

**THE SPRINGFIELD INTERNATIONAL  
CHARTER SCHOOL**

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FINANCIAL STATEMENTS

for the years ended June 30, 2021 and 2020

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**for the years ended June 30, 2021 and 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
The Springfield International Charter School

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the business-type activities of The Springfield International Charter School, as of and for the years ended June 30, 2021 and 2020, which comprise the statements of net position, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express opinions 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of The Springfield International Charter School, as of June 30, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance of the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise The Springfield International Charter School's basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Reporting Requirement by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of The Springfield International Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Springfield International Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Springfield International Charter School's internal control over financial reporting and compliance.

MP P.C.

Springfield, Massachusetts  
October 29, 2021

# THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021 and 2020

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The following discussion and analysis of The Springfield International Charter School's (the School) financial performance provides an overview of the School's financial activities for the fiscal years ended June 30, 2021 and 2020. Please read it in conjunction with the School's financial statements, which begin on page 8.

### **The School as a Whole**

The School received its initial charter on July 1, 1995 to operate as a public charter school in the Commonwealth of Massachusetts. The charter is awarded in five-year increments and is subject to renewal at the discretion of the Commonwealth of Massachusetts Board of Elementary and Secondary Education. The School's charter was most recently renewed for an additional five years issued March 25, 2020. During fiscal year 2021 and 2020, the School operated kindergarten through grade twelve and the enrollment was comprised of 1,568 and 1,571 students, respectively. At capacity, the School will serve kindergarten through grade twelve and enrollment will be approximately 1,574 students.

### **Using This Annual Report**

This annual report consists of a series of financial statements. In accordance with Governmental Accounting Standards Board No. 34 - *Basic Financial Statement - Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34), the School is considered a special purpose government entity that engages in only business type activities. All of the financial activity of the School is recorded in an enterprise fund within the proprietary fund group. In accordance with GASB No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the School issues a *Statement of Net Position*, a *Statement of Revenues, Expenses and Changes in Net Position* and a *Statement of Cash Flows*. These statements provide information about the financial activities of the School, as a whole. This annual report also contains notes to the financial statements and other information which provide additional information that is essential to a full understanding of the information provided in the basic financial statements and the schedule of federal expenditures, which identifies all of the School's federal funding.

### **Financial Statements**

The *Statement of Net Position* presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the School, as of the end of the fiscal year. The *Statement of Net Position* is a point-in-time financial statement. The purpose of the *Statement of Net Position* is to present a fiscal snapshot of the School to the readers of the financial statements. Assets are resources with present service capacity that the School presently controls. Liabilities are present obligations to sacrifice resources that the School has little or no discretion to avoid. A deferred outflow of resources is consumption of net assets by the School that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net assets by the School that is applicable to a future reporting period. Net position represents the difference between all other elements in a statement of financial position and is displayed in three components – *net investment in capital assets, restricted* (distinguishing between major categories or restrictions); and *unrestricted*.

# THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

June 30, 2021 and 2020

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### **Financial Statements – *continued***

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Over time, readers of financial statements will be able to evaluate the School's fiscal health (liquidity and solvency) or financial position by analyzing the increases and decreases in net position to determine if the School's financial health is improving or deteriorating. The reader will also need to consider other non-financial factors such as changes in economic conditions and new or amended charter school legislation when evaluating the overall financial health of the School. This statement is also a good source for readers to determine how much the School owes to vendors and creditors and the available assets that can be used to satisfy those liabilities.

The *Statement of Revenues, Expenses and Changes in Net Position* report the financial activities (revenue and expenses) of the School and divides it into two categories: *Operating activities* and *Non-operating activities*. Operating activities include all financial activities associated with the operation of the School and its related programs. Consequently, all non-operating activities include all financial activities not related to the operation of a charter school. Changes in total net position as presented on the *Statement of Net Position* are based on the activity presented in this statement. This statement helps to determine whether the School had sufficient revenues to cover expenses during the year and its net increase or decrease in net position based on current year operations.

