

EDSYS, INC.

EDUCATION DELIVERY SYSTEMS

BOARD OF TRUSTEES MEETING

WEDNESDAY, November 16, 2022

- I. Presentation of 2021-2022 Financial Audit Report by Maher Duessel *(vote required)*
- II. Consent Agenda
 1. Approve October 19, 2022 Minutes *(vote required)*
 2. Enrollment
 3. Metrics
 4. October 2022 Financials
- III. Reports
 1. 2021-2022 School Safety Report *(vote required)*
 2. CEO's/Principal's Report
 3. Board Committee Updates
- IV. Old/New Business
 1. Title I Annual Parent Involvement Policy and Compact *(vote required)*
 2. Restorative Practices Board Workshop/Retreat~ November 21st, 8:30 am to 12:30 pm
 3. Board Retreat- Part 2~ Date TBD
- V. Executive Session
 1. Adjudications
- VI. Next Board Meeting- January 18, 2023
 1. Fall Dance~ October 28th
 2. School Anniversary Fun Day~ November 7th
 3. Literacy Night~ November 17th
 4. Last Day of the Trimester~ December 2nd

Minutes of a Regular Meeting of
THE BOARD OF TRUSTEES OF
EDSYS, INC

Time and Place

A meeting of the Board of Trustees of EDSYS, Inc., a Pennsylvania nonprofit corporation, was held in person with an option for some members to join via Zoom on Wednesday, October 19, 2022 at 5:30 p.m. due to the lingering impact of the COVID-19 pandemic in Allegheny County.

The following Board of Trustees members were present and a quorum was established:

Michele Betts
Cara Ciminillo
Gerry Dudley
David Lehman
Tom Ralston
Cindy Tananis

Also present was:

Kathy Clark, Solicitor

David Lehman chaired the meeting, which was called to order at 5:43 p.m.

The Consent Agenda for the October 19, 2022 Board of Trustees Meeting included the following items:

- Approve the September 21, 2022 Board Meeting Minutes.
- Metrics
- Enrollment
- Financials

Tom Ralston moved to approve the September 2022 minutes. Cara Ciminillo seconded the motion. The motion to approve the minutes was unanimously approved.

CEO/Principal Report

Dara Ware Allen presented the CEO's/Principal's Report highlighting the following topics:

- Enrollment Office Fall Campaign for the Class of 2027
 - October 1, 2022 – Enrollment Opened and Open House held
 - Outreach Events
 - Waldorf Academy, Urban Academy, PHCSE (Penn Hills), MACS and Young Scholars McKeesport

- Marketing Campaigns
 - Direct Mail and Soul Pitt
- Open House ~ October 1st
 - High percentage of applications received for those that registered

Dara referred the Board to her report for details on Internal and External activities.

Board Committee Updates

Governance Committee

- Bill Stayduhar has submitted his resignation to the Board effective November 15th, after many years of service. David Lehman wanted express his sincere gratitude to Bill for his service with dedication and grace. Bill was a huge asset to both the Board and the Finance Committee. His contributions were invaluable. Dara also expressed her deep gratitude for Bill's contributions and the longevity and impact of his service to City High. She suggested that we properly acknowledge his efforts in the near future.
- David presented Onyeka Egbuna to fill a vacancy on the City High Board created by Bill's resignation. Onyeka is the Chief Audit Executive at Dollar Bank.

Tom Ralston motioned to approve a three year term for Onyeka Egbuna to begin on November 16, 2022. Cindy Tananis seconded the motion. The motion was unanimously approved.

Old/New Business

- Board Retreat: A Restorative Practice (RP) training with the Board is scheduled for November 21, 2022 at 8:30 a.m. and will be facilitate by a RP consultant. It was agreed that a part 2 Board Retreat session will be scheduled in December. Dara will send a survey regarding member's availability to finalize the date.
- Dara and Kathy presented the Transgender Policy. A discussion ensued. There was consensus among the Board regarding a student's right for self-determination would be solidified through adoption of the policy.

Cara Ciminello motioned to approve the policy as written. Cindy Tananis seconded the motion. The motion was unanimously approved.

Executive Session

Cindy Tananis motioned to go into Executive Session. Tom Ralston seconded the motion. The motion to go into Executive session was unanimously approved.

Gerry Dudley motioned to come out of Executive Session. Tom Ralston seconded the motion. The motion to come out of Executive session was unanimously approved.

Adjudication

- Following review and consideration of the foregoing Findings of Fact and Conclusions of Law, and consideration of the Recommendations of the Administration and the Board Officer, it is the final decision of the Board of Trustees of City Charter High School that GB be deemed expelled for a total of 45 days.

Tom Ralston motioned to approve the adjudication as concerning GB as written. Gerry Dudley seconded the motion. The motion to accept the adjudication as written was unanimously approved.

Cindy Tananis motioned to adjourn. Cara Ciminillo seconded the motion. The motion to adjourn was unanimously approved. The meeting adjourned at 7:15 p.m.

The next regular Board of Trustees meeting is scheduled for Wednesday, November 16, 2022.

Submitted by,

Theresa A. Dillon

CITY CHARTER HIGH SCHOOL STUDENT ENROLLMENT REPORT November 2022

ENROLLMENT TO DATE	554	
Regular Education	447	80.69%
Special Education	107	19.31%

CATEGORY (Race by Gender)	2022/2023	2021/2022
White Male	14.62%	15.49%
White Female	12.82%	13.20%
Black Male	24.19%	24.12%
Black Female	31.41%	32.57%
Hispanic Male	1.44%	0.88%
Hispanic Female	0.54%	0.35%
Multi-Racial Male	6.50%	7.22%
Multi-Racial Female	5.60%	4.58%
Asian Male	1.44%	0.53%
Asian Female	0.90%	0.70%
American Indian	0.54%	0.35%
Other	0.00%	0.00%
	554	568

Grade	Enrollment Comparison		
	2022/2023	2021/2022	%Difference
12th Male	61	69	-11.6%
12th Female	51	73	-30.1%
Total	112	142	-21.1%
11th Male	44	70	-37.1%
11th Female	56	65	-13.8%
Total	100	135	-25.9%
10th Male	82	48	70.8%
10th Female	85	65	30.8%
Total	167	113	47.8%
9th Male	79	88	-10.2%
9th Female	96	90	6.7%
Total	175	178	-1.7%
Total	554	568	-2.5%

School Districts		
Avonworth	1	0.18%
Baldwin	3	0.54%
Bethel Park	3	0.54%
Brentwood	2	0.36%
Carlynton	2	0.36%
Chartiers Valley	1	0.18%
Clairton City	1	0.18%
Duquesne City	2	0.36%
East Allegheny	1	0.18%
Fox Chapel	1	0.18%
Gateway	2	0.36%
Keystone Oaks	1	0.18%
McKeesport	8	1.44%
Montour SD	3	0.54%
Mt. Lebanon	1	0.18%
North Hills	1	0.18%
Northgate	3	0.54%
Penn Hills	26	4.69%
PPS	421	75.99%
Plum Boro SD	0	0.00%
Quaker Valley	1	0.18%
Shaler SD	2	0.36%
South Allegheny	1	0.18%
Steel Valley	5	0.90%
Sto-Rox SD	18	3.25%
West Mifflin SD	1	0.18%
Wilkesburg SD	18	3.25%
Woodland Hills	25	4.51%

Totals	554	100.00%
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CATEGORY (Race by Grade)	9th	10th	11th	12th	Total
Black	17.87%	16.79%	9.93%	11.01%	55.60%
White	7.22%	8.84%	5.05%	6.32%	27.44%
Multi-Racial	4.69%	3.07%	2.17%	2.17%	12.09%
Hispanic	0.72%	0.54%	0.36%	0.36%	1.99%
Asian	0.90%	0.90%	0.18%	0.36%	2.35%
American Indian	0.18%	0.00%	0.36%	0.00%	0.54%

CATEGORY (Social Economic Status)	9th	10th	11th	12th	Total
Free	19.31%	17.87%	10.83%	11.73%	59.75%
Reduced	12.27%	12.27%	7.22%	8.48%	40.25%
Paid	0.00%	0.00%	0.00%	0.00%	0.00%
No Entry	0.00%	0.00%	0.00%	0.00%	0.00%



