

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

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## Independent Auditors' Report

To the Board of Directors  
Patterson Park Public Charter School Inc.  
Baltimore, Maryland

### **Opinion**

We have audited the accompanying consolidated financial statements of Patterson Park Public Charter School Inc. (a nonprofit organization) and affiliate, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Patterson Park Public Charter School Inc. as of June 30, 2021 and 2020, 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. 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 Patterson Park Public Charter School Inc. and affiliate 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 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 Patterson Park Public Charter School Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (Continued)

**Auditor's Responsibilities for the Audit of the 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 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 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, 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 Patterson Park Public Charter School Inc. and affiliate '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 Patterson Park Public Charter School Inc. and affiliate '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.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of consolidating statement of financial position, schedule of consolidating statement of activities and changes in net assets, and schedule of consolidating cash flows shown on pages 20 - 22 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Weylich, Cronin & Sorsa, LLC*

Hunt Valley, Maryland  
February 28, 2022

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Consolidated Statements of Financial Position  
June 30, 2021 and 2020

ASSETS

	2021	2020
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 2,526,095	\$ 1,823,023
Contributions receivable	140,412	69,014
Grants receivable	231,811	72,982
Prepaid expenses	20,702	50,519
Total Current Assets	2,919,020	2,015,538
<b>NET PROPERTY AND EQUIPMENT - AT COST</b>	<b>8,594,072</b>	<b>8,721,926</b>
<b>OTHER ASSETS:</b>		
Investments	950,467	1,014,074
<b>TOTAL ASSETS</b>	<b>\$ 12,463,559</b>	<b>\$ 11,751,538</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 268,076	\$ 232,959
Short-term portion - capital lease obligation	32,534	29,778
Total Current Liabilities	300,610	262,737
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt - bond payable, net	11,493,490	11,484,736
Refundable advance	- 0 -	255,400
Capital lease obligation	2,888	27,646
	11,496,378	11,767,782
<b>NET ASSETS:</b>		
Without donor restrictions	393,962	(532,495)
With donor restrictions	272,609	253,514
Total Net Assets	666,571	(278,981)
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,463,559</b>	<b>\$ 11,751,538</b>

See accompanying notes to financial statements

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Consolidated Statements of Activities and Changes in Net Assets  
For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Baltimore City Public Schools:						
Grants	\$ 2,789,881	\$ - 0 -	\$ 2,789,881	\$ 2,773,086	\$ - 0 -	\$ 2,773,086
In-kind support	6,836,493	- 0 -	6,836,493	6,143,058	- 0 -	6,143,058
	<u>9,626,374</u>	<u>- 0 -</u>	<u>9,626,374</u>	<u>8,916,144</u>	<u>- 0 -</u>	<u>8,916,144</u>
Public Support:						
Contributions and grants	484,483	534,765	1,019,248	331,815	231,946	563,761
Government Support:						
Grants and other revenue	114,091	- 0 -	114,091	65,762	- 0 -	65,762
Other Revenue:						
Student program fees	60	- 0 -	60	22,288	- 0 -	22,288
Other revenue	267,657	- 0 -	267,657	10,245	- 0 -	10,245
	<u>267,717</u>	<u>- 0 -</u>	<u>267,717</u>	<u>32,533</u>	<u>- 0 -</u>	<u>32,533</u>
Net Assets Released From Restrictions	515,670	(515,670)	- 0 -	182,492	(182,492)	- 0 -
Total Support and Revenue	<u>11,008,335</u>	<u>19,095</u>	<u>11,027,430</u>	<u>9,528,746</u>	<u>49,454</u>	<u>9,578,200</u>
<b>EXPENSES:</b>						
Program services	8,584,018	- 0 -	8,584,018	7,766,501	- 0 -	7,766,501
Management and general	1,586,423	- 0 -	1,586,423	1,554,170	- 0 -	1,554,170
Fundraising expenses	61,030	- 0 -	61,030	66,443	- 0 -	66,443
	<u>10,231,471</u>	<u>- 0 -</u>	<u>10,231,471</u>	<u>9,387,114</u>	<u>- 0 -</u>	<u>9,387,114</u>
<b>OTHER INCOME (EXPENSES)</b>						
Write-off of bond issuance costs	- 0 -	- 0 -	- 0 -	(797,091)	- 0 -	(797,091)
Investment return, net	149,593	- 0 -	149,593	63,961	- 0 -	63,961
Total Expenses	<u>10,081,878</u>	<u>- 0 -</u>	<u>10,081,878</u>	<u>10,120,244</u>	<u>- 0 -</u>	<u>10,120,244</u>
CHANGE IN NET ASSETS	926,457	19,095	945,552	(591,498)	49,454	(542,044)
NET ASSETS AT BEGINNING OF YEAR	<u>(532,495)</u>	<u>253,514</u>	<u>(278,981)</u>	<u>59,003</u>	<u>204,060</u>	<u>263,063</u>
NET ASSETS AT END OF YEAR	<u>\$ 393,962</u>	<u>\$ 272,609</u>	<u>\$ 666,571</u>	<u>\$ (532,495)</u>	<u>\$ 253,514</u>	<u>\$ (278,981)</u>

See accompanying notes to financial statements

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Statement of Functional Expenses  
For the Year Ended June 30, 2021