The *Statement of Cash Flows* provides information about the School's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from *operations*, *investing*, and *capital and noncapital financing activities* and provides answers to such questions as "from where did cash come?," "for what was cash used?," and "what was the change in the cash balance during the reporting period?" This statement also is an important tool in helping users assess the School's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its needs for external financing.

*Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information provided in the School's financial statements.

# THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

June 30, 2021 and 2020

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### Supplemental Information

The Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The Schedule of Expenditures of Federal Awards can be found on page 21 of this report.

### Financial Highlights

The following financial highlights are for the fiscal years 2021 and 2020:

The School held total assets of \$45,924,593 and \$43,672,506 at June 30, 2021 and 2020, respectively, of which \$25,703,811 and \$24,538,892 were net capital assets, respectively and the majority of remaining assets consisted of cash and grants receivable.

The School held total liabilities of \$33,691,641 and \$34,828,862 at June 30, 2021 and 2020, respectively. In fiscal years June 30, 2021 and 2020, there were current and non-current liabilities. In 2021, the School held \$3,096,788 in current liabilities and \$30,594,853 in non-current liabilities. In 2020, the School held \$3,163,145 in current liabilities and \$31,665,717 in non-current liabilities.

Total net position for the School was \$12,232,952 and \$8,843,644 at June 30, 2021 and 2020, respectively, of which \$14,078,316 and \$12,742,077 were unrestricted and \$(1,845,364) and \$(3,898,433) were for investments in capital assets, respectively. As of June 30, 2021, the Board of Trustees has designated \$565,550 of unrestricted net position for future capital assets.

The School earned total revenues of \$23,484,131 and \$21,089,441, (excluding on-behalf pension and in-kind revenues), for the years ended June 30, 2021 and 2020, respectively.

The School had total expenses of \$20,094,823 and \$19,491,411, (excluding on-behalf pension and in-kind expenses) for the years ended June 30, 2021 and 2020, respectively.

The School earned net income of \$3,389,308 and \$1,598,030 for the years ended June 30, 2021 and 2020, respectively.

### Budgetary Highlights

For the fiscal year ended 2021, the School incurred \$22,335,862 in actual expenditures (inclusive of capitalized purchases and excluding on-behalf pension and in-kind expenses) compared to budgeted expenditures of \$23,859,149. The reason for the variance between actual and budgeted expenses were primarily due to favorable variances related to tuition revenue and staff costs.

The School budgeted tuition revenue of \$19,785,121 compared to actual of \$21,254,149. The School takes a conservative approach to budgeting tuition based on the previous years received amounts.



**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**

**June 30, 2021 and 2020**

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**School's Financial Activities**

The majority of the School's funding is received from the Commonwealth of Massachusetts Department of Elementary and Secondary Education and is based on a standard rate per pupil. The School received \$21,254,149 in per pupil funding in fiscal year 2021, versus \$19,748,041 in per pupil funding in fiscal year 2020. This represents 90.5% and 93.6% of the School's revenue for the years ended June 30, 2021 and 2020, respectively. In addition, the School received various federal and Commonwealth of Massachusetts grants, which totaled \$2,171,611 and \$1,147,926 for fiscal years 2021 and 2020, respectively.

**Contacting the School's Financial Management**

This financial report is designed to provide the reader with a general overview of the School's finances and to show the accountability for the funds received. If you have questions about this report or need additional financial information, contact the Business Office of the School.