Student Enrollment

Grade Level	Current Year/Prior Year	Notes
9 th	175/178	Current Enrollment is High and Comparable to Prior Year
10 th	167/113	Current Enrollment Significantly Higher than Prior Year
11 th	100/135	Current Enrollment Significantly Lower than Prior Year
12 th	112/142	Current Enrollment Significantly Lower than Prior Year Current School-Wide Enrolment is Comparable to Prior Year School-Wide Total: 554/568

Personnel Management

Measure	Current Year/Prior Year	Notes
Administrative Turnover	0/0	
Faculty Turnover	0/0	
Staff Turnover	0/0	
Open Positions	4/3	Learning Support Teacher; Math/Science TA; School Safety Officer; Transition Manager
Promotions	0/1	
Leaves	0/0	

School Management and Leadership

Measure	Current Year*/Prior Year	Notes
Average Daily Membership (PPS)	556.76/573.86	
Applications: New 9 th grade (2027)	56/79 / 65/98	This represents application numbers through September 15 th . We will begin reporting on applications for the new 9 th grade (class of 2027) at our November meeting.
Suspensions > 1 day	25/6	
Expulsions	7/3	
Faculty Observations	45/53	
Student Attendance %	93.91%/92.46%	
Faculty/Staff Attendance %	97.40%/96.12%	

Fiscal Health (As of October 31, 2022)

Measure	Description
Bank Balance	\$5.046 million
P/L Comparison: 22-23 to 21-22 YTD	Income: \$1.089 M to \$807 K* Expense: \$1.418 M to \$954 K

Compliance and Reporting

Measure	Description	Notes
PIMS	Various monthly PIMS reports as well as start of the year reports.	Submitted throughout the month depending on the respective report deadlines.
Bookminders Accounting Transition	Troubleshooting steps to add our new accountants to various financial reporting and viewing accounts (i.e. Huntington Bank, PSERS, Paychex, PDE sites) Weekly meetings to review accounting and financial management status of payments, revenue, access on targeted accounts, and upcoming report deadlines	



PACSP Quarterly Report	Reimbursement reports are due.	First report of the quarter submitted October 14 th .
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Initiatives/Grants

Initiative	Purpose	Fiscal Impact	Notes
Grant (Division of Federal Programs)	American Rescue Plan ESSER III (Elementary & Secondary School Emergency Relief) COVID-19 Grant	\$1,955,179.00	Application submitted.
PACSP Federal Grant: through PCPCS)	Expanding Opportunities Through Quality Charter Schools Program (CSP)	\$1.5 M multi-year grant	Awarded on 5-10-21 for \$1.5 M for 3 years. Grant period began October 1 st . Some expenses and budgeted items later deemed ineligible despite prior approval. Grant amount reduced to \$969,258.60.

Strategic Planning

Program	Date/Notes	Program	Date/Notes
Revamped marketing approaches for increasing student recruitment are on-going.	Additional multi-media strategies being implemented and enhanced through the PACSP grant. The number of applications for the new 9 th grade class (2026) significantly outpaced our prior year application numbers including a 50+ student waitlist at the start of school.	4PLUS Model	Additional data gathered through Annual Report survey. The first Parent Focus Group was held on November 10 th .
		Middle States Accreditation	Submitted our Narrative on October 6 th . Our Fall visit was rescheduled for the spring due to Middle States not being able to fill a site visit team. Note: our accreditation status will not lapse in the interim.
		PPS Charter Renewal	Our charter was unanimously renewed by the PPS Board on June 22 nd !

EDSYS INC DBA CITY CHARTER HIGH SCHOOL
Financial Reports
As of October 31, 2022
Education Delivery Systems Financial Reports

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EDSYS INC DBA CITY CHARTER HIGH SCHOOL

Balance Sheet

As of October 31, 2022

	Oct 31, 22	Sep 30, 22
ASSETS		
Current Assets		
Checking/Savings		
0101 · Huntington Bank Checking 5190	91,641.95	63,437.60
0101-01 · Huntington Bank MMAX 5231	3,881,648.91	4,225,678.14
0101-02 · Huntington Bank Chk FSA 5187	63,101.23	82,255.32
0102 · Huntington Bank SA Chk 5174	10,446.72	9,676.22
0103 · PNC Bank CD	1,000,103.31	1,000,103.31
Total Checking/Savings	5,046,942.12	5,381,150.59
Accounts Receivable		
1120 · Grants Receivable Current	(27.00)	(27.00)
1200 · Accounts Receivable	1,277,535.96	1,134,903.95
1300 · Accts Receivable - Non Tuition	148,318.08	299,546.75
Total Accounts Receivable	1,425,827.04	1,434,423.70
Other Current Assets		
1400 · Prepaid Expenses	54,371.46	48,915.77
1410 · Prepaid Insurance	62,370.81	58,322.04
Total Other Current Assets	111,286.58	107,237.81
Total Current Assets	6,584,055.74	6,922,812.10
Fixed Assets		
1700 · Fixed Assets	3,907,112.28	
1710 · Leasehold Improvements	739,887.51	739,887.51
1720 · Furniture/Fixtures	1,108,755.34	1,108,755.34
1730 · Office Equipment	2,100.73	2,100.73
1735 · Kitchen Equipment	221,997.02	221,997.02
1740 · Computer Equipment	949,469.48	948,318.30
Total 1700 · Fixed Assets	3,022,210.08	3,021,058.90
1800 · Accumulated Depreciation		
1810 · Accum Depr - Leasehold Improve	20,582.69	(612,360.10)
1820 · Accum Depr - Furniture/Fixtures	168,503.16	(1,068,272.70)
1830 · Accum Depr - Office Equipment	19,779.43	(2,100.73)
1835 · Accum Depr - Kitchen Equipment	76,263.91	(220,657.54)
1840 · Accum Depr - Computer Equipment	(632,739.91)	(621,810.38)
Total 1800 · Accumulated Depreciation	(347,610.72)	(2,525,201.45)
Total Fixed Assets	481,264.11	495,857.45
TOTAL ASSETS	7,065,319.85	7,418,669.55
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2001 · Accounts Payable	114,428.04	116,659.88
Total Accounts Payable	114,428.04	116,659.88
Other Current Liabilities		
2300 · Payroll Liabilities		

EDSYS INC DBA CITY CHARTER HIGH SCHOOL

Accounts Receivable Aging Summary

As of October 31, 2022

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
10 WITHOUT DONOR RESTRICTIONS						
2. SCHOOL DISTRICTS						
ALIQUIPPA SCHOOL DISTRICT	0.00	5,601.98	0.00	3,549.10	6,210.91	15,361.99
AMBRIDGE AREA SCHOOL DISTRICT	0.00	23.17	0.00	0.00	2,770.98	2,794.15
AVONWORTH	0.00	18,484.28	0.00	4,527.82	7,923.68	30,935.78
BALDWIN WHITEHALL	0.00	6,527.87	0.00	0.00	54.00	40.20
BETHEL PARK SCHOOL DISTRICT	0.00	9,899.72	0.00	19,792.63	3,630.40	0.00
BRENTWOOD SD	0.00	5,085.58	0.00	0.00	135.00	0.00
CARLYNTON SCHOOL DISTRICT	0.00	1,385.07	0.00	0.00	3,530.25	2,960.00
CHARTIERS VALLEY SCHOOL DISTRICT	0.00	738.10	0.00	0.00	7,349.65	3,000.20
CLAIRTON CITY SCHOOL DISTRICT	0.00	1,032.79	0.00	0.00	23,174.47	24,207.26
DUQUESNE SCHOOL DISTRICT	0.00	18,754.80	0.00	0.00	6,987.55	25,742.35
EAST ALLEGHENY SCHOOL DISTRICT	0.00	2,321.78	0.00	0.00	1,936.66	4,258.44
GATEWAY	0.00	4,918.67	0.00	0.00	5,261.59	573,934.79
KEYSTONE OAKS SCHOOL DISTRICT	0.00	(0.01)	0.00	0.00	0.00	182,227.71
MCKEESPORT AREA SCHOOL DISTRICT	0.00	18,540.35	0.00	0.00	114,701.13	756,162.50
MONTOUR	0.00	2,626.38	54,371.46	0.00	2,626.37	5,252.75
MT LEBANON SCHOOL DISTRICT	0.00	2,160.12	0.00	0.00	1,247.50	761,415.25
NEW CASTLE SCHOOL DISTRICT	0.00	0.00	0.00	0.00	968,672.29	761,415.25
NEW KENSINGTON SD	0.00	792.13	0.00	0.00	0.00	792.13
NORTH HILLS	0.00	60,696.41	0.00	0.00	36,938.12	32,831.25
NORTHGATE SCHOOL DISTRICT	0.00	3,040.72	3,907,112.28	0.00	55,026.77	32,831.25
PENN HILLS	0.00	0.00	0.00	0.00	130,352.64	130,352.64
STEEL VALLEY	0.00	0.00	0.00	0.00	10,509.79	10,509.79
STO-ROX	0.00	11,453.57	0.00	0.00	226,917.14	238,370.71
WEST MIFFLIN SCHOOL DISTRICT	0.00	0.00	0.00	0.00	2,117.76	2,117.76
WILKINSBURG BOROUGH	0.00	0.00	0.00	0.00	203,003.58	203,003.58
WOODLAND HILLS	0.00	0.00	0.00	0.00	3,044.15	3,044.15
VARIOUS CUSTOMERS	0.00	0.00	0.00	115,211.33	43,423.21	15,639.41
TOTAL	0.00	174,083.48	19,779.43	143,080.88	1,089,003.78	1,015,942.58
			76263.91		1089003.78	