	Program Services			Supporting Services			Total
	Academic	Non-Academic	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 7,209,499	\$ 216,240	\$ 7,425,739	\$ 419,601	\$ 57,457	\$ 477,058	\$ 7,902,797
Payroll taxes	86,419	9,189	95,608	54,338	- 0 -	54,338	149,946
Fringe benefits	- 0 -	21,722	21,722	109,346	- 0 -	109,346	131,068
<b>Total Salaries and Benefits</b>	<b>7,295,918</b>	<b>247,151</b>	<b>7,543,069</b>	<b>583,285</b>	<b>57,457</b>	<b>640,742</b>	<b>8,183,811</b>
Professional development	8,229	114	8,343	7,287	- 0 -	7,287	15,630
Materials and supplies	224,473	20,104	244,577	32,354	20	32,374	276,951
Special events	- 0 -	- 0 -	- 0 -	37	3,553	3,590	3,590
Facilities	- 0 -	1,978	1,978	133,722	- 0 -	133,722	135,700
Outside services	53,600	18,627	72,227	191,653	- 0 -	191,653	263,880
Technology and communication	130,131	56,420	186,551	125,659	- 0 -	125,659	312,210
Other expenses	5,848	28,395	34,243	114,762	- 0 -	114,762	149,005
<b>Total Expenses Before Depreciation and Interest</b>	<b>7,718,199</b>	<b>372,789</b>	<b>8,090,988</b>	<b>1,188,759</b>	<b>61,030</b>	<b>1,249,789</b>	<b>9,340,777</b>
Bond interest	8,575	- 0 -	8,575	381,486	- 0 -	381,486	390,061
Copier interest	- 0 -	- 0 -	- 0 -	6,089	- 0 -	6,089	6,089
Depreciation	484,455	- 0 -	484,455	10,089	- 0 -	10,089	494,544
<b>Total Expenses</b>	<b>\$ 8,211,229</b>	<b>\$ 372,789</b>	<b>\$ 8,584,018</b>	<b>\$ 1,586,423</b>	<b>\$ 61,030</b>	<b>\$ 1,647,453</b>	<b>\$ 10,231,471</b>

See accompanying notes to financial statements

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Statement of Functional Expenses  
For the Year Ended June 30, 2020

	Program Services			Supporting Services			Total
	Academic	Non-Academic	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 6,738,513	\$ 221,320	\$ 6,959,833	\$ 438,843	\$ 54,192	\$ 493,035	\$ 7,452,868
Payroll taxes	35,357	7,614	42,971	54,321	- 0 -	54,321	97,292
Fringe benefits	- 0 -	17,796	17,796	96,265	- 0 -	96,265	114,061
<b>Total Salaries and Benefits</b>	<b>6,773,870</b>	<b>246,730</b>	<b>7,020,600</b>	<b>589,429</b>	<b>54,192</b>	<b>643,621</b>	<b>7,664,221</b>
Professional development	10,577	2,165	12,742	2,522	- 0 -	2,522	15,264
Materials and supplies	92,619	15,507	108,126	3,522	518	4,040	112,166
Special events	2,476	- 0 -	2,476	- 0 -	10,594	10,594	13,070
Facilities	38	847	885	146,003	- 0 -	146,003	146,888
Outside services	52,352	35,228	87,580	117,221	- 0 -	117,221	204,801
Technology and communication	2,501	- 0 -	2,501	81,759	- 0 -	81,759	84,260
Other expenses	6,163	3,153	9,316	102,097	1,139	103,236	112,552
<b>Total Expenses Before Depreciation and Interest</b>	<b>6,940,596</b>	<b>303,630</b>	<b>7,244,226</b>	<b>1,042,553</b>	<b>66,443</b>	<b>1,108,996</b>	<b>8,353,222</b>
Bond interest	15,314	- 0 -	15,314	488,773	- 0 -	488,773	504,087
Other expense	- 0 -	- 0 -	- 0 -	1,804	- 0 -	1,804	1,804
Copier interest	- 0 -	- 0 -	- 0 -	10,483	- 0 -	10,483	10,483
Depreciation	506,961	- 0 -	506,961	10,557	- 0 -	10,557	517,518
<b>Total Expenses</b>	<b>\$ 7,462,871</b>	<b>\$ 303,630</b>	<b>\$ 7,766,501</b>	<b>\$ 1,554,170</b>	<b>\$ 66,443</b>	<b>\$ 1,620,613</b>	<b>\$ 9,387,114</b>

