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

**Consolidated Financial Statements
and Supplementary Information**

Year Ended June 30, 2023

(With Independent Auditors' Report Thereon)

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RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

/BVP Year Ended June 30, 2023

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Consolidated Statement of Financial Position (With Comparative Totals at June 30, 2022)	4
Consolidated Statement of Activities (With Comparative Totals for the year ended June 30, 2022)	5
Consolidated Statement of Functional Expenses (With Comparative Totals for the year ended June 30, 2022)	6
Consolidated Statement of Cash Flows (With Comparative Totals for the year ended June 30, 2022)	7
Notes to the Consolidated Financial Statements	8
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> :	
Schedule of Expenditures of Federal Awards	21
Notes to the Schedule of Expenditures of Federal Awards	22
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 <i>Government Auditing Standards</i>	23
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance as Required by the Uniform Guidance	25
Schedule of Findings and Questioned Costs	28

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Rhode Island Mayoral Academy Blackstone Valley (a non-profit organization) and Subsidiary (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net asset and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated 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, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **December 12**, 2023 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.

December 12, 2023

RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2023
(With Comparative Totals at June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash	\$ 9,170,953	\$ 8,823,537
Grants and contracts receivable	3,775,925	2,095,010
Prepaid expenses	438,890	513,846
Total current assets	<u>13,385,768</u>	<u>11,432,393</u>
Right-of-Use Assets	1,638,547	-
Less: accumulated amortization	318,842	-
Right-of-use assets, net	<u>1,319,705</u>	<u>-</u>
Property and Equipment	48,970,649	37,701,015
Less: accumulated depreciation	6,014,405	5,286,742
Property and equipment, net	<u>42,956,244</u>	<u>32,414,273</u>
Other Assets:		
Security deposits	4,585	179,601
Total Assets	<u>\$ 57,666,302</u>	<u>\$ 44,026,267</u>
Liabilities and Net Assets		
Current Liabilities:		
Line of credit	\$ 999,999	\$ -
Current portion of bonds payable	841,481	636,553
Current portion of operating leases payable	386,587	-
Accounts payable	2,205,007	1,385,744
Accrued expenses and other current liabilities	1,987,740	2,427,960
Total current liabilities	<u>6,420,814</u>	<u>4,450,257</u>
Operating leases payable, less current portion	946,296	-
Bonds payable, less current portion and unamortized bond issuance costs	40,943,867	29,398,354
Total liabilities	<u>48,310,977</u>	<u>33,848,611</u>
Net Assets:		
Without donor restrictions:		
Undesignated	9,207,730	10,014,766
Board designated - capital improvements	134,396	134,396
Total net assets without donor restrictions	<u>9,342,126</u>	<u>10,149,162</u>
With donor restrictions	13,199	28,494
Total net assets	<u>9,355,325</u>	<u>10,177,656</u>
Total Liabilities and Net Assets	<u>\$ 57,666,302</u>	<u>\$ 44,026,267</u>

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

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RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY CONSOLIDATED STATEMENT OF ACTIVITIES Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Change in Net Assets Without Donor Restrictions:		
Revenues and public support:		
State charter school aid	\$ 23,585,720	\$ 22,183,355
Municipal aid	10,395,400	10,162,346
Federal and state financial assistance	7,403,065	5,034,987
Medicaid reimbursement	466,116	381,273
Other contract revenue and reimbursements	51,250	20,260
Contributions	67,229	415,034
PPP loan forgiveness	-	3,984,744
Miscellaneous income	108,534	16,426
Net assets released from restrictions	75,295	13,633
Total revenues and public support	<u>42,152,609</u>	<u>42,212,058</u>
Expenses:		
Program services	38,654,398	35,295,912
Management and general	4,305,247	4,117,706
Total expenses	<u>42,959,645</u>	<u>39,413,618</u>
Change in net assets without donor restrictions	<u>(807,036)</u>	<u>2,798,440</u>
Change in Net Assets With Donor Restrictions:		
Contributions	60,000	28,494
Net assets released from restrictions	(75,295)	(13,633)
Change in net assets with donor restrictions	<u>(15,295)</u>	<u>14,861</u>
Change in Net Assets	<u>(822,331)</u>	<u>2,813,301</u>
Net Assets, beginning of year	<u>10,177,656</u>	<u>7,364,355</u>
Net Assets, end of year	<u>\$ 9,355,325</u>	<u>\$ 10,177,656</u>