EDSYS INC DBA CITY CHARTER HIGH SCHOOL

Accounts Payable Aging Summary

As of October 31, 2022

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
AFLAC	579.84	0.00	0.00	0.00	0.00	579.84
AJ MYERS & SONS	350.00	0.00	0.00	0.00	0.00	350.00
ALLEGHENY INTERMEDIATE UNIT	42.30	0.00	0.00	0.00	0.00	42.30
AMERICAN UNITED LIFE INSURANCE CO - #0000	1,755.93	0.00	0.00	0.00	0.00	1,755.93
AMERICAN UNITED LIFE INSURANCE CO - #0001	393.80	0.00	0.00	0.00	0.00	393.80
CAROLINA BIOLOGICAL SUPPLY CO	77.80	0.00	0.00	0.00	0.00	77.80
COLKER JANITORIAL SUPPLY	439.16	0.00	0.00	0.00	0.00	439.16
CONSOLIDATED COMMUNICATIONS	1,443.18	0.00	0.00	0.00	0.00	1,443.18
FORD BUSINESS MACHINES INC	6,126.85	0.00	0.00	0.00	0.00	6,126.85
FORD OFFICE TECHNOLOGIES	62.24	0.00	0.00	0.00	0.00	62.24
GLOBAL WORDSMITHS	703.11	0.00	0.00	0.00	0.00	703.11
GOSA, JAMAAL	1,300.00	0.00	0.00	0.00	0.00	1,300.00
HD SUPPLY	427.40	0.00	0.00	0.00	0.00	427.40
HIGHMARK BLUE SHIELD	62,810.32	0.00	0.00	0.00	0.00	62,810.32
HUNGTINGTON NATIONAL BANK CC	4,057.46	0.00	0.00	0.00	0.00	4,057.46
MASSAGE BY DESIGN INC	1,800.00	0.00	0.00	0.00	0.00	1,800.00
PAPER PRODUCTS COMPANY INC	752.80	0.00	0.00	0.00	54,371.46	752.80
PARAGON FOODS	1,669.10	0.00	0.00	0.00	0.00	1,669.10
PERFORMANCE FOODSERVICE	2,596.48	0.00	0.00	0.00	0.00	2,596.48
PHONAK	3,663.69	0.00	0.00	0.00	0.00	3,663.69
REDIKER SOFTWARE INC	8,000.00	0.00	0.00	0.00	0.00	8,000.00
SCHOOLMINT	11,060.00	0.00	0.00	0.00	3,907,112.28	11,060.00
TURK, KELLY	0.00	116.00	0.00	0.00	0.00	116.00
TURNER DAIRY FARMS INC	477.64	0.00	0.00	0.00	0.00	477.64
US FOODS INC	3,722.94	0.00	0.00	0.00	0.00	3,722.94
TOTAL	114,312.04	116.00	0.00	0.00	0.00	114,428.04

EDSYS INC DBA CITY CHARTER HIGH SCHOOL
Comparative Income Statement
October 2022

	Oct 22	Oct 21	\$ Change
Ordinary Income/Expense			
Income			
6000 · Revenue from Local Sources			
6600 · Food Service Revenue			
6613 · Milk Proceeds	54.00	40.20	13.80
6620 · Daily Sales -Non Reimburable	3,630.40	0.00	3,630.40
6691 · School Store - Nonfood	135.00	0.00	135.00
6692 · School Store Proceeds	3,530.25	2,960.00	570.25
Total 6600 · Food Service Revenue	7,349.65	3,000.20	4,349.45
6900 · Other Revenue from Local Source			
6920 · Contributions / Donations	3,266.40	0.00	3,266.40
6940 · Receipts from LEAs			
6941 · Tuition Regular	661,135.59	573,934.79	87,200.80
6942 · Tuition Special Education	288,614.15	182,227.71	106,386.44
Total 6940 · Receipts from LEAs	949,749.74	756,162.50	193,587.24
54371.46	8,306.50	0.00	8,306.50
Total 6900 · Other Revenue from Local Source	961,322.64	756,162.50	205,160.14
Total 6000 · Revenue from Local Sources	968,672.29	756,162.50	212,509.79
7000 · Revenue from State Sources			
7600 · Lunch/Milk Subsidies	1,539.18	32,831.25	(31,292.07)
Total 7000 3907112.28	1,539.18	32,831.25	(31,292.07)
8000 · Rev from Federal Sources			
8531 · Lunch/Milk Subsidies	53,743.46	0.00	53,743.46
8741 · ARP ESSER	35,548.71	0.00	35,548.71
8743 · ESSER II - CARES Act	22,479.37	0.00	22,479.37
Total 8000 · Rev from Federal Sources	111,771.54	0.00	111,771.54
9000 · Other Financing Sources			
9900 · Other Financing Misc Receipts	1,050.00	15,639.41	(14,589.41)
9000 · C 20582.69	5,970.77	52.89	5,917.88
Total 9000 168503.16	7,020.77	15,692.30	(8,671.53)
Total Income 19779.43	1,089,003.78	807,686.25	281,317.53
Gross Profit =72753.91+3510	1,089,003.78	807,686.25	281,317.53
Expense			
100 · Personnel Services - Salaries	482,385.38	463,584.77	18,800.61
200 · Personnel Services - Benefits			
211 · Medical Insurance	58,580.71	73,008.27	(14,427.56)
212 · Dental Insurance	4,262.85	106.16	4,156.69
213 · Life Insurance	1,755.93	1,688.99	66.94
220 · Social Security	36,400.91	34,901.52	1,499.39
230 · Retirement	390,500.00	415,000.00	(24,500.00)
235 · 401K Retirement	29,834.07	15,557.41	14,276.66
290 · Other Employee Benefits	599.00	0.00	599.00
Total 200 · Personnel Services - Benefits	521,933.47	540,262.35	(18,328.88)
300 · Professional & Technical Svcs			
320 · Student Activities	5,092.62	0.00	5,092.62
330 · Other Professional Services	29,103.40	53,664.59	(24,561.19)
331 · ESL Services	745.41	840.10	(94.69)
348 · Technology Services	21,379.95	10,278.36	11,101.59
Total 300 · Professional & Technical Svcs	56,321.38	64,783.05	(8,461.67)
400 · Purchased Property Services			
413 · Custodial Services	6,496.00	0.00	6,496.00
431 · RPR & Maint - Buildings	1,007.02	225.00	782.02
432 · RPR & Maint - Equipment	750.19	0.00	750.19