See accompanying notes to financial statements



**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Consolidated Statements of Cash Flows  
For the Years Ended June 30, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 945,552	\$ (542,044)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	494,544	517,518
Amortization included in bond interest expense	8,754	15,634
Write-off of bond issuance costs	- 0 -	797,091
Unrealized gains on investments	(97,388)	(54,355)
Realized gains (losses) on investments	(39,520)	1,575
Non-cash contributed marketable securities	- 0 -	(102,348)
Proceeds from the sale of marketable securities	- 0 -	102,348
Income from loan forgiveness	(255,400)	- 0 -
(Increase) decrease in assets:		
Contributions receivable	(71,398)	49,935
Grants receivable	(158,829)	(64,236)
Prepaid expenses	29,817	(33,966)
Increase (decrease) in liabilities:		
Accounts payable and accrued expense	35,117	133,289
Accrued bond interest	- 0 -	(375,445)
Net Cash Provided by Operating Activities	891,249	444,996
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(120,667)	(283,725)
Proceeds from sales of investments	321,182	271,055
Additions to construction in progress	(85,127)	- 0 -
Purchases of property additions	(281,563)	(147,162)
Net Cash Used in Investing Activities	(166,175)	(159,832)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Government funds received	- 0 -	255,400
Release of renewal and replacement fund	- 0 -	207,782
Bond refinance payment from reserve funds	- 0 -	(1,128,093)
Release of investments held by trustee	- 0 -	1,750,421
Principal payments on long-term debt	- 0 -	(190,000)
Principal payments on capital lease obligation	(22,002)	(28,533)
Net Cash Provided by (Used in) Financing Activities	(22,002)	866,977
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	703,072	1,152,141
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	1,823,023	670,882
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 2,526,095	\$ 1,823,023
<b>SUPPLEMENTAL DISCLOSURE OF OPERATING ACTIVITIES</b>		
Cash paid during the year for interest	\$ 396,150	\$ 514,570
<b>SUPPLEMENTAL DISCLOSURES OF NON-CASH FINANCING ACTIVITIES</b>		
Payment of long-term debt through bond refinance	\$ - 0 -	\$ 11,716,000
Acquisition of bond issuance costs through bond refinance	\$ - 0 -	\$ 236,731
Forgiveness of debt obligation - PPP Loan	\$ 255,400	\$ - 0 -

See accompanying notes to financial statements

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies

Nature of Organization - Patterson Park Public Charter School Inc. (the School) is the operator of a Baltimore City public charter school. It was founded by residents of the neighborhoods around Patterson Park as a way to continue the revitalization of their neighborhoods and provide a school where neighborhood residents would send their children rather than move when their children reach school age. The School was incorporated by those residents and obtained non-profit organizational status on March 10, 2005 under Section 501(c)(3) of the Internal Revenue Code. The School signed its original charter with the city of Baltimore in July 2005. The charter was renewed for five years, expiring June 30, 2023.

The mission of the School is "to be a place where students thrive as members of a vibrant and inclusive learning community supported by families, caregivers, staff, and neighbors engaged in a practice of whole-child education. By teaching and learning from one another, we embrace unique identities and cultivate an atmosphere of love."

The School unites students, parents, educators, and the Patterson Park neighborhood through an educational environment that rewards creativity and builds community ties. Strong academic standards and community/arts-related partnerships encourage the School's students to become independent and responsible thinkers. The School has a diverse student population and incorporates the many attendant cultures into its curriculum and daily life.

The School is a member of a non-profit organization entitled "Maryland Alliance of Public Charter Schools" (the Coalition). The Coalition has been active in working with Baltimore City Public Schools regarding the charter funding formula.

The School opened in 2005 with 300 students in grades K-4. Since then, the School's enrollment has grown to 742 students in grades prek-8 (697 in K-8) for the 2020/2021 school year.

When the School opened, it housed the entire School in a single building, the original St. Elizabeth's School building which was purchased from the Archdiocese of Baltimore. Also purchased was a second building, the original St. Elizabeth church building constructed in 1895. In 2008, the School renovated the second building to include a cafeteria, gymnasium, library, technology lab and offices. In 2010, the School closed on a bond issue (see Note 8) that allowed it to: (i) refinance loans to acquire and renovate existing buildings; and (ii) construct a new 10,000 square foot building in 2011, containing six middle school classrooms and new art and science lab facilities, which completed the physical campus.

The Patterson Park Public Charter School Fund, Inc. (the Fund) was created as a result of the issuance of the bonds and is designated to support the School's fundraising activities.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of Patterson Park Public Charter School, Inc. and Patterson Park Public Charter School Fund, Inc. Together, they are known as the School. Intra-entity transactions and balances have been eliminated in consolidation.

Basis of Accounting - The consolidated financial statements of the School have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities. As such, revenue is recognized when earned and expenses when incurred.

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Financial Statement Presentation - The School is required to report information regarding its financial position and activities according to two classes of net assets: (a) without donor restriction and (b) with donor restriction.

Net assets without donor restrictions represents the portion of net assets that is not subject to donor-imposed restrictions. Such net assets are available for use at the discretion of management and/or the Board of Directors for general operating purposes. The Board of Directors may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions represents the portion of net assets that is subject to donor-imposed restrictions. Such restrictions may specify a purpose for which, or time in which, resources can be used. Some net assets with donor restrictions include stipulations that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

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 certain reported amounts of assets, liabilities and disclosures at the date of the financial statements and certain reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the consolidated statements of cash flows, the School considers cash equivalents to include all highly liquid debt instruments with original maturities of three (3) months or less.

Contributions Receivable - Contributions receivable consist of unpaid grants, contributions and other amounts due. They are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are believed to be uncollectible by the time the consolidated financial statements are issued. Accounting principles generally accepted in the United States of America (GAAP) requires the allowance method for accounting for bad debts, however the differences between the two methods are deemed to be immaterial.

Grants Receivable - Grants receivable consists of funds owed to the School from Baltimore City Public Schools (BCPS) as determined by the true-up process required under the charter school agreement. This receivable is deducted from the quarterly payments received from BCPS.