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**STATEMENTS OF NET POSITION**

**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents.....	\$ 14,059,174	\$ 12,819,973
Grants receivable.....	329,582	150,737
Prepaid expenses.....	<u>9,906</u>	<u>9,906</u>
Total current assets.....	<u>14,388,756</u>	<u>12,980,616</u>
<b>Noncurrent assets</b>		
Capital assets, net.....	<u>25,703,811</u>	<u>24,538,892</u>
Total noncurrent assets.....	<u>25,703,811</u>	<u>24,538,892</u>
<b>Deferred outflows of resources</b>		
Deferred loss on refunding.....	<u>5,832,026</u>	<u>6,152,998</u>
Total deferred outflows of resources.....	<u>5,832,026</u>	<u>6,152,998</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b><u>\$ 45,924,593</u></b>	<b><u>\$ 43,672,506</u></b>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current Liabilities</b>		
Accounts payable.....	\$ 324,943	\$ 354,422
Accrued expenses.....	559,680	578,670
Accrued compensation.....	1,129,185	1,159,563
Deferred revenue.....	12,116	49,626
Bonds payable, current portion.....	<u>1,070,864</u>	<u>1,020,864</u>
Total current liabilities.....	3,096,788	3,163,145
Bonds payable, net of current portion.....	<u>30,594,853</u>	<u>31,665,717</u>
Total liabilities.....	<u>33,691,641</u>	<u>34,828,862</u>
<b>Net position</b>		
Investment in capital assets, net of related debt.....	(1,845,364)	(3,898,433)
Unrestricted.....	<u>14,078,316</u>	<u>12,742,077</u>
Total net position.....	<u>12,232,952</u>	<u>8,843,644</u>
<b>TOTAL LIABILITIES AND NET POSITION.....</b>	<b><u>\$ 45,924,593</u></b>	<b><u>\$ 43,672,506</u></b>

*See notes to financial statements.*

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**for the years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Operating revenues</b>		
Student tuition.....	\$ 21,254,149	\$ 19,748,041
Federal and state grants.....	2,171,611	1,147,926
Educational fees.....	4,641	66,367
On-behalf pension.....	3,359,706	2,967,458
In-kind meals.....	82,307	548,230
In-kind transportation.....	764,242	1,733,468
Other income.....	<u>1,123</u>	<u>815</u>
Total operating revenue.....	<u>27,637,779</u>	<u>26,212,305</u>
<b>Operating expenses</b>		
Salaries .....	8,902,156	9,127,158
Payroll taxes.....	297,930	298,629
Fringe benefits.....	1,508,375	1,377,687
Classroom and other supplies.....	968,309	1,156,472
Office supplies, postage and expense.....	165,419	176,497
Advertising.....	8,163	13,542
Board of trustees expense.....	63,003	45,220
Professional services.....	52,279	51,113
Travel.....	821	1,086
Depreciation and amortization.....	1,076,120	1,047,692
Telephone.....	17,780	15,515
Repairs, maintenance, and supplies.....	356,109	414,964
Occupancy costs.....	331,552	367,057
Insurance.....	68,894	67,922
Grant programs.....	2,193,875	1,167,005
Extra curricular activities.....	142,694	151,652
After school program.....		1,319
Computer expense.....	103,799	113,169
Instructional management fee (see note 12).....	1,993,000	1,993,000
Staff development .....	686	9,210
Student testing.....	8,796	16,815
Payroll service charge.....	52,205	59,780
Bank fees.....		49
On-behalf pension.....	3,359,706	2,967,458
In-kind expense.....	<u>846,549</u>	<u>2,281,698</u>
Total operating expenses.....	<u>22,518,220</u>	<u>22,921,709</u>
Operating income.....	<u>5,119,559</u>	<u>3,290,596</u>
<b>Nonoperating revenue (expense)</b>		
Interest income.....	52,607	126,292
Interest expense.....	<u>(1,782,858)</u>	<u>(1,818,858)</u>
Total nonoperating expense.....	<u>(1,730,251)</u>	<u>(1,692,566)</u>
Change in net position.....	3,389,308	1,598,030
Net position, beginning of year.....	<u>8,843,644</u>	<u>7,245,614</u>
Net position, end of year.....	<u>\$ 12,232,952</u>	<u>\$ 8,843,644</u>

*See notes to financial statements.*

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**STATEMENTS OF CASH FLOWS**