EDSYS INC DBA CITY CHARTER HIGH SCHOOL

Actual Vs Budget

October 2022

	<u>July-Oct 22</u>	<u>Fiscal 22/23 Budget</u>	<u>\$ Change</u>
Income			
6000 · Revenue from Local Sources			
Foundation Grants	13,605.74	45,000.00	(31,394.26)
Tuition - Regular	2,481,690.21	8,961,273.00	(6,479,582.79)
Tuition - Special Education	815,508.08	54.00	815,454.08
Contributions/Donations	10,755.60	3,630.40	7,125.20
School Lunch Proceeds	0.00	135.00	(135.00)
School Store Proceeds	0.00	3,530.25	(3,530.25)
Total 6000 · Revenue from Local Sources	<u>3,321,559.63</u>	<u>7,349.65</u>	<u>3,314,209.98</u>
8000 · Rev from Federal Sources			
ERATE Revenue	523.89	40,000.00	(39,476.11)
Title I, II, and IV Revenue	12,949.16	310,000.00	(297,050.84)
ESSER II (450K)/ARP ESSER (1,050K) Grant	218,658.07	450,000.00	(231,341.93)
ARP ESSER	144,878.42	1,050,000.00	(905,121.58)
Other CARES Act (PA Charter School)	127,831.77	400,000.00	(272,168.23)
Lunch/Milk Subsidies	54,371.46	225,000.00	(170,628.54)
Total 8000 · Rev from Federal Sources	<u>559,212.77</u>	<u>2,475,000.00</u>	<u>(1,915,787.23)</u>
9000 · Other Financing Sources		968,672.29	
Other Financing Sources	17,451.05	221,000.00	(203,548.95)
Total 9000 · Other Financing Sources	<u>17,451.05</u>	<u>221,000.00</u>	<u>(203,548.95)</u>
Total Income	<u>3,907,112.28</u>	<u>2,703,349.65</u>	<u>1,203,762.63</u>
Gross Profit	<u>3,907,112.28</u>	<u>2,703,349.65</u>	<u>1,203,762.63</u>
Expense			
100/200 - PERSONNEL SERVICES			
Salaries	2,051,750.48	6,669,810.00	(4,618,059.52)
Benefits	972,830.07	3,042,171.80	(2,069,341.73)
Total 100/200 - PERSONNEL SERVICES	<u>3,024,580.55</u>	<u>9,711,981.80</u>	<u>(6,687,401.25)</u>
300 - Professional & Technical Svcs			
320 · Student Activities	20,582.69	25,000.00	(4,417.31)
330 · Other Professional Services	168,503.16	170,000.00	(1,496.84)
331 · ESL Services	19,779.43	1,089,003.78	(1,069,224.35)
348 · Technology Services	76,263.91	1,089,003.78	(1,012,739.87)
Total 300 · Professional & Technical Svcs	<u>285,129.19</u>	<u>2,373,007.56</u>	<u>(2,087,878.37)</u>
400 - Purchased Property Services			
413 · Custodial Services	14,737.00	130,000.00	(115,263.00)
431 · RPR & Maint - Buildings	2,857.10		2,857.10
432 · RPR & Maint - Equipment	26,969.08		26,969.08
440 - Utilities	101,486.80	215,000.00	(113,513.20)
441 · Rental - Land & Buildings	644,115.43	1,520,000.00	(875,884.57)
442 · Rental - Equipment	26,549.20	85,000.00	(58,450.80)
449 · Other Rentals	4,442.40		4,442.40
Total 400 · Purchased Property Services	<u>821,157.01</u>	<u>1,820,000.00</u>	<u>(998,842.99)</u>

EDSYS INC DBA CITY CHARTER HIGH SCHOOL

Actual Vs Budget

October 2022

	<u>July-Oct 22</u>	<u>Fiscal 22/23 Budget</u>	<u>\$ Change</u>
500 · Other Purchased Services			
515 · Transportation - Public Carrier	20,654.73	230,000.00	(209,345.27)
519 · Other Student Transport	57,071.15	40,000.00	17,071.15
529 · Other Insurance	12,691.16	85,000.00	(72,308.84)
530 · Communications	17,534.82	40,000.00	(22,465.18)
540 · Advertising	90,413.14	265,000.00	(174,586.86)
550 · Printing & Binding	1,406.72		1,406.72
582 · Travel	1,493.59		1,493.59
599 · Other Purchased Services	104,642.45	1,243,500.20	(1,138,857.75)
Total 500 · Other Purchased Services	<u>305,907.76</u>	<u>1,903,500.20</u>	<u>(1,597,592.44)</u>
600 · Supplies			
610 · General Supplies	13,877,474.00	90,000.00	13,787,474.00
611 · ESL Supplies	0.00		0.00
632 · Milk	363.06		363.06
634 · School Store - Food	878.69	0.00	878.69
635 · Student Lunches	55,282.50		55,282.50
636 · Refreshments	5,339.92	15,000.00	(9,660.08)
640 · Books & Periodicals	9,715.00		9,715.00
648 · Educational Software	22,966.57		22,966.57
Total 600 · Supplies	<u>233,435.38</u>	<u>105,000.00</u>	<u>128,435.38</u>
700 · Property			
756 · Cap Technology Equipment	5,247.28		5,247.28
768 · Tech Equip - New	0.00		0.00
790 · Depreciation	78,137.59		78,137.59
Total 700 · Property	<u>83,384.87</u>	<u>0.00</u>	<u>83,384.87</u>
800 · Other Objects			
810 · Dues and Fees	161.94		161.94
815 · Student Awards	5,320.20		5,320.20
820 · Claims/Penalties/Late Fees	869.13		869.13
831 · Int-Loan-Lease Purch	0.00		0.00
Total 800 · Other Objects	<u>6,351.27</u>	<u>0.00</u>	<u>6,351.27</u>
Total Expense	<u>4,759,946.03</u>	<u>15,913,489.56</u>	<u>(11,153,543.53)</u>
Net Income	<u>(852,833.75)</u>	<u>(13,210,139.91)</u>	<u>12,357,306.16</u>

EDSYS INC DBA CITY CHARTER HIGH SCHOOL
Monthly Cash Analysis

	<u>Cash In</u>	<u>Cash Out</u>	<u>Net In/(Out)</u>	<u>Balance</u>
				6,203,274.87
July 2022	786,019.61	1,180,382.55	(394,362.94)	5,808,911.93
August 2022	1,152,947.22	1,069,214.38	83,732.84	5,892,644.77
September 2022	823,376.73	1,334,870.91	(511,494.18)	5,381,150.59
October 2022	1,097,396.08	1,431,604.55	(334,208.47)	5,046,942.12
November 2022			0.00	5,046,942.12
December 2022			0.00	5,046,942.12
January 2023			0.00	5,046,942.12
February 2023			0.00	5,046,942.12
March 20223			0.00	5,046,942.12
April 2023			0.00	5,046,942.12
May 2023			0.00	5,046,942.12
June 2023			0.00	5,046,942.12
Ending Balance	<u><u>3,859,739.64</u></u>	<u><u>5,016,072.39</u></u>	<u><u>(1,156,332.75)</u></u>	<u><u>5,046,942.12</u></u>

EDSYS INC DBA CITY CHARTER HIGH SCHOOL

Financial Metrics

October 31, 2022

As of:	Cash Balance	Current Ratio*	Tuition Receivable	Accounts Payable
October 31, 2022	\$5,046,942	\$55 to \$1	\$1,277,536	\$114,428 \$54
September 30, 2022	\$5,381,151	\$56 to \$1	\$1,134,904	\$3,630

*Current Ratio = Current Assets/Current Liabilities

Tuition Receivable Aging Schedule

	Total	Current	1 - 30	31 - 60
October 31, 2022	\$1,277,536	\$0	\$174,083	\$0
September 30, 2022	\$1,134,904	\$0	\$54,371	\$143,081
				\$968,672
For the Month Ended October:	Total Revenue	Total Expense	Revenue Per Student*	Expense Per Student*
2022	\$1,089,004	(\$1,418,590)	\$1,911	(\$2,489)
2021	\$807,686	(\$954,278)	\$1,417	(\$1,674)

EDSYS INC DBA CITY CHARTER HIGH SCHOOL
Financial Metrics
October 31,2002

<u>61 - 90</u>	<u>> 90</u>
\$143,081	\$960,372
\$0	\$996,061



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DISTRICT WIDE PARENTAL INVOLVEMENT POLICY 2022-2023

PART 1: GENERAL EXPECTATIONS

City Charter High School (CCHS) agrees to implement the following statutory requirements:

- CCHS will put into operation programs, activities and procedures for the involvement of parents in all of its schools with Title I, Part A programs, consistent with section 1118 of the Elementary and Secondary Education Act (ESEA). Those programs, activities and procedures will be planned and operated with meaningful consultation with parents of participating children.
- Consistent with section 1118, CCHS will work to ensure that the required school-level parental involvement policies meet the requirements of section 1118(b) of the ESEA, and each include, as a component, a school-parent compact consistent with section 1118(d) of the ESEA. The compact is signed by the parent, student and school upon the student's entrance into City Charter High School
- CCHS will incorporate this district wide parental involvement policy into its LEA plan developed under section 1112 of the ESEA.
- In carrying out the Title I, Part A parental involvement requirements, to the extent practicable, CCHS will provide full opportunities for the participation of parents with limited English proficiency, parents with disabilities, and parents of migratory children, including providing information and school reports required under section 1111 of the ESEA in an understandable and uniform format and, including alternative formats upon request, and, to the extent practicable, in a language parents understand.
- If the LEA plan for Title I, Part A, developed under section 1112 of the ESEA, is not satisfactory to the parents of participating children, CCHS will submit any parent comments with the plan when the school district submits the plan to the State Department of Education.
- CCHS will involve the parents of children served in Title I, Part A schools in decisions about how the 1 percent of Title I, Part A funds reserved for parental involvement is spent.
- CCHS will be governed by the following statutory definition of parental involvement, and will carry out programs, activities and procedures in accordance with this definition:

Parental involvement means the participation of parents in regular, two-way, and meaningful communication involving student academic learning and other school activities, including ensuring

- (A) that parents play an integral role in assisting their child's learning;***
- (B) that parents are encouraged to be actively involved in their child's education at school;***
- (C) that parents are full partners in their child's education and are included, as appropriate, in decision-making and on advisory committees to assist in the education of their child; and***
- (D) the carrying out of other activities, such as those described in section 1118 of the ESEA.***

PART II. DESCRIPTION OF HOW DISTRICT WILL IMPLEMENT REQUIRED DISTRICT WIDE PARENTAL INVOLVEMENT POLICY COMPONENTS

1. City Charter High School will take the following actions to involve parents in the joint development of its district wide parental involvement plan under section 1112 of the ESEA:
 - Parents will be notified of the Spring open meeting through the December mailing.
 - An open meeting will be held in mid-Spring.
 - If less than three parents participate in the meeting, a focus group will be utilized to review the plan.
2. CCHS will take the following actions to involve parents in the process of school review and improvement under section 1116 of the ESEA:
 - Include a parent representative on the school's Board of Trustees.
 - Include parent representatives on the school's strategic planning committee.
 - Include parent representatives on the school's Middle States Accreditation Committee.
3. CCHS will provide the following necessary coordination, technical assistance, and other support to assist Title I, Part A schools in planning and implementing effective parental involvement activities to improve student academic achievement and school performance:

Because the school and the district are one and the same, the school administrators will provide the technical assistance support when necessary by the Regional Title I staff.

4. CCHS will take the following actions to conduct, with the involvement of parents, an annual evaluation of the content and effectiveness of this parental involvement policy in improving the quality of its Title I, Part A school. The evaluation will include identifying barriers to greater participation by parents in parental involvement activities (with particular attention to parents who are economically disadvantaged, are disabled, have limited English proficiency, have limited literacy, are LGBTQ, or are of any racial or ethnic minority background). The school will use the findings of the evaluation about its parental involvement policy and activities to design strategies for more effective parental involvement, and to revise, if necessary (and with the involvement of parents) its parental involvement policies.

City High undergoes an annual evaluation conducted by Catherine Nelson. Surveys of parents, students and staff are conducted and will include questions related to parent involvement. In addition data from parent conferences including conference evaluations, one on one meetings, parent workshops and other parent activities will be used in order to determine the effectiveness of the parent involvement policy and activities.

PART III. DISCRETIONARY DISTRICT WIDE PARENTAL INVOLVEMENT POLICY COMPONENTS

1. CCHS will build the schools' and parent's capacity for strong parental involvement, in order to ensure effective involvement of parents and to support a partnership among the school involved, parents, and the community to improve student academic achievement through the following activities specifically described below:
 - Training on the effective use of the PlusPortals and Google Classroom for parents.
 - Suggestions by the parent representative on the Board of Trustees.
 - May send a parent representative to the annual state Title I conference.
2. The school will provide assistance to parents of children served by the school, as appropriate, in understanding topics such as the following, by undertaking the actions described in this paragraph

- the State’s academic content standards;
- the State’s student academic achievement standards;
- the State and local academic assessments including alternate assessments;
- how to monitor their child’s progress; and
- how to work with educators.

Workshops are held annually on the following topics:

- Use of the online parent portal system to check grades, attendance and discipline;
 - Technology use especially as it applies to student achievement;
 - Local, state, and national assessments, the interpretation of data and the use of the results;
 - How to prepare students for assessments including ACT and SAT;
 - Preparation for the college application process and the completion of the FASFA;
 - The inclusion program for special education students and adaptations to the curriculum and/or evaluations;
 - The English as a Second Language program; and
 - Various mental health and /or nutrition related topics.
3. The school will provide materials and training to help parents work with their children to improve their children’s academic achievement, such as literacy training, and using technology, as appropriate, to foster parental involvement, by:
 - Annual Technology workshops.
 - Informational sessions pertaining to assessment are held during parent-teacher conference days
 - Informational sessions pertaining to post-high school planning.
 4. The school will educate its teachers, pupil services personnel, principals and other staff, in how to reach out to, communicate with, and work with parents as equal partners, in the value and utility of contributions of parents, and in how to implement and coordinate parent programs and build ties between parents and schools, by:
 - Train staff in the use of online portal for parents, Google Education Suite, email, phone calls and conferences with parents.
 5. The school will take the following actions to ensure that information related to the school and parent- programs, meetings, and other activities, is sent to the parents of participating children in an understandable and uniform format, including alternative formats upon request, and, to the extent practicable, in a language the parents can understand:
 - Parents will be asked for feedback on the language used in the documents provided to parents.

PART IV. ADOPTION

This District wide Parental Involvement Policy has been developed jointly with, and agreed on with, parents of children participating in Title I, Part A programs, as evidenced by the meeting held October 25, 2021.

This policy was adopted by the **City Charter High School** on _____ and will be in effect for the period of the **2022-2023 school year**. The school will distribute this policy to all parents of participating Title I, Part A children on or before November 30, 2022.

Dr. Dara Ware Allen
CEO/Principal

EDSYS, Inc.
d/b/a City Charter High School

Single Audit

Years Ended June 30, 2022 and 2021
with Independent Auditor's Reports

EDSYS, INC.

YEARS ENDED JUNE 30, 2022 AND 2021

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Independent Auditor's Report

**Board of Directors
EDSYS, Inc.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of EDSYS, Inc. (EDSYS), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EDSYS as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EDSYS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EDSYS's ability

to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EDSYS'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EDSYS'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 financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the 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 DATE XX, 20XX on our consideration of EDSYS'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 EDSYS'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 EDSYS's internal control over financial reporting and compliance.

Pittsburgh, Pennsylvania
DATE XX, 20XX

EDSYS, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	2022	2021
Assets		
<hr/>		
Current assets:		
Cash and cash equivalents	\$ 6,192,939	\$ 5,129,605
Cash restricted for student activities fund	10,276	8,102
Tuition receivable	1,123,216	616,969
Grants and other accounts receivable	430,925	51,720
Other current assets	9,732	11,488
Prepaid expenses	208,464	233,104
	<hr/>	<hr/>
Total current assets	7,975,552	6,050,988
Noncurrent assets:		
Property and equipment, net of accumulated depreciation	367,804	589,844
	<hr/>	<hr/>
Total Assets	\$ 8,343,356	\$ 6,640,832
	<hr/>	<hr/>
Liabilities and Net Assets		
<hr/>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 163,944	\$ 11,797
Amounts held for student activities fund	10,276	8,102
Refundable advance	73,781	-
Other current liabilities	344,625	378,117
	<hr/>	<hr/>
Total Current Liabilities	592,626	398,016
Net Assets:		
Without donor restrictions:		
Undesignated	5,089,876	2,627,972
Board-designated:		
Lease payments	920,831	1,020,831
Retirement contributions	1,363,919	1,979,169
Investment in property and equipment	367,804	589,844
	<hr/>	<hr/>
Total without donor restrictions	7,742,430	6,217,816
With donor restrictions	8,300	25,000
	<hr/>	<hr/>
Total Net Assets	7,750,730	6,242,816
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 8,343,356	\$ 6,640,832
	<hr/>	<hr/>

See accompanying notes to financial statements.

