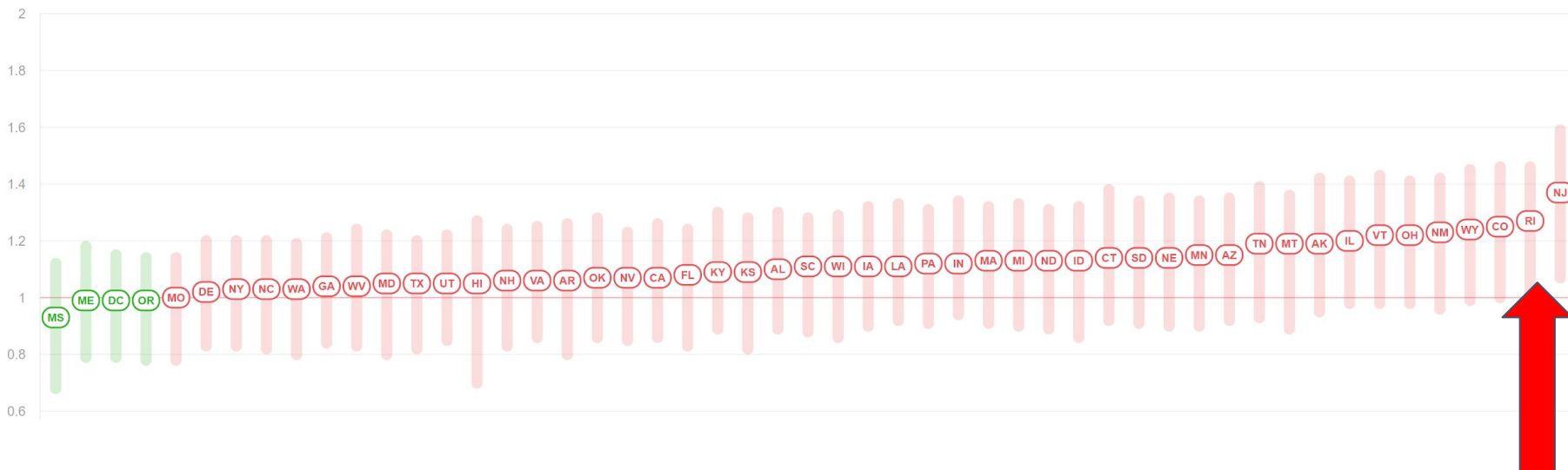
2 Weeks Ago

1 Month Ago

2 Months Ago

3 Months Ago

Filter



Reopening Data Considerations:

Municipal Data (as of 9/30, last meeting and 10/14, most recent data)

Cases/100,000

Central Falls: 181 → 217

Cumberland: 38 → 84

Lincoln: 65 → 65

Pawtucket: 113 → 156

Percent Positive

Central Falls: 6.8% → 7.6%

Pawtucket: 4.0% → 4.7%

Lincoln: 2.1% → 1.8%

Cumberland: 1.2% → 2.4%

Reopening Data Considerations:

Municipal Data in context - Massachusetts Comparison

While Massachusetts had set various reopening standards (Red, Yellow, Green), much the the state seems to be turning red, yet *school decisions appear to be made more locally.*

- Milton is now Red, but is still running a hybrid model based on consultation with their local leaders and what they are seeing in schools
- Boston set their own thresholds for opening and closing, and based on a 7-day average exceeding 5%, closed all of its schools
 - Reopening to highest needs students will happen when they have 2 weeks below 5% and phased reopening for others begins when 2 weeks below 4%

Broader picture

Schools do not appear to be drivers for virus growth



Popular

Latest

The Atlantic

IDEAS

Schools Aren't Super-Spreaders

Fears from the summer appear to have been overblown.

OCTOBER 9, 2020

Emily Oster

Economist at Brown University



SIGN IN

NPR SHOP

DONATE NOW

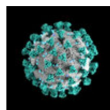
NEWS

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MUSIC

SHOWS & PODCASTS

SEARCH



SPECIAL SERIES

The Coronavirus Crisis



Are The Risks Of Reopening Schools Exaggerated?