Investments - Investments consist of certificate of deposits, fixed income, and exchange traded products with readily determinable fair values and are carried at those values based on quoted prices in active markets (Level 1) in the consolidated statements of financial position. Realized and unrealized gains or losses on investments are recorded in the period in which the gains or losses occur are included in the consolidated statements of activities as changes in net assets without donor restriction, unless their use is restricted by explicit donor-imposed stipulations or by law. Investment income and gains restricted by a donor are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment - Property and equipment are carried at stated at cost, if purchased, or at fair market value at the date of the gift, if donated. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired assets are placed in service. The School reclassified net assets without donor restrictions at that time.

The School capitalizes expenditures for property and equipment components costing more than \$2,500 (individually or in the aggregate for similar items) and having a useful life of one or more years. Renewals and betterments that materially prolong the useful lives of assets are capitalized. The School uses the direct expensing method to account for planned major maintenance activities. The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. The following represents the estimated useful lives:

<u>Category</u>	<u>Years</u>
School buildings	30
Furniture, computers and other equipment	3-7

Donated Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The School reclassifies net assets with donor restrictions to without donor at that time.

Refundable Advances - Refundable advances consist of proceeds received under the Small Business Administration's Paycheck Protection Program. The Academy records these proceeds as a conditional contribution under FASB ASC 958-605 and will recognize the contribution as income when the application for forgiveness has been filed.

Support and Revenue - Grants, contracts, and contributions received are record as revenue with or without donor restrictions depending on the existence and nature of any such restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions and interest income are recorded as revenues without restriction if the restrictions on the use of these funds are satisfied in the same fiscal year in which the contribution is received. Revenue under grants, contracts, and contributions is recognized when unconditional promises to give are made by donors or when conditions are substantially met.

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies (continued)

When grants or other fees are exchange transactions, wherein the School has to perform services in order to earn the income, revenue is recognized when the services are performed. Accordingly deferred revenue is recorded on these types of grants when funds are received but revenue has not been earned.

The School benefits from several different revenue streams. The disaggregation of revenue for the years ended June 30, 2021 and 2020 is included in the chart below:

Revenue Type	Timing of Revenue Recognition	2021	2020
Student program fees and other revenue	Period earned	\$ 267,717	\$ 32,533
Grants	Over school year	2,789,881	2,773,086
In-kind support	Over school year	6,836,493	6,143,058
Contributions and grants	Upon receipt	1,019,248	563,761
Grants and other revenue	Upon receipt	114,091	65,762
Investment return, net	Period earned	149,593	63,961
		<u>\$ 11,177,023</u>	<u>\$ 9,642,161</u>

Donated Services - Donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts related to donated services have been recognized in the statements of activities and changes in net assets as contributions because the criteria for recognition have not been met.

In-Kind Support – The School uses teaching staff provided by the Baltimore City Public School System. The estimated fair market value of the salaries and benefits are reflected in the accompanying financial statements as in-kind support and offset by like amounts included in expenses. Additionally, the School uses donated computers and supplies provided by the Baltimore City Public School System. The computers and supplies recorded at cost, are reflected in the accompanying consolidated financial statements as in-kind support and offset by like amounts included in expenses.

Impairment of Long-Lived Assets - The School reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the years ended June 30, 2021 and 2020.

Functional Allocation of Expenses - Expenses are presented by both functional and natural classification in the statement of functional expenses. Expenses that are directly identifiable with a particular function are charged to the program or supporting service benefited. Other expenses may benefit more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

Income Taxes - Patterson Park Public Charter School Inc., a nonprofit organization operating under section 501(c)(3) of the Internal Revenue Code, is generally exempt from federal, state, and local income taxes. Accordingly, no provision for income taxes is included in the consolidated financial statements. The Organization is not a private foundation. The School is no longer subject to U.S. federal or state income tax examinations by tax authorities for years ending before June 30, 2018.

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Debt Issuance Cost - The School records all costs incurred in the process of acquiring debt as a discount against the debt. The costs are then amortized over the term of the debt.

Reclassifications - Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the current period presentation.

2. Grants and Contributions Receivable

Grants and accounts receivable represent amounts due from governmental agencies, foundations, and other organizations under grant agreements and are deemed fully collectible by management. Collection of all grants and contributions receivable is expected within one year. Grants and accounts receivable are as follows at June 30, 2021 and 2020:

	2021	2020
Contributions receivable	\$ 140,412	\$ 69,014
Grants receivable	231,811	72,982
	\$ 372,223	\$ 141,996

3. Net Assets with Donor Restrictions

Net assets with donor restrictions June 30, 2021 and 2020 are available for the following purposes:

	2021	2020
Purpose restrictions, available for spending:		
Clay Hill Public Charter School	\$ 165,536	\$ 100,000
Summer camp	48,862	51,854
Other program restrictions	58,211	101,660
	\$ 272,609	\$ 253,514

Net assets with donor restrictions were released during the years ended June 30, 2021 and 2020 as follows:

	2021	2020
Purpose restrictions:		
Clay Hill Public Charter School	\$ 169,464	\$ - 0 -
Summer camp	75,118	59,917
Other program restrictions	271,088	122,575
	\$ 515,670	\$ 182,492

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
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Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

4. Revenue Concentration

For each year ended June 30, 2021 and 2020, the School received approximately 87% and 93%, respectively, of its revenue from Baltimore City Public Schools (BCPS).