EDSYS, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:						
Tuition	\$ 11,860,604	\$ -	\$ 11,860,604	\$ 11,004,705	\$ -	\$ 11,004,705
Grant revenue and reimbursements	1,721,045	-	1,721,045	787,683	-	787,683
Cafeteria revenue	25,487	-	25,487	13,393	-	13,393
Investment income	2,264	-	2,264	3,382	-	3,382
Other	60,748	-	60,748	72,256	-	72,256
Net assets released from restriction:						
Satisfaction of donor restrictions	16,700	(16,700)	-	35,500	(35,500)	-
Total revenue and other support	13,686,848	(16,700)	13,670,148	11,916,919	(35,500)	11,881,419
Expenses:						
Program:						
Charter School	11,555,111	-	11,555,111	10,689,124	-	10,689,124
Management and general	607,123	-	607,123	570,625	-	570,625
Total expenses	12,162,234	-	12,162,234	11,259,749	-	11,259,749
Change in Net Assets	1,524,614	(16,700)	1,507,914	657,170	(35,500)	621,670
Net Assets:						
Beginning of year	6,217,816	25,000	6,242,816	5,560,646	60,500	5,621,146
End of year	\$ 7,742,430	\$ 8,300	\$ 7,750,730	\$ 6,217,816	\$ 25,000	\$ 6,242,816

See accompanying notes to financial statements.

EDSYS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program	Management and General	Total
	<u> </u>	<u> </u>	<u> </u>
Salaries and employee benefits	\$ 8,233,854	\$ 193,943	\$ 8,427,797
Accounting services	-	65,979	65,979
Banking fees	-	164	164
Other professional services	603,024	67,474	670,498
Curriculum materials	77,417	-	77,417
Dues and fees	530	-	530
Depreciation expense	215,435	23,937	239,372
Occupancy	1,482,942	164,771	1,647,713
Legal services	-	77,215	77,215
Office supplies and miscellaneous equipment	311,836	79	311,915
Scholarships	24,850	-	24,850
Student activities	21,415	-	21,415
Travel	2,903	-	2,903
Student transportation	144,993	-	144,993
Food services	140,735	-	140,735
Printing and binding	7,132	-	7,132
Advertising	165,868	-	165,868
Interest expense	130	-	130
Information technology	122,047	13,561	135,608
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 11,555,111</u>	<u>\$ 607,123</u>	<u>\$ 12,162,234</u>

See accompanying notes to financial statements.

EDSYS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries and employee benefits	\$ 7,707,807	\$ 182,524	\$ 7,890,331
Accounting services	-	68,727	68,727
Banking fees	-	60	60
Other professional services	552,895	78,821	631,716
Curriculum materials	69,600	-	69,600
Dues and fees	844	-	844
Depreciation expense	221,695	24,633	246,328
Occupancy	1,430,799	158,978	1,589,777
Legal services	-	44,087	44,087
Office supplies and miscellaneous equipment	315,413	79	315,492
Scholarships	37,500	-	37,500
Student activities	1,535	-	1,535
Travel	-	-	-
Student transportation	97,977	-	97,977
Food services	26,981	-	26,981
Printing and binding	12,236	-	12,236
Advertising	99,396	-	99,396
Interest expense	-	-	-
Information technology	114,446	12,716	127,162
	<u>\$ 10,689,124</u>	<u>\$ 570,625</u>	<u>\$ 11,259,749</u>

See accompanying notes to financial statements.

EDSYS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,507,914	\$ 621,670
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	239,372	246,328
Change in:		
Tuition receivable	(506,247)	186,552
Grants and other accounts receivable	(379,205)	28,598
Amount held for student activities fund	2,174	(30,449)
Other current assets	1,756	18,014
Prepaid expenses	24,640	(77)
Accounts payable	152,147	2,513
Refundable advance	73,781	-
Other current liabilities	(33,492)	(63,354)
	<u>1,082,840</u>	<u>1,009,795</u>
Net cash provided by (used in) operating activities		
Cash Flows From Investing Activities:		
Payments for property and equipment	<u>(17,332)</u>	<u>(262,341)</u>
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	1,065,508	747,454
Cash, Cash Equivalents, and Restricted Cash:		
Beginning of year	<u>5,137,707</u>	<u>4,390,253</u>
End of year	<u>\$ 6,203,215</u>	<u>\$ 5,137,707</u>
Consists of:		
Cash and cash equivalents	\$ 6,192,939	\$ 5,129,605
Cash restricted for student activities fund	<u>10,276</u>	<u>8,102</u>
	<u>\$ 6,203,215</u>	<u>\$ 5,137,707</u>

See accompanying notes to financial statements.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

1. Organization

EDSYS, Inc. (EDSYS) is a non-profit organization created to establish a technologically oriented charter high school in western Pennsylvania. The mission of EDSYS, a technology infused public school, is to graduate students who are academically, technologically, personally, and socially prepared to succeed in post-secondary education or training. Using a team approach, EDSYS cultivates a safe, supportive, and academically rigorous environment by recognizing and nurturing individual talents, needs, and skills.

EDSYS began operations in January 2001. The technological charter school opened in September 2002. The original charter expired June 30, 2007. As of June 2022, the charter has been extended through June 30, 2027.

In June 2002, EDSYS received approval from the Pennsylvania Department of State Corporation Bureau to operate and conduct business under the name 'City Charter High School'.

2. Summary of Significant Accounting Policies

The accounting policies of EDSYS conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The following is a summary of the more significant policies:

Financial Statement Presentation

EDSYS is required to report information regarding its financial position and activities according to classes of net assets: net assets without donor restrictions and net assets with donor restrictions. EDSYS is also required to present a statement of cash flows.

The net assets of EDSYS are reported in two net asset classes as follows:

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations. At times, the Board of Directors (Board) may designate a portion of the net assets without donor restrictions to be used for certain projects. As of June 30, 2022 and 2021, the Board designated \$920,831 and \$1,020,831, respectively, for lease payments and \$1,363,919 and \$1,979,169, respectively, for retirement contributions.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Board-designated funds consist of funds set aside to cover incremental monthly lease payments as required under the lease terms (as described in Note 8) and retirement contributions. These amounts could be made available for general operating purposes by Board approval if necessary.

With donor restrictions – Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of EDSYS pursuant to those stipulations.

Basis of Accounting

The accrual basis of accounting is followed by EDSYS as applicable to not-for-profit organizations. Accordingly, revenues and support are recognized when earned and expenses are recognized when the liabilities are incurred.

Functional Allocation of Expenses

The allocation of functional expenses approximates program usage. Specific identification with a particular function is the major basis for allocation. Immaterial amounts of fundraising expenses are included in management and general expense.

Income Taxes

EDSYS is recognized by the Internal Revenue Service as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, EDSYS qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(ii) and has been classified as an organization other than a private foundation. Further, EDSYS annually files a Form 990.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term highly liquid investments with maturities from the date of purchase of six months or less.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Liquidity and Availability

EDSYS manages its liquid resources by focusing on timely billing and collection of tuition, as well as various fundraising efforts, to ensure the entity has adequate funds to cover the educational services and programs that are being conducted. EDSYS prepares very detailed budgets and has been very active in fiscal management to ensure the entity remains liquid.

As part of the liquidity management plan, EDSYS invests its cash in excess of daily requirements in short-term investments and certificates of deposit. EDSYS manages its cash, short-term investments, and certificates of deposit to ensure that sufficient cash is available to cover operating expenditures and liabilities as they come due.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

	<u>2022</u>	<u>2021</u>
Financial assets, at year-end	\$ 7,756,812	\$ 5,809,782
Less: those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions	(8,300)	(25,000)
Board-designated - lease payments	(920,831)	(1,020,831)
Board-designated - retirement contributions	<u>(1,363,919)</u>	<u>(1,979,169)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,463,762</u>	<u>\$ 2,784,782</u>

Revenue and Contribution Recognition

Tuition revenue represents the tuition paid by various Western Pennsylvania School Districts for the students enrolled in EDSYS who reside within that particular school district. This revenue is earned and recognized during the applicable school year as the performance obligation of delivering education services is simultaneously received and consumed by the students. EDSYS has elected not to establish an allowance for doubtful accounts as the entire balance is deemed collectible either through collection from school districts or submitting bills to the Commonwealth of Pennsylvania for school districts that choose not to pay. The Commonwealth of Pennsylvania will withhold state aid payments from the

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

school districts in order to pay EDSYS. Accounts receivable related to tuition revenue was as follows as of June 30:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tuition receivable	<u>\$ 1,123,216</u>	<u>\$ 616,969</u>	<u>\$ 803,521</u>

Contributions, including unconditional promises to give, are recognized when received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give as of June 30, 2022 or 2021. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

A portion of EDSYS revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when EDSYS has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. EDYSY had refundable advances of \$73,781 and \$0 as of June 30, 2022 or 2021.