**RHODE ISLAND MAYORAL ACADEMY
BLACKSTONE VALLEY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)**

	Program	Management and General	2023	2022
Salaries and fringe benefits	\$ 23,343,793	\$ 2,381,136	\$ 25,724,929	\$ 24,362,825
Food service expenses	1,076,912	-	1,076,912	1,008,158
Professional service fees	-	297,160	297,160	267,724
Education supplies and expenses	5,218,525	401,252	5,619,777	4,154,526
Travel expenses	17,795	5,314	23,109	13,095
Facility expenses	1,827,678	68,035	1,895,713	2,152,566
Utilities	125,353	8,135	133,488	203,831
Office supplies and expenses	5,204,325	1,106,532	6,310,857	5,518,011
	<u>36,814,381</u>	<u>4,267,564</u>	<u>41,081,945</u>	<u>37,680,736</u>
Depreciation	<u>1,840,017</u>	<u>37,683</u>	<u>1,877,700</u>	<u>1,732,882</u>
Total Expenses	<u>\$ 38,654,398</u>	<u>\$ 4,305,247</u>	<u>\$ 42,959,645</u>	<u>\$ 39,413,618</u>

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RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY CONSOLIDATED STATEMENT OF CASH FLOWS Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$ (822,331)	\$ 2,813,301
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,877,700	1,732,882
Amortization of right-of-use assets	318,842	-
Amortization of debt issuance costs to interest expense	30,859	23,913
PPP loan forgiveness	-	(3,984,744)
Changes in operating assets and liabilities:		
Grants and contracts receivable	(1,680,915)	(656,308)
Prepaid expenses	74,956	(73,182)
Security deposits	175,016	(2,000)
Accounts payable	722,135	403,550
Accrued expenses and other current liabilities	(440,220)	249,665
Operating leases payable	(305,664)	-
Accrued interest	-	(23,045)
Net cash provided (used) by operating activities	(49,622)	484,032
Cash Flows from Investing Activities:		
Purchase of property and equipment	(2,377,466)	(2,351,087)
Net cash used by investing activities	(2,377,466)	(2,351,087)
Cash Flows from Financing Activities:		
Borrowings on line of credit, net	999,999	-
Principal payments on notes payable	-	(200,000)
Payments on PPP loan payable	-	(199,556)
Principal payments on bonds payable	(727,827)	(613,070)
Proceeds from bond payable	2,502,332	-
Net cash provided (used) by financing activities	2,774,504	(1,012,626)
Net Increase (Decrease) in Cash	347,416	(2,879,681)
Cash, beginning of year	8,823,537	11,703,218
Cash, end of year	\$ 9,170,953	\$ 8,823,537

See Note 10 for supplementary cash flow information.

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

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 2,300 scholars in grades K-12 across six 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 SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

Accounting Pronouncement Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. The most significant change in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under ASU 2016-02, disclosures are required to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) with certain practical expedients available.

The Organization elected the available practical expedients to account for existing operating leases as operating leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022 an operating lease liability of \$1,246,206, which represents the present value of the remaining operating lease payments of \$1,443,724, discounted using the Organization's incremental borrowing rate of 5.44%, and a right-of-use operating asset of \$1,246,206.

The adopted of ASU 2016-02 did not have a significant impact on the Organization's results of operations or cash flows.

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.

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

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, 2023, the Organization had net assets with donor restrictions of \$13,199 for the purpose of the First Generation College Program. The Organization had no net assets with donor restrictions to be held in perpetuity.

Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, without accompanying note disclosures and certain functional expense information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements and related notes to the consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Grants and Contracts Receivable

The Academy carries its grants and contracts receivable 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.

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 the allowance for doubtful accounts. In the opinion of management, no allowance for doubtful accounts is necessary at June 30, 2023.

Right-of-use Assets and Leases Payable

The Organization leases certain facilities for administrative and school operations and equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and operating leases payable on the accompanying consolidated statement of financial position.

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU asset and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. If a lease does not provide an implicit rate, the Organization uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms include options to extend or terminate the lease when it is reasonably certain the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has elected to apply the short-term lease exemption to certain equipment. The short-term lease cost for those leases in 2023 was \$148,344, there were no remaining lease payments due in 2024.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgement.