Under the current Charter School Agreement, the School's charter expires on June 30, 2023 and management must apply for an extension at least one hundred twenty (120) days prior to the end of the term.

A significant reduction in this level of support, if this were to occur, may have an effect on the School's programs and activities.

5. Investments and Fair Value of Investments

Fair values consisted of the following at June 30, 2021 and 2020, respectively:

		2021 Fair Value Measurements Measurements at the End of the Reporting Period Using:	
	Cost	Fair Value at Quoted Prices for Active Markets for Identical Assets (Level 1)	Unrealized Gain
Certificates of deposit	\$ 396,000	\$ 409,450	\$ 13,450
Exchange-traded products	329,500	541,017	211,517
	\$ 725,500	\$ 950,467	\$ 224,967
	Cost	Fair Value at Quoted Prices for Active Markets for Identical Assets (Level 1)	Unrealized Gain
Certificates of deposit	\$ 595,000	\$ 620,636	\$ 25,636
Exchange-traded products	291,495	393,438	101,943
	\$ 886,495	\$ 1,014,074	\$ 127,579

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
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Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

5. Investments and Fair Value of Investments (continued)

A summary of return on investments consists of the following for the years ended June 30, 2021 and 2020, respectively:

	2021	2020
Interest and dividends	\$ 21,011	\$ 18,171
Unrealized gains	97,388	54,355
Realized gains (losses)	39,520	(1,575)
Investment fees	(8,326)	(6,990)
	\$ 149,593	\$ 63,961

The fair value measurement accounting literature establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The School uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the School measures the fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There were no investments requiring the use of Level 2 and 3 inputs for the periods presented.

*Level 1 Fair Value Measurements*

Certificates of deposit, fixed income obligations and exchange-traded products are valued at the closing price reported on the active market on which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting period.

The School's policy is to invest in Level 1 assets and accordingly there are no significant transfers between levels in the fair value hierarchy for years ended June 30, 2021 and 2020.

6. Net Property and Equipment - At Cost

Property and equipment at June 30, consisted of the following:

	2021	2020
Land, security for bond	\$ 281,826	\$ 516,000
School buildings, security for bond	12,861,054	12,541,753
Furniture, computers and other equipment	867,298	819,909
Construction in progress	234,174	- 0 -
	14,244,352	13,877,662
Less: accumulated depreciation	5,650,280	5,155,736
	\$ 8,594,072	\$ 8,721,926



**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
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Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

6. Net Property and Equipment - At Cost (continued)

Depreciation expense was \$494,544 and \$517,518 for the years ended June 30, 2021 and 2020.

7. Construction in Progress

The School began construction on its leased property, 6400 E. Pratt Street, Baltimore City during the year ended June 30, 2021. During the year ended June 30, 2021, the School capitalized \$234,174 in construction costs. Total construction in progress reflected in the consolidated statements of financial position as of June 30, 2021 and 2020 were \$234,174 and \$-0-, respectively.

8. Long-term Debt – Bonds Payable

On March 16, 2010, the Maryland Health and Higher Education Facilities Authority (MHHEFA) issued two series of bonds – its \$13,085,000 Series 2010A (Tax-Exempt) and its \$580,000 Series 2010B Bonds (Taxable) – and loaned the proceeds of the bonds to the School to refinance the purchase of the School property, the construction of the initial building improvements, and the construction and equipment of the additional building for the School. The loan was secured by a security interest in the School's receipts and a Deed of Trust from the School. The Series 2010A Bonds were issued at a blended fixed-rate of 6.1729%. The Series 2010B Bonds were issued at a fixed rate of 6.50%.

For the years ended June 30, 2021 and 2020, interest incurred on the Bonds amounted to \$-0- and \$269,714, respectively. Interest is paid in December and July.

The cost of issue and bond discounts in the amount of \$1,105,320 were being amortized over the life of the Bonds using the effective interest rate at the time of the loan applied to the outstanding balance of the Bond. Amortization was \$-0- and \$10,527 for years ended June 30, 2021 and 2020, respectively. Remaining bond issuance and discounts of \$797,091 were written off when the bonds were refinanced and presented in the other income (expense) section of the statement of activities.

On October 23, 2019, the School refinanced the MHHEFA Series 2010 Bonds and MHHEFA issued a 2019 revenue bond which was purchased by BBVA Mortgage Corporation. The loan is secured by a security interest in the School's receipts and a Deed of Trust from the School. The 2019 bonds are issued at a fixed rate of 3.21% from the date of issuance of the Bond until October 1, 2029. After this date, interest will be calculated based on a floating rate of the applicable percentage multiplied by the sum of LIBOR plus the applicable spread. As of June 30, 2021 and 2020, gross bonds payable was \$11,716,000 and the net unamortized balance of the bond issuance costs was \$222,510 and \$231,264, respectively.

The Bond carries numerous covenants which began in June 30, 2020, include a debt service coverage of at least one point one five to one (1.15:1) and a liquidity ratio equal to a minimum of 30 days' cash on hand, which shall be tested as of the last day of each of the School's fiscal years. As of June 30, 2021 and 2020, the School was in compliance with the covenants.

For the years ended June 30, 2021 and 2020, interest incurred on the Bonds totaled \$381,307 and \$218,739, respectively and interest is paid monthly.

