



**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**FINANCIAL STATEMENTS  
and  
INDEPENDENT AUDITOR'S REPORT**

**June 30, 2010 and 2009**

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BOLLAM, SHEEDY, TORANI & CO. LLP  
Certified Public Accountants  
Albany, New York

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Brighter Choice Charter School for Boys  
Albany, New York

We have audited the accompanying statements of financial position of Brighter Choice Charter School for Boys as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Brighter Choice Charter School for Boys' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brighter Choice Charter School for Boys as of June 30, 2010 and 2009, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole of Brighter Choice Charter School for Boys as of and for the years ended June 30, 2010 and 2009. The supplemental information on page 12 of this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year summarized comparative information has been derived from Brighter Choice Charter School for Boys' June 30, 2009, financial statements and, in our report dated October 27, 2009, we expressed an unqualified opinion on those financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2010, on our consideration of Brighter Choice Charter School for Boys' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Bollam Sheedy Torani & Co LLP*

Albany, New York  
October 26, 2010

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**STATEMENTS OF FINANCIAL POSITION**

ASSETS	June 30,	
	2010	2009
<b>CURRENT ASSETS</b>		
Cash	\$ 152,039	\$ 190,305
Accounts receivable	16,933	20,710
Federal and state aid receivable	45,598	-
Due from other governments	61,669	63,862
Total current assets	276,239	274,877
<b>PROPERTY AND EQUIPMENT, net</b>		
Land	110,000	110,000
Building	7,514,165	7,514,165
Furniture and equipment	383,782	358,735
Textbooks	41,753	41,753
	8,049,700	8,024,653
Less accumulated depreciation	1,165,643	918,149
	6,884,057	7,106,504
<b>OTHER ASSETS</b>		
Financing costs, net	333,220	345,676
Bond trust accounts, restricted	850,511	818,551
	1,183,731	1,164,227
	<b>\$ 8,344,027</b>	<b>\$ 8,545,608</b>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of bonded mortgage payable	\$ 140,000	\$ 25,000
Accounts payable	58,649	60,774
Accrued liabilities	284,341	262,345
Deferred revenue	18,744	22,426
Due to others	4,130	8,982
Total current liabilities	505,864	379,527
<b>LONG-TERM LIABILITIES</b>		
Bonded mortgage payable	9,025,000	9,165,000
Bonded mortgage premium	108,239	110,197
	9,133,239	9,275,197
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET DEFICIT</b>	(1,295,076)	(1,109,116)
	<b>\$ 8,344,027</b>	<b>\$ 8,545,608</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**STATEMENTS OF ACTIVITIES**

	<u>Years Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
<b>REVENUE AND OTHER SUPPORT</b>		
Student enrollment	\$ 2,816,716	\$ 2,565,092
State aid	7,077	6,953
Federal aid	399,168	299,811
Contributions	22,500	23,000
Interest	337	10,352
Other revenue	28,237	43,796
Total revenue and other support	<u>3,274,035</u>	<u>2,949,004</u>
<b>EXPENSES</b>		
Program services		
Regular education	1,353,056	1,224,947
Special education	80,581	112,840
Other programs	442,177	413,329
Total program services	<u>1,875,814</u>	<u>1,751,116</u>
Management and general	1,584,181	1,506,416
Total expenses	<u>3,459,995</u>	<u>3,257,532</u>
<b>CHANGE IN NET ASSETS</b>	<b>(185,960)</b>	<b>(308,528)</b>
<b>NET DEFICIT, beginning of year</b>	<u>(1,109,116)</u>	<u>(800,588)</u>
<b>NET DEFICIT, end of year</b>	<u><b>\$ (1,295,076)</b></u>	<u><b>\$ (1,109,116)</b></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**STATEMENTS OF CASH FLOWS**

	<u>Years Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ (185,960)	\$ (308,528)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	247,494	246,664
Amortization of financing costs	12,456	12,456
Amortization of bonded mortgage premium	(1,958)	(1,867)
Bad debts	7,793	6,791
(Increase) decrease in		
Accounts receivable	3,777	(2,719)
Federal and state aid receivable	(45,598)	-
Due from other governments	(5,600)	(60,010)
Prepaid expenses	-	8,273
Increase (decrease) in		
Accounts payable	(2,125)	20,280
Accrued liabilities	22,000	25,359
Deferred revenue	(3,682)	22,426
Due to other governments	-	(78,403)
Due to others	(4,852)	6,409
	<u>43,745</u>	<u>(102,869)</u>
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(25,051)</u>	<u>(19,363)</u>
<b>CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES</b>		
Principal payments on bonded mortgage payable	(25,000)	(55,000)
Disbursements from bond trust accounts, restricted	484,840	556,004
Deposits to bond trust accounts, restricted	(516,800)	(410,869)
	<u>(56,960)</u>	<u>90,135</u>
<b>Net decrease in cash</b>	<b>(38,266)</b>	<b>(32,097)</b>
<b>CASH, beginning of year</b>	<u>190,305</u>	<u>222,402</u>
<b>CASH, end of year</b>	<u><u>\$ 152,039</u></u>	<u><u>\$ 190,305</u></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 453,472	\$ 456,863

The accompanying Notes to Financial Statements are an integral part of these statements.

## BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS

### NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

#### 1. ORGANIZATION

Brighter Choice Charter School for Boys (the School) is a not-for-profit corporation, which was formed in 2000 in order to build and operate a charter school in the City of Albany, New York (City). The School, along with its companion charter school, the Brighter Choice Charter School for Girls (the Girls' School) was established to provide a quality educational alternative for at-risk elementary students in the City.

The School provides a broad and rigorous liberal arts education, including instruction in phonics-based reading, traditional mathematics, science, visual and performing arts, American and world history, and physical education. Students benefit from a longer school day and school year, which will provide them with an equivalent of two years of academic instruction over each of their elementary years.

A provisional charter, valid for five years, was granted to the School by the New York State Education Department in 2006. The School had enrollments of approximately 233 students serving Kindergarten through 4<sup>th</sup> grade during the year ended June 30, 2010.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis.

On June 30, 2010, the School adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is an aggregation of previously issued authoritative accounting principles generally accepted in the United States of America (GAAP) in one comprehensive set of guidance organized by subject area. In accordance with the ASC, references to previously issued accounting standards have been replaced by ASC references. Subsequent revisions to GAAP will be incorporated into the ASC through Accounting Standards Updates.

The preparation of financial statements in conformity GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### *Fair Value Measurements*

Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an "exit" price) in the principal or most advantageous market for the asset or liability between market participants on the measurement date.

##### *Financial Statement Presentation*

The financial statement presentation follows generally accepted accounting principles for not-for-profit organizations with information regarding financial position and activities reported according to three classes of net assets: unrestricted, temporarily restricted, or permanently restricted. There were no permanently restricted net assets at June 30, 2010 and 2009.

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Accounts Receivable*

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded when received. An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Management considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

Bad debt expense was \$7,793 and \$6,791 for the years ended June 30, 2010 and 2009, respectively.

*Property and Equipment, Net*

Property and equipment are stated at cost, net of accumulated depreciation. Donations of property and equipment are recorded as support at their estimated fair values on the date of donation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is included in operations.

The School reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support absent explicit donor stipulations about how long-lived assets must be maintained. The School reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Depreciation is computed using the straight-line method based on the estimated useful lives:

	<u>Years</u>
Buildings	40
Land improvements	10-20
Equipment	3-10
Text books	3

Depreciation expense was \$247,494 and \$246,664 for the years ended June 30, 2010 and 2009, respectively.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset.

*Revenue Recognition*

A substantial portion of the School's revenue and related receivables is derived from its arrangement with the Albany City School District, which reimburses the School based on per capita enrollment. These revenues are recognized ratably over the related school year during which they are earned.

Revenue from other governmental sources generally represents various entitlements and is recognized as earned as allowable expenditures are incurred.

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Grant Revenue and Deferred Revenue*

Grant revenue is recognized as revenue in the period in which it relates. Amounts received under these grants in advance of the period it relates are recorded as deferred revenue.

*Contributions*

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor imposed restrictions.

The School reports grants of cash and other assets as restricted support if they are received with stipulations that limit their use. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The School reports restricted grants as unrestricted support whenever the restrictions are met in the same year the grants are received.

*Allocation of Expenses*

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services using specific allocation methods. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of School.

*Income Taxes*

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The School is also exempt from state income tax. The School has been classified as a publicly-supported organization that is not a private foundation under Section 509(a) of the Code.

Management evaluated the School's tax positions, including that the School is exempt from taxes and not subject to income taxes on unrelated business income, and concluded that the School had taken no tax positions that required adjustment in its financial statements.

Forms 990 filed by the School are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Forms 990 filed by the School are no longer subject to examination for the fiscal years ended June 30, 2006, and prior.

*Subsequent Events*

The School's management has evaluated subsequent events through October 26, 2010, the date the financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2010, have been incorporated into these financial statements.

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**3. FINANCING COSTS, NET**

Financing costs of \$373,702 consist of bond closing costs incurred in connection with tax-exempt and taxable Civic Facility Revenue Bonds issued by the City of Albany Industrial Development Agency.

Bond closing costs are amortized using the straight-line method over the term of the bonds. Accumulated amortization was \$40,482 and \$28,026 for the years ended June 30, 2010 and 2009, respectively.

Estimated amortization expense is \$12,456 for each of the next five years.