Property and Equipment

Property and equipment purchased is recorded at cost. It is the policy of the Organization to capitalize assets with costs 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
Buildings	20-39 years

Security Deposits

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

Bond Issuance Costs

Bond issuance costs are amortized as interest expense over the life of the respective bond on a straight-line basis. In accordance with authoritative guidance, bond issuance costs related to a debt liability are presented in the consolidated statement of financial position as a direct reduction from the carrying amount of that liability.

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**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023**

Revenue Recognition

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 ratably over time throughout the period in which the related education is provided.

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 ratably over time throughout the period in which the related educational instruction is provided.

Federal and State Financial Assistance

A portion of the Academy's revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Academy has incurred expenditures in compliance with specific grant provisions.

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 unconditional contributions in the fiscal year in which the contribution is received or receivable. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions are recorded either as net assets 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.

Contributed Nonfinancial Assets

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial 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.

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**RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023**

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 accounting principles generally accepted in the United States of America were not met.

Advertising

The Academy follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the year ended June 30, 2023 was \$20,240.

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.

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.

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

Subsequent Events

Management of the Organization has evaluated subsequent events through **December 12, 2023**, 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, 2023:

Financial assets:

Cash	\$ 9,170,953
Grants and contracts receivable	<u>3,775,925</u>
Financial assets, at year end	<u>12,946,878</u>

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

Restricted by donor for purpose	13,199
Board designated for capital improvements	<u>134,396</u>
	<u>147,595</u>

Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 12,799,283</u></u>
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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.

4. Right-of-Use Assets and Operating Leases Payable

The Organization leases facilities for administrative and school operations and equipment under non-cancellable operating leases. The leased facilities are in several locations throughout Cumberland and Central Falls, Rhode Island. The lease terms expire at various dates through July 2034.

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

The related costs of the right-of-use assets as of June 30, 2023 are as follows:

Real estate	\$ 1,246,206
Equipment	<u>392,341</u>
Total right-of-use assets	<u>\$ 1,638,547</u>

The components of lease expense for the year ended June 30, 2023 were as follows:

Lease Cost:	
Operating lease cost	\$ 385,563
Short-term lease cost	<u>148,344</u>
Total lease cost	<u>\$ 533,907</u>

Other information related to leases for the year ended June 30, 2023, is as follows:

Supplemental Cash Flow Information:	
Operating cash flows from operating leases	\$ 372,385
ROU assets obtained in exchange for lease obligations:	
Operating leases	\$ 392,341
Weighted Average Remaining Lease Term:	
Operating leases	4.62 years
Weighted Average Discount Rate:	
Operating leases	5.44%

Future minimum lease payments due on the Organization's operating lease agreements are as follows as of June 30, 2023:

<u>Year Ending</u>	
June 30, 2024	\$ 447,481
June 30, 2025	294,356
June 30, 2026	265,435
June 30, 2027	243,446
June 30, 2028	164,264
Thereafter	<u>93,600</u>
	1,508,582
Less: present value	<u>175,699</u>
	1,332,883
Less: current portion	<u>386,587</u>
Operating lease payable, long term	<u>\$ 946,296</u>

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

5. Property and Equipment

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

Land	\$ 1,309,610
Buildings	42,300,571
Building improvements	2,740,723
Software	9,825
Furniture and equipment	495,901
Computers	1,165,726
Projects in progress	<u>948,293</u>
 Total property and equipment	 <u><u>\$ 48,970,649</u></u>

As of June 30, 2023, projects in progress relate to capital improvements to the property at 291 Broad St, Cumberland, Rhode Island (Broad), the property at 3 Fairlawn Way, Lincoln, Rhode Island (Fairlawn), and the property at 65 Macondray Street, Cumberland, Rhode Island (Macondray) for a total of approximately \$111,800, \$62,800 and \$773,700, respectively. The capital improvements at Broad have a total estimated remaining cost of approximately \$2,300,000 and are expected to be placed in service in July 2024. The capital improvements at Fairlawn have a total estimated remaining cost of approximately \$100,000 and are expected to be placed in service in March 2024. The capital improvement project at Macondray is ongoing and an estimated remaining cost and completion date are undeterminable as of June 30, 2023.

During the year ended June 30, 2023, in conjunction with the purchase two school facilities (Note 6) the Academy reclassified building improvements with an original cost of approximately \$3,190,000 and accumulated depreciation of approximately \$646,000, to buildings.