The cost of bond issuance in the amount of \$236,371 is being amortized over the life of the Bonds using the straight-line method. Amortization was \$8,754 and \$5,107 for the years ended June 30, 2021 and 2020, respectively.

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
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Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

8. Long-term Debt – Bonds Payable (continued)

The 2019 Bond principal payments are due as follows at June 30:

Years Ending June 30:

2022	\$	191,000
2023		334,000
2024		343,000
2025		356,000
2026		368,000
Thereafter		<u>10,124,000</u>
	<u>\$</u>	<u>11,716,000</u>

9. Capital Lease

The School leases copiers under a non-cancelable capital lease, with a term of 60 months. The lease expires June 2022. Monthly payments are \$2,917, including interest, and collateralized by the equipment.

Future minimum lease payments at June 30, 2021 are as follows:

Years ending June 30, 2022	\$	35,003
2023		<u>2,917</u>
Total minimum lease payments		37,920
Less: amount representing interest		<u>2,498</u>
Present value of net minimum lease payments	<u>\$</u>	<u>35,422</u>
Current portion of capital leases payable	\$	32,534
Long-term portion of capital leases payable		<u>2,888</u>
	<u>\$</u>	<u>35,422</u>

The following is a schedule of the carrying values of equipment acquired under this capital lease:

	<u>2021</u>	<u>2020</u>
Cost	\$ 131,565	\$ 131,565
Accumulated depreciation	<u>(105,252)</u>	<u>(78,939)</u>
Net carrying value	<u>\$ 26,313</u>	<u>\$ 52,626</u>

These balances are included in the consolidated statements of financial position in net property and equipment - at cost. Annual depreciation expense relating to this equipment totaled \$26,313 for the years ended June 30, 2021 and 2020, respectively.

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
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Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

10. Refundable Advance

In May 2020, as a result of mitigating efforts to reduce the spread of coronavirus (COVID-19), which included the closure of all non-essential businesses, a reduction in cash flow to cover operating expenses was anticipated. As a result, the School applied for and received a \$255,400 loan under the Paycheck Protection Program which was treated as a refundable advance until the School applied and received full forgiveness.

If the School has not satisfied the criteria for recognition of income, then the balance remaining for refundable advances will convert to a loan. The loan is for a term of two years and bears interest at a fixed rate of 1% per annum. Payments on this loan are deferred for a period of six months. This loan qualifies for forgiveness after 24 weeks, if all criteria for forgiveness are satisfied. As of June 30, 2021, the School had incurred \$255,400 of eligible expenses and has satisfied the criteria for recognition of the income with a corresponding reduction of the refundable advances balance. The total income of \$255,400 has been included with other revenue in the consolidated statement of activities and changes in net assets for the year ended June 30, 2021. The School received full forgiveness of this loan in May 2021.

11. Retirement Plan

The School has a 401(k) Profit Sharing Plan for individuals who are not employees of Baltimore City Public Schools, administered by a third-party organization. All eligible employees participate and are able to withhold the maximum limited by current income tax law. For employees who have attained the age of 21 the matching contribution is 100% of each participant's contribution, up to 5% of their gross salary. Retirement expense was \$18,125 and \$17,800 for the years ended June 30, 2021 and 2020, and is included in fringe benefits on the statements of functional expenses.

Employees of the Baltimore City Public Schools participate in a retirement plan sponsored by the City.

12. Liquidity and Availability of Financial Assets

The following reflects the School's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2021	2020
Financial assets at year end	\$ 3,848,785	\$ 2,979,093
Less those unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose or time restrictions	(272,609)	(253,514)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,576,176	\$ 2,725,579

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

12. Liquidity and Availability of Financial Assets (continued)

The School maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the School's liquidity management, it invests cash in excess of daily requirements into various investment securities, such as certificates of deposit and exchange-traded products.

13. Commitments and Contingencies

The School joined several other Baltimore City Charter schools in a lawsuit against Baltimore City Public School System alleging the district's funding formula for charter schools violates state law and threatens their ability to serve charter school students. The litigation is still pending as of June 30, 2021 and the case is with the judge for a decision. The final outcome of this litigation cannot be determined.

During the year ended June 30, 2018, the School joined another lawsuit with several other charter schools fighting the "mandatory fees" that BCPS charges charter schools. There was a similar court case in Frederick County, Maryland that went to the state supreme court ruling these "mandatory fees" should not be allocated to schools if they receive no benefit. The goal of the lawsuit is to get a ruling against BCPS regarding these mandatory fees based on the Frederick County, Maryland case. The litigation is still pending and the final outcome cannot be determined.

In March 2020, significant mitigation efforts began taking effect in the United States in an attempt to curtail the spread of coronavirus (COVID-19) pandemic. Such efforts have included travel restrictions, business disruptions, and event cancellations. Capital markets have seen significant volatility in the wake of the pandemic and significant economic disruptions are likely to occur. In response, the School has altered its operation and interactions with donors. Management cannot reasonably estimate the related financial impact and duration of the situation at this time. However, management believes it has sufficient cash and investment reserves to sustain operations in the event of continued disruption. Management intends to monitor the situation on an ongoing basis and to continue efforts to reduce its impact on the School's operation and financial resources.