Consequently, at June 30, 2022, contributions approximating \$3,480,000 have not been recognized in the accompanying statement of activities because the conditions on which they depend has not yet been met. The conditional contributions will be recognized in future years when expenses meeting the grants purpose are incurred.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment of \$5,000 or more are capitalized. Depreciation is computed over the estimated useful lives of four to ten years of the assets using the straight-line method. Depreciation

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

expense was \$239,372 for the year ended June 30, 2022 and \$246,328 for the year ended June 30, 2021.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

Unused sick or vacation days do not carry over each year and are not reimbursed if they are unused. However, EDSYS provides a perfect attendance bonus incentive of \$2,000. This bonus is reduced by \$200 for each absence up to ten days. At June 30, 2022 and 2021, the amount accrued for attendance incentives was \$140,600 and \$ 133,900, respectively, and is included in other current liabilities in the statements of financial position.

Pending Accounting Standards Update

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of this update on the financial statements.

ASU 2016-02, "*Leases (Topic 842)*," is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

3. Cash and Cash Equivalents

At June 30, 2022, the carrying amount of EDSYS's deposits (cash and money market instruments) was \$6,203,215 (including \$10,276 of cash restricted for the student activities fund) and the related bank balances totaled \$6,371,926. All of the bank balance was covered by federal depository insurance.

At June 30, 2021, the carrying amount of EDSYS's deposits (cash and money market instruments) was \$5,137,707 (including \$8,102 of cash restricted for the student activities fund) and the related bank balances totaled \$5,303,194. All of the bank balance was covered by federal depository insurance.

4. Grants and Other Accounts Receivable

Grants and other accounts receivable consist of the following at June 30:

	2022	2021
	<u> </u>	<u> </u>
PA Coalition of Public Charter Schools	\$ 153,171	\$ -
Pittsburgh Public Schools - IDEA	156,669	-
Pennsylvania Department of Education	85,157	6,313
Partner4Work	11,701	20,538
School Districts - Transportation	8,110	9,624
Other	16,117	15,245
	<u>\$ 430,925</u>	<u>\$ 51,720</u>

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

5. Property and Equipment

Property and equipment at June 30, 2022 consist of the following:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Depreciable assets:				
Leasehold improvements	\$ 713,251	\$ -	\$ -	\$ 713,251
Furniture and fixtures	1,078,010	-	-	1,078,010
Office equipment	2,101	-	-	2,101
Kitchen equipment	221,996	-	-	221,996
Computer equipment	898,692	17,332	(100,721)	815,303
Total depreciable assets	<u>2,914,050</u>	<u>17,332</u>	<u>(100,721)</u>	<u>2,830,661</u>
Less: accumulated depreciation	<u>(2,324,206)</u>	<u>(239,372)</u>	<u>100,721</u>	<u>(2,462,857)</u>
Net property and equipment	<u>\$ 589,844</u>	<u>\$ (222,040)</u>	<u>\$ -</u>	<u>\$ 367,804</u>

Property and equipment at June 30, 2021 consist of the following:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021
Depreciable assets:				
Leasehold improvements	\$ 713,251	\$ -	\$ -	\$ 713,251
Furniture and fixtures	1,078,010	-	-	1,078,010
Office equipment	2,101	-	-	2,101
Kitchen equipment	221,996	-	-	221,996
Computer equipment	769,748	262,341	(133,397)	898,692
Total depreciable assets	<u>2,785,106</u>	<u>262,341</u>	<u>(133,397)</u>	<u>2,914,050</u>
Less: accumulated depreciation	<u>(2,211,275)</u>	<u>(246,328)</u>	<u>133,397</u>	<u>(2,324,206)</u>
Net property and equipment	<u>\$ 573,831</u>	<u>\$ 16,013</u>	<u>\$ -</u>	<u>\$ 589,844</u>

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

6. Economic Dependency

The operation of EDSYS is dependent upon the demographics and financial viability of the participating school districts and continuing provisions under Pennsylvania School Law governing charter schools. In addition, approximately 76% of students enrolled are from the City of Pittsburgh and, therefore, are economically dependent on tuition from Pittsburgh Public Schools.

Significant changes in EDSYS operations as a result of these factors are not anticipated as of the Independent Auditor's Report date.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Post high school education scholarships	\$ -	\$ 15,000
Teacher training and symposium	<u>8,300</u>	<u>10,000</u>
	<u>\$ 8,300</u>	<u>\$ 25,000</u>

Net assets were released from donor restrictions during the years ended June 30, 2022 and 2021 in the amount of \$16,700 and \$35,500, respectively, by incurring expenses satisfying the restricted purposes.

8. Operating Lease

On August 31, 2011, EDSYS entered into a new operating lease to rent a facility to operate the charter school. The initial term of the lease is for ten years and eight months commencing in January 2012 and ending in August 2022. On July 7, 2017, the lease was amended extending the lease through August 2027. Rent is to be paid monthly in the amount of \$116,667.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Future minimum rental payments due under the term of the lease are as follows:

Years Ending June 30,	Total
2023	\$ 1,462,500
2024	1,475,000
2025	1,483,333
2026	1,500,000
2027	1,500,000
Thereafter	250,000
	<u>\$ 7,670,833</u>

Lease expense for fiscal years 2022 and 2021 was \$1,407,200 and \$ 1,441,946, respectively.

9. Retirement Benefits

Plan Description

Public School Employees' Retirement System (PSERS) administers a governmental cost-sharing, multi-employer defined benefit pension plan (Pension Plan) and a governmental cost-sharing, multi-employer defined benefit Health Insurance Premium Assistance Program OPEB plan (Premium Assistance), to public school employees of the Commonwealth of Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Employees eligible for PSERS benefits include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania.

Retirees can participate in the Premium Assistance if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the PSERS Health Options Program or an employer-sponsored health insurance program.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Benefits Provided – Pension Plan

Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011 through June 30, 2019. Act 120 created two new membership classes: Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Act 5 of 2017 (Act 5) eliminated the stand-alone defined benefit plan, introduced a hybrid benefit, and introduced a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits Provided – Premium Assistance

Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible annuitants are entitled to receive Premium Assistance payments equal to the lesser of \$100 per month or their eligible out-of-pocket monthly health insurance premium. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

Member Contributions

The following illustrates the member's contribution as a percent of the member's qualifying compensation:

- Active members who joined PSERS prior to July 22, 1983:
 - Membership Class T-C 5.25%
 - Membership Class T-D 6.50%
- Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001:
 - Membership Class T-C 6.25%
 - Membership Class T-D 7.50%
- Members who joined PSERS after June 30, 2001, and before July 1, 2011:
 - Membership Class T-D 7.50%
- Members who joined PSERS after June 30, 2011 and before June 30, 2019:
 - Membership Class T-E* 7.50%
 - Membership Class T-F** 10.30%

* Shared risk program could cause future contribution rates to fluctuate between 7.50% and 9.50%.

** Shared risk program could cause future contribution rates to fluctuate between 10.30% and 12.30%.

The PSERS plan through EDSYS is closed to new employees not previously enrolled that are hired as of July 1, 2017.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Employer Contributions

EDSYS's contractually required PSERS contribution rate for the fiscal year ended June 30, 2022 was 34.94% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. This rate is composed of a 33.99% rate for the Pension Plan, a 0.80% rate for the Premium Assistance, and a 0.15% rate for Act 5 Defined Contribution.

The combined rate for the fiscal year ended June 30, 2022 was an increase from the fiscal year ended June 30, 2021 combined rate of 34.51%. The combined contribution rate will increase to 35.26% in fiscal year 2022 and is projected to grow to 37.3% by fiscal year 2030.

For fiscal year 2022, EDSYS contributions (including Premium Assistance) approximated \$1,230,500, which were equal to its required contributions including estimates for accruals for that year. These contributions represent less than 5% of the total contributions made to the plan.

As of the June 30, 2021 actuarial valuation, the PSERS pension plan has a system fiduciary net position of \$72 billion, total pension liability of approximately \$113 billion, and a funded ratio of 63.67%. Of the net pension liability of \$41 million, EDSYS's portion of the net pension liability was \$10.3 million as of June 30, 2021.