During the year ended June 30, 2023, the Academy disposed of fully depreciated building improvements, computers and furniture totaling approximately \$504,000.

6. Debt

Line of Credit

The Academy has a revolving line-of-credit agreement with a local financial institution that allows for maximum borrowings of \$1,000,000. Borrowings under the agreement are due on demand and interest is accrued at the Prime Rate (8.25% at June 30, 2023) plus .5% per annum. The line of credit is secured by all of the Academy's assets. The outstanding balance on the line-of-credit at June 30, 2023 was \$999,999. The line-of-credit agreement also contains restrictive covenants. As of June 30, 2023, Management believes that the Academy was in compliance with all of the covenant requirements.

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

Bonds Payable

On October 26, 2022, the Rhode Island Health and Educational Building Corporation (RIHEBC) issued a fixed rate bond totaling \$12,760,000 to finance the acquisition of two school facilities, fund capital improvements and pay certain costs of the issuance of the bond. The bond is due in monthly installments of \$72,104, including interest at a rate of 5.44% through October 2052. The Academy incurred costs of approximately \$312,600 associated with the issuance of the bond, which are being amortized over the life of the agreement.

On March 1, 2021, RIHEBC issued \$15,955,000 of Educational Facilities Revenue Bonds (Blackstone Valley Prep Issue), Series 2021A and 2021B Bonds (the Bonds). The proceeds of the Bonds are to be used to refinance existing indebtedness, finance the purchase of a school building and pay certain costs of the issuance of the bond. The 2021 Bonds were issued in two series: Series 2021A with principal of \$12,780,000 and Series 2021B with principal of \$3,175,000. Interest is a fixed rate of 3.17% and 3.97% for the Series 2021A and Series 2021B Bonds, respectively. Commencing on April 1, 2021, the bonds are due in monthly installments of \$70,178, including interest, through March 2051. The Academy incurred costs of approximately \$372,500 associated with the issuance of the Bonds, which are being amortized over the life of the agreement.

On April 1, 2019, a fixed rate RIHEBC bond was issued to finance the acquisition of a school facility. The bond is due in monthly installments of \$78,757, including interest at a rate of 4.25% through May 2049. The Academy incurred costs of approximately \$344,900 associated with the issuance of the bond, which are being amortized over the life of the agreement.

At June 30, 2023, bonds payable consisted of the following:

Total bonds payable	\$ 42,733,531
Less current portion of bonds payable	<u>841,481</u>
Bonds payable, less current portion	41,892,050
Less unamortized bond issuance costs	<u>948,183</u>
Bonds payable, less current portion and unamortized bond issuance costs	<u><u>\$ 40,943,867</u></u>

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

The scheduled annual maturities of the Organization's bonds payable through the year ending June 30, 2053 are as follows:

<u>Year Ending</u>	
June 30, 2024	\$ 841,481
June 30, 2025	876,904
June 30, 2026	913,880
June 30, 2027	952,479
June 30, 2028	992,777
Thereafter	<u>38,156,009</u>
Total	<u>\$ 42,733,530</u>

The bonds are secured by all real and personal property of the Organization. The Organization is subject to certain restrictive covenants, including provisions relating to maintaining certain debt coverage ratios and other matters. As of June 30, 2023, Management believes the Organization was in compliance with its covenants.

7. Pension Plan

The Academy sponsored a defined contribution money purchase retirement plan (the Plan) under Section 401(k) of the Internal Revenue Code, which provided for retirement benefits for substantially all employees over the age of 21. Effective October 6, 2022 the all assets of the Plan were transferred into the OneDigital Open Pooled Employer Plan FBO Rhode Island Mayoral Academy Blackstone Valley. 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 \$735,000 for the year ended June 30, 2023.

8. Commitments and Contingencies

Medicaid Contingencies

Laws and regulations governing the 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 Medicaid programs.

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RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

9. Concentrations 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 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, 2023, the Academy received approximately 71% of its total revenue without donor restrictions from the Rhode Island Department of Education.

As of June 30, 2023, 72% of the Academy's grants and contracts receivable are due from two 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.

10. Supplemental Cash Flow Information

Cash paid for interest for the year ended June 30, 2023 was approximately \$1,564,100.

Property and equipment purchases included within accounts payable at June 30, 2023, totaled approximately \$97,100.