**for the years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Receipts from student tuition.....	\$ 21,254,149	\$ 21,420,963
Receipts from federal and state grants.....	1,955,256	1,149,329
Receipts from educational fees.....	4,641	66,367
Receipts from other income.....	1,123	815
Payments to employees.....	(8,912,957)	(9,055,770)
Payments to vendors and suppliers.....	(8,477,693)	(7,347,674)
Net cash provided by operating activities.....	<u>5,824,519</u>	<u>6,234,030</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets.....	(2,241,039)	(595,327)
Payments on bonds payable.....	(935,000)	(900,000)
Interest paid on capital debt.....	(1,461,886)	(1,497,886)
Net cash used in capital and related financing activities.....	<u>(4,637,925)</u>	<u>(2,993,213)</u>
<b>Cash flows from investing activities:</b>		
Interest on cash and cash equivalents.....	52,607	126,292
Net cash provided by investing activities.....	<u>52,607</u>	<u>126,292</u>
Net change in cash and cash equivalents.....	1,239,201	3,367,109
Cash and cash equivalents, beginning of year.....	<u>12,819,973</u>	<u>9,452,864</u>
Cash and cash equivalents, end of year.....	<u>\$ 14,059,174</u>	<u>\$ 12,819,973</u>
<b>Reconciliation of the income from operations to net cash provided by operating activities:</b>		
Adjustments to reconcile the income from operations to net cash provided by operating activities:		
Income from operations.....	\$ 5,119,559	\$ 3,290,596
Depreciation .....	1,076,120	1,047,692
Bond premium.....	(85,864)	(85,864)
(Increase) decrease in operating assets		
Grants receivable.....	(178,845)	(48,223)
Prepaid expenses.....	9,906	(9,906)
State tuition receivable.....		1,672,922
Increase (decrease) in operating liabilities		
Accounts payable .....	(29,479)	193,794
Accrued expenses.....	(49,368)	123,393
Deferred revenue.....	(37,510)	49,626
Net cash provided by operating activities.....	<u>\$ 5,824,519</u>	<u>\$ 6,234,030</u>

*See notes to financial statements.*

# THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of Organization

The Springfield International Charter School (the “School”) (formerly known as SABIS International Charter School) was established on July 1, 1995 after receiving their charter from the Commonwealth of Massachusetts under Chapter 71 Section 89 of the General Laws of Massachusetts. The School’s charter is awarded in five year increments and is subject to renewal at the discretion of the Commonwealth of Massachusetts Department of Elementary and Secondary Education (DESE). The School’s charter was most recently renewed in March 2020 and expires June 30, 2025.

The School has one location in Springfield, Massachusetts and offers children in the city of Springfield in grades kindergarten through twelve, a public supported academic education. The School served 1,568 and 1,571 students during fiscal years 2021 and 2020, respectively. The School had a maximum capacity of 1,574 students for both years.

The School’s mission is a college preparatory school that provides top-quality education on a non-selective basis to children of different races, religions, nationalities and backgrounds. It teaches these children to perform to the best of their ability, to achieve academic excellence in a global context, and prepares graduates to attend colleges and universities. The School develops and strengthens students’ ethical, moral and civic values thus molding men and women with the knowledge, skills, and social judgment they will need to face the challenges of the times. The School believes those students with a Springfield International Charter School education, especially in a multicultural setting, will be able to provide leadership throughout the world.

### 2. Summary of Significant Accounting Policies

The accounting policies of the School conform to accounting principles generally accepted in the United States as applicable to governmental units. The following is a summary of the School’s significant accounting policies:

#### ***Financial Statement Presentation***

The School, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, - *Basic Financial Statement - and Management’s Discussion and Analysis - for State and Local Governments*, is considered a special purpose governmental entity that engages in only business type activities and is not a component unit of another governmental entity. Therefore, the financial statements are prepared using the accrual basis of accounting and all of the activity is recorded in the enterprise fund. The School’s financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position and a Statement of Cash Flows.

# THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL

## NOTES TO FINANCIAL STATEMENTS, Continued

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### ***Basis of Accounting***

The accrual basis of accounting is used for all governmental entities that operate as business type entities. Accordingly, revenue is recognized when earned and capital assets and expenditures are recorded when received and incurred, respectively.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the School has elected to apply the provisions of all relevant pronouncements of Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

### ***Cash and Cash Equivalents***

For the purpose of the Statement of Net Position and the Statement of Cash Flows, the School considers all short term investments with an original maturity of three months or less to be cash equivalents.

### ***Receivables***

Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realized losses on balances outstanding at year-end will be immaterial.

### ***Capital Assets***

Furniture and equipment are recorded at cost, if purchased, or at fair market value at the date of donation. Capital assets purchased with a cost or value equal to or greater than \$5,000 are capitalized. Depreciation is computed on the straight-line basis using estimated useful lives of 5 years for computers, 7 years for furniture, fixtures and equipment, 5-15 years for building improvements, and 40 years for buildings and building additions. Depreciation expense of \$1,076,120 and \$1,047,692 was recorded for the years ended June 30, 2021 and 2020, respectively.

### ***Deferred Revenue***

Revenue is recognized when earned, however funds received that are not earned as of year-end are recorded as a liability under deferred revenue.

### ***Bonds and Related Premiums and Debt Issuance Costs***

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium. Pursuant to GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, debt issuance costs are expensed when incurred.

# THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL

## NOTES TO FINANCIAL STATEMENTS, Continued

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### *Classification of Net Position*

The following are the net position classifications:

- Net Investment in Capital Assets – book value of capital assets net of any related debt.
- Restricted – amounts that can be spent only for specific purposes because of externally imposed restrictions by grantors and contributors.
- Unrestricted – portion of funds to support operations.

The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

### *Operating Revenue and Expenses*

Operating revenue and expenses generally result from providing educational and instructional services in connection with the School's principal ongoing operations. The principal operating revenues include tuition and Federal and Commonwealth of Massachusetts grants. Operating expenses include educational costs, administrative expenses and depreciation on capital assets. All other revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### *Tax Status*

The School was established under a Charter granted by the Commonwealth of Massachusetts Department of Education and operates as part of the Commonwealth of Massachusetts and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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. Estimates also affect the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

### *Subsequent Events*

The School has evaluated subsequent events through October 29, 2021, the date the financial statements were available to be issued, see note 14.

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**NOTES TO FINANCIAL STATEMENTS, Continued**

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**3. Deposits with Financial Institutions**

The School maintains its cash balances in one financial institution. The balances at times may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit per financial institution. Management acknowledges the possibility of risk in this arrangement; however, the size and longevity of the depository institution minimizes such risk. In addition, the financial depository is a Massachusetts Chartered Savings Bank that maintains additional insurance through the Depositors Insurance Fund (DIF), a private industry-sponsored insurance company.

As required by GASB No. 40, Deposits and Investment Risk Disclosures, the following represents a summary of deposits as of June 30,:

	<u>2021</u>	<u>2020</u>
FDIC insured deposits	\$ 250,000	\$ 250,000
DIF insured deposits	<u>14,413,115</u>	<u>13,283,734</u>
	<u>\$ 14,663,115</u>	<u>\$ 13,533,734</u>

**4. Board Designated Net Position**

As of June 30, 2021, the Board of Trustees has designated \$565,550 of unrestricted net position for future capital assets.

**5. Donated Food Service and Transportation**

For the years ended June 30, 2021 and 2020, the School received \$846,549 and \$2,281,698, respectively, in donated food services and transportation from the Springfield School District.

**6. Concentration of Revenue**

DESE provided 99% of the funding to the School for the years ended June 30, 2021 and 2020 through a per pupil reimbursement and Federal and Commonwealth of Massachusetts grants.