October 21, 2020 · 7:05 AM ET
Heard on All Things Considered

Broader picture

CDC Indicators and Thresholds

CDC indicators and thresholds for risk of introduction and transmission of COVID-19 in schools

INDICATORS	Lowest risk of transmission in schools	Lower risk of transmission in schools	Moderate risk of transmission in schools	Higher risk of transmission in schools	Highest risk of transmission in schools	BVP & Rhode Island
CORE INDICATORS						
Number of new cases per 100,000 persons within the last 14 days*	<5	5 to <20	20 to <50	50 to ≤ 200	>200	RI (CF and Pawtucket) Red
Percentage of RT-PCR tests that are positive during the last 14 days**	<3%	3% to <5%	5% to <8%	8% to ≤ 10%	>10%	Data not updated, appears red
<p>Ability of the school to implement 5 key mitigation strategies:</p> <ul style="list-style-type: none"> • Consistent and correct use of masks • Social distancing to the largest extent possible • Hand hygiene and respiratory etiquette • Cleaning and disinfection • Contact tracing in collaboration with local health department <p>Schools should adopt the additional mitigation measures outlined below to the extent possible, practical and feasible.</p>	Implemented all 5 strategies correctly and consistently	Implemented all 5 strategies correctly but inconsistently	Implemented 3-4 strategies correctly and consistently	Implemented 1-2 strategies correctly and consistently	Implemented no strategies	Meet all Five Criteria

Key Questions on Reverting: Children's Hospital of Philadelphia Policy Lab



KEY QUESTIONS TO GUIDE DECISION-MAKING ON REVERTING TO VIRTUAL LEARNING

With colder weather, case transmission is likely to rise, and school districts will be faced with challenging decisions on when to revert to distance learning vs. continuing in-class instruction. These challenging decisions can be informed by asking a few key questions and reflecting on the ability of the school, alongside public health partners, to remediate any identified issues:

- 1) Did your school have difficulty implementing and maintaining all aspects of its school safety plan?**
- 2) How effective has your collaboration with local public health authorities been when there has been a student or teacher who is found to be COVID-positive?**
- 3) How quickly is disease transmission and test positivity accelerating in your region?** *(Note that regions that surpass 9% test positivity might consider temporary closures.)*
- 4) Has there been evidence of in-classroom transmission within your school?**
- 5) Has there been evidence of increasing linked transmission in your school or other schools in your region despite high levels of compliance with safety measures?**
- 6) Are there populations to consider for prioritized maintenance of in-school instruction (e.g., [children with learning differences or special needs](#))?**



BVP Experience



‘Providence and Central Falls are on Partial through the semester’

- Governor Raimondo, 10/14

- BVP’s Partial Plan is currently the plan we are implementing
 - K-4 in-person for those who requested it
 - 5-12 MVPs also in person
 - Distance Learning for all others K-12



BVP is actively working to design a “Partial Plus” plan to expand services

- Determine if there are additional scholars who can be identified as MVPs in grades 5-12
- Design a “Partial Plus” plan to bring back scholars in grades 5-6 next and 7-8 after that in a hybrid way (some form of programming)

Note: BVPHS is planning for full distance learning through the semester (late January)

BVP is actively trying to plan for how to honor elementary families who may want to change

- K-4 families selected Distance Learning or In-Person for the first Trimester
 - The timeline for asking parents whether they want to make a switch is early November for a December transition
- Implications around program design are *significant* if we have big shifts:
 - new cohorts will need to be created,
 - relationships re-built,
 - staffing assignments may change, and
 - program may need to shift (e.g. if so many more families opt-in, in order to maintain distancing, we may have to move to a hybrid A/B model for K-4)

BVP is also planning to move backwards:

- **Option 1:** Move back toward our Limited Plan
 - Prioritize MVPs and Kindergarten
- **Option 2:** Move to full Distance Learning for all

Closures at BVP since school reopened

10/13	MVP program closed: positive case, 4 staff members directed to quarantine
10/14-10/16	ES3 closed: positive case, 6 of 14 on-site staff members had to quarantine
10/19-10/30	ES2 K Class closed: positive case, several scholars/staff had to quarantine
10/21-11/2	HS Boys Soccer Team directed to quarantine
10/23-10/30	Several members of the HS Cross-Country Team directed to quarantine

In addition to the above closures, we have had more than a dozen other additional staff members out based on awaiting symptomatic test results or staying home with minor symptoms (as per the RIDOH Playbook)

Should BVP move backwards?

Looking back at the Children's Hospital of Philadelphia Policy Lab

Did your school have difficulty implementing and maintaining all aspects of its school safety plan?	Staffing is very challenging based on the number of people being directed to quarantine
How effective has your collaboration with local public health authorities been when there has been a student or teacher who is found to be COVID-positive?	RIDOH is clearly under-staffed to handle the volume.
Has there been evidence of in-classroom transmission within your school?	No.
How quickly is disease transmission and test positivity accelerating in your region? (Note that regions that surpass 9% test positivity might consider temporary closures.)	Very fast. Statewide 1st time test positive rate is over 11% (<i>Source: Providence Journal, 10/23</i>)
Has there been evidence of increasing linked transmission in your school or other schools in your region despite high levels of compliance with safety measures?	No.
Are there populations to consider for prioritized maintenance of in-school instruction (e.g., children with learning differences or special needs)?	Yes.