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2023

The accompanying consolidated statement of cash flows for the year ended June 30, 2023 excludes the effects of non-cash investing and financing activities related to the financing of the purchase of school buildings and payment of certain costs of the issuance of a bond (Note 6):

Proceeds:

Bonds payable	<u>\$ 12,760,000</u>
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Payments:

Cash	\$ 2,502,332
Purchase of buildings	9,945,077
Bond issuance costs	<u>312,591</u>
Total payments	<u>\$ 12,760,000</u>

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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 Requirements for Federal Awards*

Year Ended June 30, 2023

DRAFT

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Award Number/ Pass-through	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	S010A220039	\$ 795,420
Special Education Cluster			
Special Education - Grants to States, Education <i>Passed through the State of Rhode Island Department of Education</i>	84.027A	H027A220054	585,643
Special Education Preschool Grants <i>Passed through the State of Rhode Island Department of Education</i>	84.173A	H173A220057	3,423
Total Special Education Cluster			<u>589,066</u>
English Language Acquisition State Grants <i>Passed through the State of Rhode Island Department of Education</i>	84.365A	S365A220039	22,219
Direct Federal Funding	84.365A	N/A	83,676
			<u>105,895</u>
Supporting Effective Instruction State Grants <i>Passed through the State of Rhode Island Department of Education</i>	84.367A	S367A220037	166,011
Student Support and Academic Enrichment Program <i>Passed through the State of Rhode Island Department of Education</i>	84.424A	S424A220041	97,274
Comprehensive Literacy Development <i>Passed through the State of Rhode Island Department of Education</i>	84.371C	2725-22002-011	78,444
Education Stabilization Fund <i>Passed through the State of Rhode Island Department of Education</i>	84.425D	467210502101	3,320,873
<i>Passed through the State of Rhode Island Department of Education</i>	84.425U	N/A	116,667
<i>Passed through the State of Rhode Island Department of Education</i>	84.425W	N/A	8,852
			<u>3,446,392</u>
Total U.S. Department of Education			<u>5,278,502</u>
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
National School Lunch Program <i>Passed through the State of Rhode Island Department of Education</i>	10.555	N/A	788,527
School Breakfast Program <i>Passed through the State of Rhode Island Department of Education</i>	10.553	N/A	312,401
Fresh Fruit and Vegetable Program <i>Passed through the State of Rhode Island Department of Education</i>	10.582	N/A	64,539
Total Child Nutrition Cluster			<u>1,165,467</u>
Total U.S. Department of Agriculture			<u>1,165,467</u>
<u>Federal Communications Commission</u>			
COVID-19 Emergency Connectivity Fund Program <i>Passed through the State of Rhode Island Department of Education</i>	32.009	N/A	307,500
Total Federal Communications Commission			<u>307,500</u>
<u>U.S. Department of Health and Human Services</u>			
COVID-19 ELC Supplemental Grant Funds <i>Passed through the State of Rhode Island Department of Health</i>	93.323	N/A	38,782
Total U.S. Department of Health and Human Services			<u>38,782</u>
Total Expenditures of Federal Awards			<u>\$ 6,790,251</u>

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RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

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, 2023. The information in the 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* (Uniform Guidance). 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 the Uniform Guidance, 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, 2023.

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.

DRAFT

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 (a non-profit organization) and Subsidiary (collectively, the Organization), which comprise the statement of financial position as of June 30, 2023, 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 **December 12**, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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.

DRAFT

**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)**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 12, 2023

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

Opinion on Each Major Federal Program

We have audited Rhode Island Mayoral Academy Blackstone Valley's (a non-profit organization) (the Academy) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Academy's major federal programs for the year ended June 30, 2023. The Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rhode Island Mayoral Academy Blackstone Valley complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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 requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

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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)**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Academy's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error as fraud may involve collusion, forgery, intention, omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

DRAFT

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

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

December 12, 2023

RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

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 federal programs:

unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.561(a)?

☐ Yes ☒ No

Major programs:

Assistance Listing Number

84.010a

Cluster Program*

Name of Federal Programs

Title I Grants to Local Education Agencies
Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

*See Schedule of Expenditures of Federal Awards for a complete listing of the special education cluster programs and their related Assistance Listing Numbers.

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RHODE ISLAND MAYORAL ACADEMY BLACKSTONE VALLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS

No matters were reported.