**4. BOND TRUST ACCOUNTS, RESTRICTED**

The School has entered into a custody agreement with Manufacturers and Traders Trust Company as Custodian and as Trustee. Debt service reserve represents funds held by Manufacturers and Traders Trust Company in the name of the School. The School will direct educational aid payments to be deposited with the Custodian. The Custodian will pay the Trustee, for deposit in the Debt Service Fund, an amount equal to a proportionate share of the next interest payment and principal payment on the Bonds for which funds have not already been provided. Any funds remaining with the Custodian following such transfers will be transferred to the School.

In connection with the bonded mortgage with the City of Albany Industrial Development Agency, the School is required to maintain bond trust accounts which are administered by Manufacturers and Traders Trust Company. The underlying investments in the bond trust accounts at June 30, 2010 and 2009, consist of money market funds.

Bond trust accounts, restricted, are summarized as follows:

	June 30,	
	<u>2010</u>	<u>2009</u>
Debt reserve fund	\$ 629,289	\$ 629,342
Project fund	-	2,112
Bond fund	101,642	80,072
Educational aid fund	104,881	104,890
Custodial account	52	52
Renewal and replacement fund	<u>14,647</u>	<u>2,083</u>
Total	<u>\$ 850,511</u>	<u>\$ 818,551</u>

Funds held by bond trustees earned interest of \$146 and \$9,816 for the years ended June 30, 2010 and 2009, respectively. Investments are stated at the fair market value and were obtained from quoted market prices.

The School has entered into a collateral agreement for bond trust accounts not covered under federal deposit insurance. Cash is fully insured and collateralized under the bond trust accounts as of June 30, 2010.

**5. BONDED MORTGAGE PAYABLE**

Tax-exempt and taxable Civic Facility Revenue Bonds, \$9,245,000 issued by the City of Albany Industrial Development Agency with interest rates ranging from 4.5% to 6%. Secured by leasehold mortgage lien and security interest in the land, building, fixtures and equipment, and reserve funds initially funded through deposit of the bond proceeds.

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**5. BONDED MORTGAGE PAYABLE**

Maturities, amounts, and interest rates are as follows:

	June 30,	
	<u>2010</u>	<u>2009</u>
6% Term Bond, Series 2007B due April 1, 2012	\$ 217,500	\$ 242,500
4.55% Term Bond, Series 2007A due April 1, 2015	685,000	685,000
4.5% Term Bond, Series 2007A due April 1, 2018	682,500	682,500
5% Term Bond, Series 2007A due April 1, 2020	510,000	510,000
5% Term Bond, Series 2007A due April 1, 2027	2,230,000	2,230,000
5% Term Bond, Series 2007A due April 1, 2032	2,127,500	2,127,500
5% Term Bond, Series 2007A due April 1, 2037	<u>2,712,500</u>	<u>2,712,500</u>
	9,165,000	9,190,000
Current portion on bonded mortgage payable	<u>140,000</u>	<u>25,000</u>
 Total long-term debt	 <u><u>\$9,025,000</u></u>	 <u><u>\$9,165,000</u></u>

The following is a summary of maturing debt service requirements:

	<u>Principal</u>
For the year ending June 30, 2011	\$ 140,000
2012	162,500
2013	190,000
2014	200,000
2015	210,000
Thereafter	<u>8,262,500</u>
 Total	 <u><u>\$ 9,165,000</u></u>

The total interest incurred and charged to expense was \$453,097 and \$456,038 for the years ended June 30, 2010 and 2009, respectively.

**6. BONDED MORTGAGE PREMIUM**

Bonded mortgage premiums consist of costs incurred in connection with tax-exempt and taxable Civic Facility Revenue Bonds issued by the City of Albany Industrial Development Agency.

Bond premium costs are amortized using the effective interest method over the term of the obligation. Premium amortization charged to operations as a reduction of interest expense was \$1,958 and \$1,867 for the years ended June 30, 2010 and 2009, respectively.

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010 and 2009**

**6. BONDED MORTGAGE PREMIUM - Continued**

A summary of the future premium amortization is as follows:

For the year ending June 30,	2011	\$ 2,029
	2012	2,128
	2013	2,232
	2014	2,340
	2015	2,454

**7. DUE TO OTHERS**

The School, along with the Girls' School, shares facility, program, and supporting services costs. The joint costs are allocated equally except for costs associated for the specific school. Joint costs due to the Girls' School were \$4,130 and \$8,982 at June 30, 2010 and 2009, respectively.

**8. EMPLOYEE RETIREMENT PLAN**

The School has a 403(b) tax-deferred annuity retirement plan, which is funded by contributions from both the School and its employees. The School's contributions can range from 2% to 6% of eligible employees' salaries based on years of service. Pension expense was \$64,136 and \$51,342 for years ended June 30, 2010 and 2009, respectively.

**9. FEDERAL AND STATE AID**

The School has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Management believes disallowances, if any, will be immaterial.