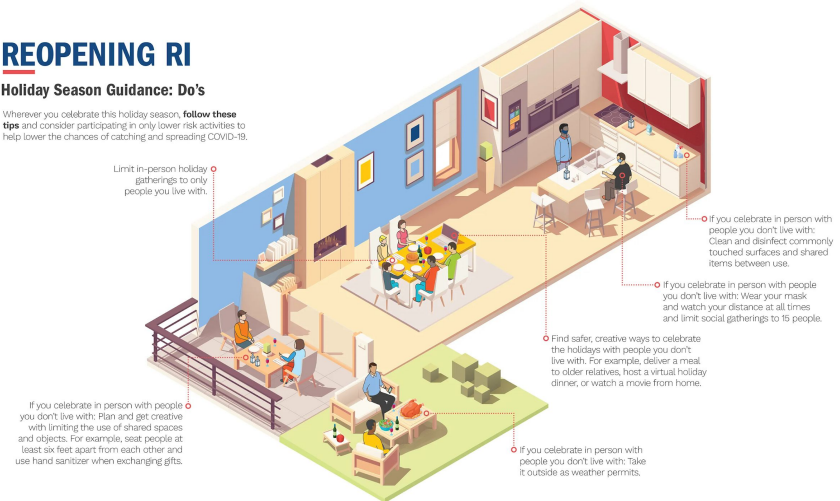
In the not-too-distant future...Holiday Planning

- Some schools are considering following the lead of some colleges and universities and go Distance Learning from Thanksgiving through the New Year to address travel quarantine issues and expected rise in virus spread
- Some schools have already announced an “extra week” after Thanksgiving and New Years to allow holiday travel but then allow for testing

REOPENING RI

Holiday Season Guidance: Do's

Whenever you celebrate this holiday season, **follow these tips** and consider participating in only lower risk activities to help lower the chances of catching and spreading COVID-19.





Discussion



Cover Sheet

FY20 Audit Report

Section:	III. New Business Items
Item:	B. FY20 Audit Report
Purpose:	Vote
Submitted by:	
Related Material:	BVP Audit 2020 Draft -2.pdf

DRAFT

**RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY
AND AFFILIATE**

**Consolidated Financial Statements
and Supplementary Information**

Year Ended June 30, 2020

(With Independent Auditors' Report Thereon)

DRAFT

**RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2020

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Consolidated Statement of Functional Expenses (With Comparative Totals for the year ended June 30, 2019)	6
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REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> - TITLE 2 U.S. <i>CODE OF FEDERAL REGULATIONS</i> PART 200 - <i>UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS</i> :	
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rhode Island Mayoral Academy Blackstone Valley and Affiliate:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Rhode Island Mayoral Academy Blackstone Valley (a non-profit organization) and Affiliate (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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.

DRAFT

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 Rhode Island Mayoral Academy Blackstone Valley and Affiliate as of June 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2019 consolidated financial statements, and in our report dated January 10, 2020, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **October XX, 2020**, on our consideration of the Organization's 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 the Organization's 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 the Organization's internal control over financial reporting and compliance.

October XX, 2020

**RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2020
(With Comparative Totals at June 30, 2019)**

DRAFT

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets:		
Cash	\$ 10,115,966	\$ 6,112,477
Grants and contracts receivable	2,006,283	1,211,591
Prepaid expenses	408,103	98,451
Total current assets	<u>12,530,352</u>	<u>7,422,519</u>
Property and Equipment	26,292,049	23,315,374
Less accumulated depreciation	2,720,432	2,013,900
Property and equipment, net	<u>23,571,617</u>	<u>21,301,474</u>
Other Assets:		
Security deposits	555,543	479,855
Total Assets	<u><u>\$ 36,657,512</u></u>	<u><u>\$ 29,203,848</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 609,027	\$ 282,493
Accrued expenses and other current liabilities	1,560,446	1,339,348
Current portion of long-term debt	4,376,946	627,253
Deferred revenue	660,508	10,000
Total current liabilities	<u>7,206,927</u>	<u>2,259,094</u>
PPP Loan	4,184,300	-
Long-term Debt, less current portion and unamortized debt issuance costs	18,266,647	19,791,710
Long-term Accrued Interest	48,170	29,311
Total liabilities	<u>29,706,044</u>	<u>22,080,115</u>
Net Assets:		
Without donor restrictions	6,937,835	7,123,733
With donor restrictions	13,633	-
Total net assets	<u>6,951,468</u>	<u>7,123,733</u>
Total Liabilities and Net Assets	<u><u>\$ 36,657,512</u></u>	<u><u>\$ 29,203,848</u></u>

**RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES**

DRAFT

Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	2020	2019
Change in Net Assets Without Donor Restrictions:		
Revenues and public support:		
Federal and state financial assistance	\$ 2,741,531	\$ 2,003,730
State charter school aid	18,990,428	16,949,496
Municipal aid	9,766,973	9,217,030
Medicaid reimbursement	422,925	386,304
Other contract revenue and reimbursements	7,731	148,423
Contributions	212,705	365,494
In-kind contributions	23,450	75,000
Miscellaneous income	37,694	19,008
Total revenues and public support	32,203,437	29,164,485
Expenses:		
Program services	28,313,870	26,272,515
Management and general	4,075,465	2,903,829
Total expenses	32,389,335	29,176,344
Change in net assets without donor restrictions	(185,898)	(11,859)
Change in Net Assets With Donor Restrictions:		
Contributions	13,633	-
Change in net assets with donor restrictions	13,633	-
Change in Total Net Assets	(172,265)	(11,859)
Net Assets, beginning of year	7,123,733	7,135,592
Net Assets, end of year	\$ 6,951,468	\$ 7,123,733

See accompanying notes to the consolidated financial statements and independent auditors' report.

5

**RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY AND AFFILIATE
CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

DRAFT

	<u>Program</u>	<u>Management and General</u>	<u>2020</u>	<u>2019</u>
Salaries and fringe benefits	\$ 18,518,542	\$ 1,890,588	\$ 20,409,130	\$ 18,731,716
Food service expenses	838,513	-	838,513	-
Professional service fees	-	173,144	173,144	110,861
Education supplies and expenses	2,807,286	154,356	2,961,642	2,852,065
Travel expenses	13,109	6,381	19,490	29,976
Facility expenses	2,113,318	60,646	2,173,964	3,070,348
Utilities	330,481	9,681	340,162	435,571
Office supplies and expenses	3,692,621	878,749	4,571,370	3,460,235
	<u>28,313,870</u>	<u>3,173,545</u>	<u>31,487,415</u>	<u>28,690,772</u>
Depreciation	<u>-</u>	<u>901,920</u>	<u>901,920</u>	<u>485,572</u>
Total Expenses	<u>\$ 28,313,870</u>	<u>\$ 4,075,465</u>	<u>\$ 32,389,335</u>	<u>\$ 29,176,344</u>

See accompanying notes to the consolidated financial statements and independent auditors' report.

**RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2020**

DRAFT

(With Comparative Totals for the Year Ended June 30, 2019)

	2020	2019
Cash Flows from Operating Activities:		
Change in total net assets	\$ (172,265)	\$ (11,859)
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation	901,920	485,572
Amortization	11,496	958
Non-cash long-term accrued interest	18,859	13,811
Non-cash contributions	-	(75,000)
Changes in operating assets and liabilities:		
Grants and contracts receivable	(794,692)	2,017,191
Prepaid expenses	(309,652)	144,377
Security deposits	(75,688)	438,677
Accounts payable	326,534	(175,300)
Accrued expenses and other current liabilities	221,098	162,917
Deferred revenue	650,508	6,000
Net cash provided by operating activities	778,118	3,007,344
Cash Flows from Investing Activities:		
Purchase of property and equipment	(3,172,063)	(16,252,977)
Net cash used by investing activities	(3,172,063)	(16,252,977)
Cash Flows from Financing Activities:		
Principal payments on long-term debt	(552,740)	(366,333)
Payment of debt financing costs	-	(344,893)
Proceed from PPP loan	4,184,300	-
Proceeds from note payable	2,765,874	16,000,000
Net cash provided by financing activities	6,397,434	15,288,774
Net Increase in Cash	4,003,489	2,043,141
Cash, beginning of year	6,112,477	4,069,336
Cash, end of year	\$ 10,115,966	\$ 6,112,477
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	\$ 982,184	\$ -

See accompanying notes to the consolidated financial statements and independent auditors' report.

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**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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1. Nature of Operations

Rhode Island Mayoral Academy Blackstone Valley (the Academy), is a network of tuition-free public schools chartered by the Rhode Island Department of Education. As a growing network that is part of the Charter School Growth Fund portfolio, the Academy offers a high-quality public school choice to the families of Central Falls, Cumberland, Lincoln, and Pawtucket and currently serves approximately 1,950 scholars in grades K-12 across 6 schools. The Academy's mission is to prepare every scholar for success in college and the world beyond.

The Academy's culture is founded on the core PRIDE values as follows:

- Perseverance,
- Respect,
- Integrity,
- Discipline and
- Enthusiasm

Scholars, families and staff are expected to live and implement these in their daily work. Supported by the unyielding commitment to the belief that all children can achieve, the Academy believes its students are really scholars who will one day graduate from college.

Funding is provided through state and local per-pupil funding, as well as federal grants, some of which are provided by the Rhode Island Department of Education. The Academy also receives contributions from various foundations and the local community.