**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**7. Capital Assets**

Changes in capital assets during fiscal years 2021 and 2020 are as follows:

	Balance <u>06/30/20</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>06/30/21</u>
Equipment	\$ 632,776			\$ 632,776
Computers and software	2,151,308			2,151,308
Vehicles	166,226			166,226
Furniture and fixtures	806,050			806,050
Building	24,500,000			24,500,000
Building improvements	7,400,286	\$ 150,257		7,550,543
Land	1,000,000			1,000,000
Construction in progress	291,572	2,090,782		2,382,354
Total capital assets	<u>36,948,218</u>	<u>2,241,039</u>		<u>39,189,257</u>
Less accumulated depreciation:				
Equipment	(582,154)	(132,804)		(714,958)
Computers and software	(1,654,844)	(16,284)		(1,671,128)
Vehicles	(97,788)	(16,736)		(114,524)
Furniture and fixtures	(737,634)	(161,321)		(898,955)
Building	(8,023,634)	(729,421)		(8,753,055)
Building improvements	(1,313,272)	(19,554)		(1,332,826)
Total accumulated depreciation	<u>(12,409,326)</u>	<u>(1,076,120)</u>		<u>(13,485,446)</u>
Net capital assets	<u>\$ 24,538,892</u>	<u>\$ 1,164,919</u>	<u>\$</u>	<u>\$ 25,703,811</u>
	Balance <u>06/30/19</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>06/30/20</u>
Equipment	\$ 626,196	\$ 6,580		\$ 632,776
Computers and software	1,742,650	408,658		2,151,308
Vehicles	166,226			166,226
Furniture and fixtures	792,930	13,120		806,050
Building	24,500,000			24,500,000
Building improvements	7,251,817	148,469		7,400,286
Land	1,000,000			1,000,000
Construction in progress	273,072	18,500		291,572
Total capital assets	<u>36,352,891</u>	<u>595,327</u>		<u>36,948,218</u>
Less accumulated depreciation:				
Equipment	(562,062)	(20,092)		(582,154)
Computers and software	(1,543,170)	(111,674)		(1,654,844)
Vehicles	(78,234)	(19,554)		(97,788)
Furniture and fixtures	(718,992)	(18,642)		(737,634)
Building	(7,294,213)	(729,421)		(8,023,634)
Building improvements	(1,164,963)	(148,309)		(1,313,272)
Total accumulated depreciation	<u>(11,361,634)</u>	<u>(1,047,692)</u>		<u>(12,409,326)</u>
Net capital assets	<u>\$ 24,991,257</u>	<u>\$ (452,365)</u>	<u>\$</u>	<u>\$ 24,538,892</u>

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**8. Bonds Payable**

On August 13, 2015, the School borrowed \$34,935,000 in Series A 2015 Tax Exempt Revenue Bonds with an average interest rate of 4.5% to advance refund \$31,425,000 of outstanding 2009 Series bonds with an average interest rate of 6.0625%. The net proceeds of \$36,781,589 (after payment of \$300,000 in underwriting fees, plus insurance and other issuance costs totaling \$250,488) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2009 Series bonds. As a result, the 2009 Series bonds are considered to be defeased and the liability for those bonds has been removed from the statement of net position. The advance refunding reduced total debt service payments over 24 years by nearly \$4,817,000. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$3,791,000. The outstanding principal of the defeased bonds is \$28,050,000 at June 30, 2021 and \$28,705,000 at June 30, 2020.

The Series A 2015 Tax Exempt Revenue Bonds are payable in annual principal installments and interest payments made semi-annually. The bonds bear interest at 4.00% through 2020 and 5.00% through 2040. The bond agreement contains provisions that upon the occurrence and continuance of any Event of Default, as defined in the note agreement, the principal amount of the note together with accrued interest may be declared due and payable immediately. The School is required to maintain a debt service coverage ratio of at least 1.10 measured for each fiscal year and maintain a minimum of 50 days cash on hand measured at the end of the fiscal year. The School was in compliance with these covenants at June 30, 2021 and 2020. The bonds are secured by the building and land located at 160 Joan Street, Springfield MA. At June 30, 2021 and 2020, the outstanding loan balance was \$30,020,000 and \$30,955,000, respectively. Interest costs totaled \$1,547,750 and \$1,583,750 for fiscal years ended June 30, 2021 and 2020, respectively.