In May 2021, the School contracted with a construction contractor for renovations and repairs with a total contract cost of \$795,937 with a final contract cost of \$821,524 after change orders. As of June 30, 2021 \$234,174 of costs were incurred and are included in construction in progress in the consolidated statements of financial position. As of June 30, 2021 the School has a remaining commitment of \$587,350.

In December 2020, the School signed an agreement with the Archdiocese of Baltimore to lease 6400 E. Pratt Street, Baltimore City for the Clay Hill Public Charter School to operate. The initial term will be for three years with rent commencing August 1, 2021 and the lease expiring on July 31, 2024. The School will have three, five-year renewal terms.

Future minimum rental commitments under this lease for the years ended June 30 are as follows:

2022	110,000
2023	65,000
2024	87,500
2025	7,500
	<u>          </u>
	<u>\$ 270,000</u>

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
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Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

14. Clay Hill Public Charter School

In November 2020, the School signed a second charter agreement with the Baltimore City Board of School Commissioners to open a new school for the 2021/2022 school year, called Clay Hill Public Charter School. The term of the charter agreement is July 1, 2021 through June 30, 2026.

15. CARES Act Funding

To provide direct economic aid to the people and businesses negatively impacted by the COVID-19, the Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), in March 2020. The relief funding allows educational institutions, through numerous grants, to spend allocated money directly on the needs of the students, teachers, and other means of COVID-19 recovery. As of June 30, 2021, the School incurred \$411,879 of COVID-19 related expenses paid directly by Baltimore City Public School System. This revenue is recognized as BCPSS in-kind support in the consolidated statement of activities and changes in net assets for the year ended June 30, 2021.

16. Concentrations of Credit Risk

In the ordinary course of business, the School's cash balances may exceed the FDIC and SIPC insurance limits. The School continually reviews credit concentrations as part of its asset and liability management.

17. Risks and Uncertainties

The School may invest in various types of marketable securities. Marketable securities are exposed to various risks, including, among others, interest rate, market, and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the values of these securities may occur in the near term and that such change could materially affect the amounts reported in the consolidated statements of financial position.

18. Subsequent Events

Management has evaluated subsequent events through February 28, 2022, the date which the consolidated financial statements were available to be issued.

Subsequent to year end, the School borrowed \$500,000 from a bank. The note bears an interest rate 3.15%. Payments of interest only are to be made beginning September 1, 2021 through January 1, 2022 and equal monthly payments of interest and principal in the amount of \$7,630 are to be made from February 1, 2022 through July 1, 2024. The remaining unpaid principal and accrued interest are to be paid on August 1, 2024.

Subsequent to year end, the School entered into an agreement to lease office equipment for the Clay Hill Public Charter School. The lease agreement calls for monthly payments of \$544 over a sixty-month term.

**SUPPLEMENTARY FINANCIAL INFORMATION**

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Schedule of Consolidating Statement of Financial Position  
June 30, 2021

ASSETS

	Patterson Park Public Charter School, Inc.	Patterson Park Public Charter School Fund, Inc.	Intra- Organization Eliminations	Total
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 2,118,207	\$ 407,888	\$ - 0 -	\$ 2,526,095
Contributions receivable	140,412	- 0 -	- 0 -	140,412
Grants receivable	231,811	- 0 -	- 0 -	231,811
Prepaid expenses	20,702	- 0 -	- 0 -	20,702
<b>Total Current Assets</b>	<b>2,511,132</b>	<b>407,888</b>	<b>- 0 -</b>	<b>2,919,020</b>
<b>NET PROPERTY AND EQUIPMENT - AT COST</b>	<b>8,594,072</b>	<b>- 0 -</b>	<b>- 0 -</b>	<b>8,594,072</b>
<b>OTHER ASSETS:</b>				
Investments	950,467	- 0 -	- 0 -	950,467
	950,467	- 0 -	- 0 -	950,467
<b>TOTAL ASSETS</b>	<b>\$ 12,055,671</b>	<b>\$ 407,888</b>	<b>\$ - 0 -</b>	<b>\$ 12,463,559</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 268,076	\$ - 0 -	\$ - 0 -	\$ 268,076
Short-term portion - capital lease obligation	32,534	- 0 -	- 0 -	32,534
<b>Total Current Liabilities</b>	<b>300,610</b>	<b>- 0 -</b>	<b>- 0 -</b>	<b>300,610</b>
<b>LONG-TERM LIABILITIES:</b>				
Long-term debt - bond payable, net	11,493,490	- 0 -	- 0 -	11,493,490
Capital lease obligation	2,888	- 0 -	- 0 -	2,888
	11,496,378	- 0 -	- 0 -	11,496,378
<b>NET ASSETS:</b>				
Without donor restrictions	(13,926)	407,888	- 0 -	393,962
With donor restrictions	272,609	- 0 -	- 0 -	272,609
<b>Total Net Assets</b>	<b>258,683</b>	<b>407,888</b>	<b>- 0 -</b>	<b>666,571</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,055,671</b>	<b>\$ 407,888</b>	<b>\$ - 0 -</b>	<b>\$ 12,463,559</b>

**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Schedule of Consolidating Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2021