The Academy is the sole member of School Holdings I, LLC (SHI), a Rhode Island single member limited liability corporation established to hold real estate and secure financing for the Academy.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Academy and SHI (collectively, the Organization) is presented to assist the reader in understanding the consolidated financial statements. The consolidated financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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Principles of Consolidation

The consolidated financial statements include the accounts of the Academy and SHI. All significant intercompany balances and transactions have been eliminated.

Basis of Presentation

The Organization prepares its consolidated financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

At June 30, 2020, the Organization had net assets with donor purpose restrictions of \$13,633 for purpose of Advocacy. The Organization had no net assets with donor restrictions to be held in perpetuity.

Summarized Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by fund classification and without accompanying note disclosures. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America due to the lack of comparative note disclosures.

Accordingly, such information should be read in conjunction with the Organization's financial statements and related notes to the financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Grants and Contracts Receivable

The Academy carries its grants and contracts receivables at net realizable value. On a periodic basis, the Academy evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past bad debt expense and collections and current credit conditions.

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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A receivable is considered past due if the Organization has not received payment within the stated terms. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged to allowance for doubtful accounts. In the opinion of management, no allowance for doubtful accounts is necessary at June 30, 2020.

Prepaid Rent

Under the terms of the Academy's lease of the 291 Broad Street facility (Note 8), the Academy paid a one-time charge of \$350,000, considered additional rent, in connection with renovations and improvements. The additional rent charge to the Academy is recognized over the lease term and is considered prepaid rent. For the year ended June 30, 2020, additional rent expense of \$23,334 was recognized by the Academy, which was eliminated in consolidation.

Property and Equipment

Property and equipment purchased is recorded at cost. It is the policy of the Organization to capitalize assets with costs or fair values greater than \$2,000. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis as follows:

Computers and software	3-7 years
Furniture and equipment	3-7 years
Building improvements	3-10 years
Building	20-39 years

Security Deposits

Security deposits represent refundable deposits on certain properties leased by the Academy.

Debt Issuance Costs

The Organization incurred financing costs in connection with securing long-term debt (Note 5). These costs are amortized on a straight-line basis over the term of the long-term debt. Debt issuance costs related to a debt liability are presented on the consolidated statement of financial position as a direct deduction from the carrying amount of that liability and the related amortization is recorded as interest expense.

Revenue Recognition

Federal and State Financial Assistance

The Academy recognizes revenue from federal and state cost reimbursement grants as expenditures are incurred.

State Charter School Aid

State charter school aid represents state funding based on the demographics and census information of the participating municipalities. Revenue is recognized in the period in which the related education is performed.

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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Municipal Aid

Municipal aid represents the local portion of per pupil funding from the communities in which the Academy's students reside. Revenue is recognized in the period in which the related educational instruction is performed.

Medicaid Reimbursement and Other Contract Revenue and Reimbursements

The Academy recognizes revenue from Medicaid reimbursements and from other contract revenue and reimbursements when services have been rendered and/or any contractual obligations have been met.

Contributions

Contributions represent unconditional support from private foundations and individuals. The Organization recognizes revenue from contributions in the fiscal year in which the contribution is received or receivable. Contributions are recorded either as without or with donor restrictions depending on the existence and/or nature of any donor imposed restrictions. However, it is the policy of the Organization to show net assets with donor restrictions that are both received and expended in the current year directly in net assets without donor restrictions.

Donated Services and In-kind Contributions

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Volunteers also provided a variety of program services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria under generally accepted accounting principles were not met.

Rental Revenue

SHI recognizes rental revenue as it is earned.

Advertising

The Academy follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the year ended June 30, 2020 was \$7,276.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on a basis of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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Income Taxes

The Academy is a not-for-profit charitable organization exempt from federal income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. Management believes that the Academy operates in a manner consistent with its tax-exempt status at both the federal and state level. The Academy annually files IRS Form 990 - Return of Organization Exempt from Income Tax reporting various information that the IRS uses to monitor the activities of tax-exempt entities.

For federal income tax purposes, SHI is a disregarded entity and the results of its operations are reported in the Form 990 of the Academy, its sole member. For Rhode Island corporate income tax purposes, SHI files a corporate income tax return and is subject to the annual Rhode Island minimum corporate franchise tax.

These tax returns are subject to review by the taxing authorities, generally for a period three years after they were filed. There are no tax examinations in progress for either entity.

Estimates and Assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from these estimates.

Recent Accounting Pronouncements

The following is a summary of recent authoritative pronouncements that could impact the accounting, reporting, and/or disclosure of financial information by the Organization.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, followed by subsequent accounting pronouncements which either clarified or revised guidance set forth in ASU 2014-09. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This standard will be effective for the Organization's year ending June 30, 2021, with early adoption permitted. The Organization is currently in the process of evaluating the impact of adoption on the consolidated financial statements.