A summary of grant support that represents the portion of the grants utilized for operations and to acquire property and equipment, and textbooks is as follows:

	Years Ended June 30,	
	2010	2009
Child Nutrition Program	\$ 168,010	\$ 160,098
Child Nutrition Fruit and Vegetable Grant	13,099	-
Child Nutrition Food Service Equipment Grant	14,099	-
Title I	195,256	125,365
Title IIA	11,596	18,629
Title IID	1,453	-
Title IV	2,732	2,283
Title V	-	389
	<u>          </u>	<u>          </u>
Total	<u>\$ 406,245</u>	<u>\$ 306,764</u>

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**10. COMMITMENTS AND CONTINGENCIES**

*Concentration of Credit Risk/Economic Dependency*

The School receives a substantial portion of its funding from school districts where the School's students reside. One school district constituted 79% and 83% of total revenue and support for the years ended June 30, 2010 and 2009, respectively. Receivables from this school district made up 34% and 75% of total receivables as of June 30, 2010 and 2009, respectively.

*Uninsured Cash*

The School maintains cash balances in a financial institution located in the northeast. Accounts at this institution are insured, up to certain limits, by the Federal Deposit Insurance Corporation (FDIC). At times, the School has bank deposits in excess of amounts insured by the FDIC.

**11. MANAGEMENT'S PLAN**

For the year ending June 30, 2011, the New York State Department of Education (NYSED) has increased the per pupil reimbursement rate that the School receives for each student that is enrolled at the School. While there have been increases in the NYSED per pupil reimbursement rate in the previous two fiscal years, due to a New York State-imposed freeze on all charter schools, the actual reimbursement received by the School was based on the fiscal 2008 rate. Over 85% of the School's student population resides within the Albany City School District (ACSD) boundaries, and the ACSD per pupil reimbursement rate for the 2010 - 2011 academic year will increase from \$11,712 to \$14,072, or more than 20.1%. Based upon the projected enrollment from ACSD and increase in the per pupil reimbursement rate, this will result in a projected increase in operating revenue in excess of \$500,000.

Management has also implemented a plan for reforecasting revenue and expenses on a quarterly basis. This budget monitoring process will provide the School with a vehicle for adjusting operating expenses as needed.

**BRIGHTER CHOICE CHARTER SCHOOL FOR BOYS**

**FUNCTIONAL EXPENSES**

**Year Ended June 30, 2010**  
(comparative totals for 2009)

	Program Services		Other Program	Supporting Services		2010 Totals	2009 Totals
	Regular Education	Special Education		Management and General			
Salaries	\$ 830,871	\$ 35,149	\$ 30,730	\$ 624,862	\$ 1,521,612	\$ 1,404,758	
Employee benefits	229,876	9,725	8,502	172,880	420,983	348,420	
	<u>1,060,747</u>	<u>44,874</u>	<u>39,232</u>	<u>797,742</u>	<u>1,942,595</u>	<u>1,753,178</u>	
Accounting	-	-	-	34,644	34,644	36,831	
Amortization	-	-	-	12,456	12,456	12,456	
Bad debt	-	-	-	7,793	7,793	6,791	
Consultants	-	22,160	-	11,375	33,535	31,125	
Contracted services, other	52,696	5,350	30,869	40,547	129,462	118,023	
Field trips	6,480	-	-	-	6,480	11,372	
Food program	-	-	169,180	-	169,180	163,798	
Insurance	-	-	-	18,605	18,605	11,757	
Interest	-	-	-	453,097	453,097	456,038	
Legal	-	-	-	115	115	617	
Maintenance and repairs	21,922	1,090	12,842	13,490	49,344	41,012	
Printing and postage	-	-	-	18,326	18,326	5,004	
Public relations	-	-	-	6,640	6,640	4,727	
Small equipment	1,412	-	-	3,808	5,220	4,621	
Staff development	22,227	-	-	-	22,227	24,878	
Student services	8,595	-	-	-	8,595	35,034	
Student uniforms	9,572	-	65	-	9,572	5,026	
Supplies and materials	26,425	-	-	23,830	50,320	57,790	
Telephone	-	-	-	53,726	53,726	54,783	
Transportation	-	-	106,231	-	106,231	71,604	
Utilities	33,026	1,642	19,347	20,323	74,338	104,403	
Expenses from operations	<u>1,243,102</u>	<u>75,116</u>	<u>377,766</u>	<u>1,516,517</u>	<u>3,212,501</u>	<u>3,010,868</u>	
Depreciation	109,954	5,465	64,411	67,664	247,494	246,664	
<b>Total expenses</b>	<b>\$ 1,353,056</b>	<b>\$ 80,581</b>	<b>\$ 442,177</b>	<b>\$ 1,584,181</b>	<b>\$ 3,459,995</b>	<b>\$ 3,257,532</b>	