	Patterson Park Public Charter School, Inc.			Patterson Park Public Charter School Fund, Inc.			Grand Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
<b>SUPPORT AND REVENUE:</b>							
Baltimore City Public Schools:							
Grants	\$ 2,789,881	\$ - 0 -	\$ 2,789,881	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 2,789,881
In-kind support	6,836,493	- 0 -	6,836,493	- 0 -	- 0 -	- 0 -	6,836,493
	<u>9,626,374</u>	<u>- 0 -</u>	<u>9,626,374</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>9,626,374</u>
Public Support:							
Contributions and grants	483,483	534,765	1,018,248	1,000	- 0 -	1,000	1,019,248
Government Support:							
Grants and other revenue	114,091	- 0 -	114,091	- 0 -	- 0 -	- 0 -	114,091
Other Revenue:							
Student program fees	60	- 0 -	60	- 0 -	- 0 -	- 0 -	60
Other revenue	267,657	- 0 -	267,657	- 0 -	- 0 -	- 0 -	267,657
	<u>267,717</u>	<u>- 0 -</u>	<u>267,717</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>267,717</u>
Net Assets Released from Restrictions	415,670	(415,670)	- 0 -	100,000	(100,000)	- 0 -	- 0 -
Total Support and Revenue	<u>10,907,335</u>	<u>119,095</u>	<u>11,026,430</u>	<u>101,000</u>	<u>(100,000)</u>	<u>1,000</u>	<u>11,027,430</u>
<b>EXPENSES:</b>							
Program services	8,584,018	- 0 -	8,584,018	- 0 -	- 0 -	- 0 -	8,584,018
Management and general	1,586,423	- 0 -	1,586,423	- 0 -	- 0 -	- 0 -	1,586,423
Fundraising expenses	61,030	- 0 -	61,030	- 0 -	- 0 -	- 0 -	61,030
Affiliate contribution (revenue) expense	100,000	- 0 -	100,000	(100,000)	- 0 -	(100,000)	- 0 -
	<u>10,331,471</u>	<u>- 0 -</u>	<u>10,331,471</u>	<u>(100,000)</u>	<u>- 0 -</u>	<u>(100,000)</u>	<u>10,231,471</u>
<b>OTHER INCOME (EXPENSES):</b>							
Write-off of bond issuance costs	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Investment return, net	148,856	- 0 -	148,856	737	- 0 -	737	149,593
Total Expenses	<u>10,182,615</u>	<u>- 0 -</u>	<u>10,182,615</u>	<u>(100,737)</u>	<u>- 0 -</u>	<u>(100,737)</u>	<u>10,081,878</u>
CHANGE IN NET ASSETS	724,720	119,095	843,815	201,737	(100,000)	101,737	945,552
NET ASSETS AT BEGINNING OF YEAR	(738,646)	153,514	(585,132)	206,151	100,000	306,151	(278,981)
NET ASSETS AT END OF YEAR	<u>\$ (13,926)</u>	<u>\$ 272,609</u>	<u>\$ 258,683</u>	<u>\$ 407,888</u>	<u>\$ -</u>	<u>\$ 407,888</u>	<u>\$ 666,571</u>



**PATTERSON PARK PUBLIC CHARTER SCHOOL, INC.  
AND CONSOLIDATED AFFILIATE**

Schedule of Consolidating Statement of Cash Flows  
For the Year Ended June 30, 2021

	Patterson Park Public Charter School, Inc.	Patterson Park Public Charter School Fund, Inc.	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Change in net assets	\$ 843,815	\$ 101,737	\$ 945,552
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	494,544	- 0 -	494,544
Amortization included in bond interest expense	8,754	- 0 -	8,754
Unrealized (gains) losses on investments	(98,779)	1,391	(97,388)
Realized gains on investments	(39,520)	- 0 -	(39,520)
Income from loan forgiveness	(255,400)	- 0 -	(255,400)
(Increase) decrease in assets:			
Contributions receivable	(71,398)	- 0 -	(71,398)
Grants receivable	(158,829)	- 0 -	(158,829)
Prepaid expenses	29,817	- 0 -	29,817
Increase in liabilities:			
Accounts payable and accrued expense	35,117	- 0 -	35,117
<b>Net Cash Provided by Operating Activities</b>	<b>788,121</b>	<b>103,128</b>	<b>891,249</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investments	(120,667)	- 0 -	(120,667)
Proceeds from sales of investments	221,008	100,174	321,182
Additions to construction in progress	(85,127)	- 0 -	(85,127)
Purchases of property additions	(281,563)	- 0 -	(281,563)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(266,349)</b>	<b>100,174</b>	<b>(166,175)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Principal payments on capital lease obligation	(22,002)	- 0 -	(22,002)
<b>Net Cash Used in Financing Activities</b>	<b>(22,002)</b>	<b>- 0 -</b>	<b>(22,002)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>499,770</b>	<b>203,302</b>	<b>703,072</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,618,437</b>	<b>204,586</b>	<b>1,823,023</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 2,118,207</b>	<b>\$ 407,888</b>	<b>\$ 2,526,095</b>
<b>SUPPLEMENTAL DISCLOSURE OF OPERATING ACTIVITIES</b>			
Cash paid during the year for interest	\$ 396,150	\$ - 0 -	\$ 396,150
<b>SUPPLEMENTAL DISCLOSURES OF NON-CASH FINANCING ACTIVITIES</b>			
Forgiveness of debt obligation - PPP Loan	\$ 255,400	\$ - 0 -	255,400