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*, which is effective for annual periods beginning after December 15, 2019. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the Organization's year ending June 30, 2022, with early adoption permitted. The Organization is currently in the process of evaluating the impact of adoption on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which provides new presentation and disclosure requirements for contributed nonfinancial assets other than contributed services. The standard will be effective for the Organization's year ending June 30, 2023, with early adoption permitted.

Reclassification

Certain June 30, 2019 balances were reclassified to conform to the June 30, 2020 financial statement presentation.

Subsequent Events

Management of the Organization has evaluated subsequent events through **October XX, 2020**, which is the date these consolidated financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following at June 30, 2020:

Financial assets:

Cash	\$ 10,115,966
Grants and contracts receivable	2,006,283
Financial assets, at year end	12,090,993

Less those unavailable for general expenditure within one year, due to:

Restricted by donor with purpose	13,633
	13,633

Financial assets available to meet cash needs for general expenditures within one year	\$ 12,077,360
	12,077,360

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Organization is able to draw upon their available line of credit up to \$500,000 as of June 30, 2020.

4. Property and Equipment

The components of the Organization's property and equipment at year-end are as follows:

Buildings	\$ 21,347,101
Building improvements	1,278,768
Software	9,825
Furniture and equipment	488,411
Computers	302,698
Project in progress	<u>2,865,246</u>
 Total property and equipment	 <u><u>\$ 26,292,049</u></u>

During the year-ending June 30, 2020, the Academy disposed of fully-depreciated building improvements, software, computers, furniture and equipment totaling \$195,388.

At year-end, the estimated cost to complete the projects in progress was \$384,800.

5. Debt

Line of Credit

During the year ended June 30, 2018, the Academy entered into a revolving line-of-credit agreement with a local financial institution with maximum borrowings of \$500,000. Interest is accrued at the Prime Rate (3.25% at June 30, 2020) plus .5% per annum. The line of credit is secured by all of the Academy's assets. The line-of-credit agreement also contains restrictive covenants. At year end, there was no outstanding balance on the line of credit and management believes that the Academy was in compliance with all of the covenant requirements.

PPP Loan Payable

On April 10, 2020, the Academy received loan proceeds (Loan) of \$4,184,300 under the Paycheck Protection Program (PPP), which was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in response to the COVID-19 outbreak. Proceeds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage interest payments, rent, utilities, and interest on other debt obligations, provided the related agreements were effective prior to February 15, 2020.

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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The Loan is set to mature on April 10, 2022 and bears interest at a rate of 1% per annum, payable monthly. The Loan may be prepaid by the Academy at any time prior to maturity with no prepayment penalties. The commencement date for Loan payments and a potential revised maturity date will be determined upon the ultimate notification of loan forgiveness from the lending institution. The commencement date for Loan payments will be determined upon the ultimate notification of loan forgiveness from the lending institution. The Academy intends to use the entire Loan proceeds in accordance with the Loan terms and to apply for forgiveness from the lender. No assurance is provided that the Academy will obtain forgiveness of the Loan, in whole or in part.

Long-term Debt

The Organization's long-term debt consists of the following:

Mortgage payable to a bank, due in monthly installments of \$23,041, including interest at a rate of 5%. The mortgage is secured by real estate located in Cumberland, RI. A final balloon payment of the unpaid principal balance and accrued interest is due January 1, 2021. \$ 3,202,945

Mortgage payable to a bank, due in monthly installments of \$4,938, including interest at a rate of 4.42%, based on a 25-year amortization schedule. The mortgage is secured by all real and personal property of SHI and the Academy. A final balloon payment of the unpaid principal balance and accrued interest is due January 1, 2021. 740,712

Note payable to a non-profit funding institution that was used for purposes of supporting future growth of the Academy with \$200,000 installment paid on June 30, 2020, with the remaining principal and accrued interest due in full on June 30, 2022. Interest is accrued at an annual rate of 1%. At June 30, 2020, the Organization has accrued approximately \$23,000 in interest. 200,000

Note payable to a non-profit funding institution that was used for purposes of acquiring Membership Interests of SHI with the entire principal balance and accrued interest due in full on December 31, 2021. Interest is accrued at an annual rate of 2.75%. At June 30, 2020, the Organization has accrued approximately \$19,900 in interest. 350,000

Note payable to a non-profit funding institution that was used for purposes of acquiring a school facility due in monthly installments of \$78,757, including interest at a rate of 4.25%, through May 2049. The mortgage is secured by all real and personal property of SHI and the Academy. 15,716,501

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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Note payable to a non-profit funding institution that was obtained for supporting leasehold improvement and construction costs with the entire principal balance and accrued interest due in full on December 31, 2021. Interest is accrued at an annual rate of 2.75%. The note payable is secured by all real and personal property of the Organization. At June 30, 2020, the Organization as accrued approximately \$5,200 in interest.