As of the June 30, 2021 actuarial valuation, the PSERS Premium Assistance plan has a system fiduciary net position of approximately \$133 million, total OPEB liability of approximately \$2.50 billion, and a funded ratio of 5.30%. Of the net OPEB liability of \$2.40 billion, EDSYS's portion of the net OPEB liability was \$592,000 as of June 30, 2021.

401(k) Plan

EDSYS offers a 401(k) plan to employees as an alternative to PSERS. All employees hired after July 1, 2017 will only be eligible to enroll in the 401(k) plan. All employees become eligible to participate as of the individual's hire date. They will be 20% vested after two years of service, 40% after three years, 60% after four years, 80% after five years, and 100% vested after six years of employment. EDSYS makes matching contributions of up to 7% of eligible compensation and a non-elective contribution of 5%. Contributions to the plan for the years ended June 30, 2022 and 2021 were \$198,917 and \$148,196, respectively.

EDSYS, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

10. Pennsylvania Coalition of Public Charter Schools Grant

On September 30, 2020, the Pennsylvania Coalition of Public Charter Schools (PCPCS) was awarded an Expanding Opportunities Through Quality Charter Schools Programs Grant from the US Department of Education. The PCPCS, through a competitive application process, chose EDSYS as one of three brick-and-mortar public charter schools to receive funds as subgrantees. EDSYS will receive approximately \$934,000 from the PCPCS grant over a three-year period beginning in October 2021.

The funds are to be used to help expand public charter school options in Pennsylvania.

For the year ended June 30, 2022, EDSYS recognized approximately \$378,000 of revenue for this grant.

SUPPLEMENTARY INFORMATION

EDSYS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Grantor Number or Pass-Through Grantor Number	Grant Period	Program/Award Amount	Federal Expenditures	Amount Passed Through to Subrecipients
U.S. Department of Education						
Passed Through the Pennsylvania Department of Education:						
Title I Grants to Local Educational Agencies - Basic	84.010	013-211036	9/4/20-9/30/21	261,764	\$ 60,351	\$ -
Title I Grants to Local Educational Agencies - Basic	84.010	013-221036	8/31/21-9/30/22	264,651	248,702	-
Subtotal 84.010					309,053	-
Supporting Effective Instruction State Grants	84.367	020-211036	8/31/20-9/30/22	26,140	856	-
Supporting Effective Instruction State Grants	84.367	020-221036	8/31/21-9/30/22	26,792	26,792	-
Subtotal 84.367					27,648	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-221036	8/31/21-9/30/22	19,685	19,685	-
COVID-19 Education Stabilization Fund - ESSER Fund Local I	84.425D	200-201036	3/13/20-9/30/22	217,488	89,680	-
COVID-19 Education Stabilization Fund - ESSER Fund Local II	84.425D	200-211036	3/13/20-9/30/22	966,613	343,326	-
COVID-19 Education Stabilization Fund - ARP ESSER	84.425U	223-211036	3/13/20-9/30/24	1,955,179	32,865	-
Subtotal 84.425					465,871	-
COVID-19 Special Grants to States - SECIM	84.027	252-201036	3/13/20-9/30/22	5,000	3,421	-
Passed Through Pittsburgh Public Schools:						
Special Grants to States - IDEA, Part B	84.027	n/a	7/1/21-6/30/22	156,669	156,669	-
Total Special Education Cluster					160,090	-
Passed Through Allegheny Intermediate Unit:						
Title III - English Language Acquisition State Grants	84.365	n/a	7/1/21-6/30/22	734	734	-
Total U.S. Department of Education					983,081	-
U.S. Department of Agriculture						
Passed Through Pennsylvania Department of Education:						
School Breakfast Program	10.553	n/a	7/1/21-6/30/22	n/a	16,472	-
Subtotal 10.553					16,472	-
National School Lunch Program	10.555	n/a	7/1/21-6/30/22	n/a	15,742	-
National School Lunch Program	10.555	n/a	7/1/21-6/30/22	n/a	23,502	-
National School Lunch Program	10.555	n/a	7/1/21-6/30/22	n/a	205,102	-
Subtotal 10.555					244,346	-
Total Child Nutrition Cluster					260,818	-
P-EBT Administrative Costs Grants	10.649	n/a	7/1/21-6/30/22	n/a	614	-
Total U.S. Department of Agriculture					261,432	-
Total Expenditures of Federal Awards					\$ 1,244,513	\$ -

See accompanying notes to schedule of expenditures of federal awards.

EDSYS, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of EDSYS, Inc. (EDSYS) under programs of the federal government for the year ended June 30, 2022. 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 of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of EDSYS, it is not intended to and does not present the financial position, changes in net assets, or cash flows of EDSYS.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The expenditures are recognized following the cost principles of the Uniform Guidance. The Schedule is based on information provided by the various funding sources of EDSYS and other information available at the time this Schedule was prepared. For the year ended June 30, 2022, EDSYS did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

EDSYS, Inc.
d/b/a City Charter High School

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended June 30, 2022

Independent Auditor’s 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*

Board of Directors
EDSYS, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of EDSYS, Inc. (EDSYS), which comprise the statement of financial position as of June 30, 2022 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 **DATE XX, 20XX**.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered EDSYS’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 EDSYS’s internal control. Accordingly, we do not express an opinion on the effectiveness of EDSYS’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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether EDSYS’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

Board of Directors
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Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
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material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of EDYSY's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EDSYS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pittsburgh, Pennsylvania

DATE XX, 20XX

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

**Board of Directors
EDSYS Inc.**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited EDSYS, Inc. (EDSYS)'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of EDSYS's major federal programs for the year ended June 30, 2022. EDSYS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, EDSYS 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, 2022.

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of EDSYS 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 EDSYS's compliance with the compliance requirements referred to above.

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 EDSYS's federal programs.

EDSYS, Inc.
Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance

Auditor's 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 EDSYS'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, intentional 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 EDSYS'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 EDSYS'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 EDSYS'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 EDSYS'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.

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

EDSYS, Inc.

Independent Auditor's Report on Compliance for Each Major
Program and on Internal Control over Compliance

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 Auditor's 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 were not 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.

Pittsburgh, Pennsylvania

DATE XX, 2022

EDSYS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles

2. Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported

3. Noncompliance material to financial statements noted? yes no

4. Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes no

7. Major Programs:

<u>ALN(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425 D	COVID-19 Education Stabilization Fund
84.425 U	COVID-19 Education Stabilization Fund
84.027	Special Education – Grants to States (IDEA, Part B)

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

9. Auditee qualified as low-risk auditee? yes no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

EDSYS, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

NO SINGLE AUDIT IN THE PRIOR YEAR

**Board of Directors
EDSYS, Inc.**

We have audited the financial statements of EDSYS' as of and for the year ended June 30, 2022, and the related notes to the financial statements. We reported on EDSYS' internal controls and their operation to the management of EDSYS in the Independent Auditor's Report on Internal Control over Financial reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated MONTH XX, 2022 and in the Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by Uniform Guidance dated MONTH XX, 2022. However, during our audit, we noted certain other matters involving internal controls and other operational matters that are presented for your consideration. This letter does not affect our report dated MONTH XX, 2022 on EDSYS' financial statements. Our comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

Bidding Procedures

During our testing of disbursements, we reviewed the disbursement made to Dell Marketing related to the purchase of 15 laptops for administrative employees which totaled approximately \$25,400. We noted that no bids or quotes were obtained prior to the purchase from Dell Marketing. However, the policies of EDSYS require three written bids to be obtained for items that exceed \$20,100. We recommend that procedures be reviewed the ensure that policies are followed.

Tuition Receivable

During our review of tuition receivables, we noted that uncollected tuition balances continue to increase from year to year. EDSYS has determined that these receivables are fully collectible as they are due from School District's and can be collected either through submitting for reimbursement to the Pennsylvania Department of Education or billing the School District's individually. As the tuition receivable balance continues to grow, we recommend that management review the policies for delinquent accounts and consider establishing a tuition receivable allowance.

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This communication is intended solely for the information and use of the Board of Directors, management, and others within EDSYS, and is not intended to be, and should not be, used by anyone other than these specified parties.

Pittsburgh, Pennsylvania
MONTH XX, 2022