310,000

In November 2019, the Organization entered into a promissory note payable with a financial institution that allows principal borrowings up to \$2,790,000. Note proceeds are to be advanced by the bank for certain improvements with certain terms and conditions as stated in the loan agreement. Interest accrues at a fixed rate of 6.25% up through November 1, 2024, at which point the interest rate will be reset at the then 5-year Daily Treasury Yield Curve Rate plus 456 basis points, subject to a minimum interest rate of 6.25% and a maximum interest rate of 8.25%. Maturity on the note is June 1, 2029. The note payable is secured by all real and personal property of the Organization. At year end, June 30, 2020, \$2,455,874 of the maximum borrowings of \$2,790,000 was borrowed. For the year ended June 30, 2020, \$23,591 of interest expense was paid.

	2,455,874
Total long-term debt	22,976,032
Less current portion of long-term debt	4,376,946
Less unamortized debt issuance costs	332,439
Long-term debt, less current portion and unamortized debt issuance costs	\$ 18,266,647

Maturities of the Organization's long-term debt are as follows:

<u>Year Ending</u>	
June 30, 2021	\$ 4,376,946
June 30, 2022	1,392,960
June 30, 2023	561,054
June 30, 2024	590,687
June 30, 2025	603,273
Thereafter	15,451,112
Total	\$ 22,976,032

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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6. Pension Plans

The Academy sponsors a defined contribution money purchase retirement plan (the Plan) under section 401(k) of the Internal Revenue Code, which provides for retirement benefits for substantially all employees over the age of 21. Under the Plan, participants may contribute a portion of their compensation within certain limitations. The Academy provides a matching contribution of up to 5% of each participant's compensation. Matching contributions to the Plan were approximately \$604,400 for the year ended June 30, 2020.

7. Commitments and Contingencies

Medicare and Medicaid Contingencies

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action. Failure to comply with such laws and regulations can result in fines, penalties and exclusion from the Medicare and Medicaid programs.

Operating Leases

The Academy leases a modular building from Triumph Modular, which houses members of the Academy's administration under a non-cancelable operating lease through August 31, 2021. Under the terms of the agreement, the Academy is required to make monthly payments of \$4,320. In connection with this lease, the Academy entered into a plot lease with the same landlord under a non-cancelable operating lease through August 31, 2020. Under the terms of the plot lease agreement, the Academy is required to make monthly payments of approximately \$1,700.

The Academy leases space in Lincoln, Rhode Island for school operations under a non-cancelable operating lease through June 30, 2029. Under the terms of the agreement, the Academy is required to make monthly payments of approximately \$11,800 for the first year, which increase annually by 1.5% through the term of the lease.

The Academy leases space in Cumberland, Rhode Island for school operations under a non-cancelable operating lease through June 30, 2023. Under the terms of the agreement, the Academy is required to make monthly payments of approximately \$12,500 for the first year, which increase annually by an average of 1.5% through the term of the lease.

The Academy leases space in Cumberland, Rhode Island for school operations under a non-cancelable operating lease through December 31, 2044. Under the terms of the agreement, the Academy is required to make monthly payments of approximately \$54,200 for the first year and then monthly payments increase annually by 3% through the term of the lease.

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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Under the terms of the agreement, the Academy has the option to purchase the property. If the Academy elects not to exercise this option, the landlord may exercise an option to extend the lease period an additional five years. At this time, it is not determinable whether management will exercise its option. In connection with this lease, the Academy also entered into a five-year sublease for additional parking at the property through July 31, 2024. Under the terms of the sublease, the Academy is required to make monthly payments of \$1,100.

The Academy leases space in Central Falls, Rhode Island for school operations under a non-cancelable operating lease through October 31, 2045. Under the terms of the agreement, the Academy is required to make monthly payments of \$31,250 for the first year and then monthly payments increase annually by 3% on each commencement date anniversary. Under the terms of the agreement, the Academy has the option to purchase the property. If the Academy elects not to exercise this option, the landlord may exercise an option to extend the lease period an additional five years. At this time, it is not determinable whether management will exercise its option. In connection with this lease, the Academy also entered into a 10-year sublease for additional parking at the property, which commenced on August 1, 2015. Under the terms of the sublease, the Academy is required to make semi-annual payments of \$2,500.

The Academy also leases several copiers under non-cancelable operating leases that expire at various dates through 2023.

Related Party Lease

The Academy has an agreement with SHI to rent space at 291 Broad Street in Cumberland, RI. The annual payments of base rent, fees and costs cannot exceed \$415,000. For the year ended June 30, 2020, the Academy paid \$335,751 in rent expense to SHI which was eliminated in the consolidated financial statements.

Total rent paid by the Academy under all operating leases was approximately \$1,536,500 for the year ended June 30, 2020.

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2020**

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At June 30, 2020, approximate future minimum lease payments under all operating leases are as follows:

<u>Year Ending</u>	
June 30, 2021	\$ 1,644,000
June 30, 2022	1,671,000
June 30, 2023	1,703,000
June 30, 2024	1,474,000
June 30, 2025	1,049,000
Thereafter	<u>36,272,000</u>
Total approximate future minimum lease payments	<u>\$ 43,813,000</u>

8. Concentration of Credit Risk and Market Risk

The Academy is required by accounting principles generally accepted in the United States of America to disclose concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Academy to concentrations of credit and market risks consist principally of cash, revenues and public support and grants and contracts receivable. In addition, the Academy operates mayoral academy charter schools under a five-year renewable charter that expires June 30, 2024. Management does not believe that significant credit risk exists at year-end.

The Academy maintains its cash balances in several financial institutions. The balance at each institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. The Academy's cash balances exceed this limit. Cash balances in excess of \$250,000 are generally uninsured. At year-end, management does not believe that significant credit risk exists relative to cash.

During the year ended June 30, 2020, the Academy received approximately 64% and 10% of its total revenue without donor restrictions from the Rhode Island Department of Education and the Town of Cumberland, respectively.

As of June 30, 2020, 98% of the Academy's grants and contracts receivable are from four different funding sources. Historically, the Academy has not experienced any significant losses relative to these funding sources and does not believe that significant credit risk exists relative to these receivables.

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SUPPLEMENTARY INFORMATION

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**RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY**

Reports Required by
*Government Auditing Standards -
Title 2 U.S. Code of Federal Regulations
Part 200, Uniform Administrative
Requirements, Cost Principles,
and Audit Requirement for Federal Awards*

Year Ended June 30, 2020

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020**

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Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Award Number	Federal Expenditures
<u>U.S. Department of Education</u>			
Title I Grants to Local Education Agencies <i>Passed through the State of Rhode Island Department of Education</i>	84.010A	S010A150039	\$ 869,241
Special Education - Grants to States, Education <i>Passed through the State of Rhode Island Department of Education</i>	84.027A	H027A140054	531,277
English Language Acquisition State Grants <i>Passed through the State of Rhode Island Department of Education</i>	84.365A	S365A150039	19,057
Supporting Effective Instruction State Grants <i>Passed through the State of Rhode Island Department of Education</i>	84.367A	S367A160037	143,797
Student Support and Academic Enrichment Program <i>Passed through the State of Rhode Island Department of Education</i>	84.424A	S424A180041	81,571
Charter Schools <i>Direct Federal Funding</i>	84.282M	U282M140020	<u>200,826</u>
Total U.S. Department of Education			<u>1,845,769</u>
Total Expenditures of Federal Awards			<u>\$ 1,845,769</u>

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020**

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1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Rhode Island Mayoral Academy Blackstone Valley (the Academy) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Academy.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR, Part 230, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented when available.

There were no awards passed through to subrecipients during the year ended June 30, 2020.

3. Indirect Cost Rate

The Academy has a federally approved negotiated indirect cost rate agreement and therefore, is not subject to the 10-percent de minimis indirect cost rate under the Uniform Guidance.

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**INDEPENDENT AUDITORS' 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***

To the Board of Directors of
Rhode Island Mayoral Academy Blackstone Valley:

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 consolidated financial statements of Rhode Island Mayoral Academy Blackstone Valley (the Academy), which comprise the statement of financial position as of June 30, 2020, 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 XX, 2020**.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) to determine the 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 the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Academy'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.

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**INDEPENDENT AUDITORS' 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*, (Continued)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October XX, 2020

DRAFT

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Rhode Island Mayoral Academy Blackstone Valley:

Report on Compliance for Each Major Federal Program

We have audited Rhode Island Mayoral Academy Blackstone Valley (the Academy) compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended June 30, 2020. The Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Academy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Academy's compliance.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE, (Continued)**

Opinion on Each Major Federal Program

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

October XX, 2020

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020**

DRAFT

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors' report issued: *unmodified*

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditors' report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.561(a)? Yes No

Identification of major programs:

CFDA Number
84.010A

Name of Federal Programs
Title I Grants to Local Education Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020**

DRAFT

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS: None noted.

PRIOR YEAR FINDINGS: None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

CURRENT YEAR FINDINGS: None noted.

PRIOR YEAR FINDINGS: None noted.