The series A 2015 bonds were issued at a premium. The premium is amortized on a straight-line basis over the life of the loan and recorded as interest income in the statement of revenue, expenses and changes in net position. At June 30, 2021 and 2020, the bond premium was \$2,146,589 and accumulated amortization on the premium was \$500,872 and \$415,008, respectively. Interest income for the years ended June 30, 2021 and 2020 was \$85,864 for each year.

The loan balance and related activity for the fiscal year June 30, 2021 is as follows:

	<i>Balance <u>July 1, 2020</u></i>	<i><u>Additions</u></i>	<i><u>Reductions</u></i>	<i>Balance <u>June 30, 2021</u></i>	<i><u>Amounts Due Within One Year</u></i>
Bonds Payable	\$ 30,955,000		\$ 935,000	\$ 30,020,000	\$ 985,000
Plus: Bond Premium	1,731,581		85,864	1,645,717	
Bonds Payable, net	<u>\$ 32,686,581</u>	<u>\$</u>	<u>\$ 1,020,864</u>	<u>\$ 31,665,717</u>	<u>\$ 985,000</u>

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**Bonds Payable, Continued**

The loan balance and related activity for the fiscal year June 30, 2020 is as follows:

	<i>Balance</i> <i>July 1, 2019</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance</i> <i>June 30, 2020</i>	<i>Amounts Due</i> <i>Within One Year</i>
Bonds Payable	\$ 31,855,000		\$ 900,000	\$ 30,955,000	\$ 935,000
Plus: Bond Premium	1,817,445		85,864	1,731,581	
Bonds Payable, net	<u>\$ 33,672,445</u>	<u>\$</u>	<u>\$ 985,864</u>	<u>\$ 32,686,581</u>	<u>\$ 935,000</u>

The following debt service requirements to maturity, including principal and interest, are as follows:

Years ended	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2022	\$ 985,000	\$ 1,501,000	\$ 2,486,000
2023	1,030,000	1,451,750	2,481,750
2024	1,085,000	1,400,250	2,485,250
2025	1,140,000	1,346,000	2,486,000
2026	1,195,000	1,289,000	2,484,000
2027-2031	6,930,000	5,487,000	12,417,000
2032-2036	8,845,000	3,572,500	12,417,500
2037-2040	<u>8,810,000</u>	<u>1,128,000</u>	<u>9,938,000</u>
	<u>\$ 30,020,000</u>	<u>\$ 17,175,500</u>	<u>\$ 47,195,500</u>

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**Bonds Payable, Continued**

The debt service coverage ratio and days cash on hand are calculated as follows at June 30, 2021:

**Debt Service Coverage Ratio**

Net income available for debt service.....	\$	6,248,286
Debt service requirements.....		2,486,000
		2.51

**Calculation of net income available for debt service:**

= Gross revenues - operating expenses

**Gross revenues:**

Total revenues.....	\$	<u>23,484,131</u>
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**Operating expenses:**

Total expenses .....		20,094,823
Less: Depreciation .....		(1,076,120)
Less: Debt service on long term indebtness.....		<u>(1,782,858)</u>
		<u>17,235,845</u>

Net income available for debt service.....	\$	<u>6,248,286</u>
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**Days Cash on Hand**

Total unrestricted cash and cash equivalents .....	\$	14,059,174
Divided by total operating expenses.....		<u>18,697,731</u>

0.752

Multiplied by 365 .....		<u>365</u>
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Days cash on hand .....		<u>274</u>
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**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**9. Retirement Plan**

The School's teaching staff and certain administrators participate individually in the Massachusetts Teachers' Retirement System (MTRS). All qualified teachers and administrators are covered by and must participate in MTRS. All qualified teachers and administrators who qualify for the plan, along with the School are exempt from federal social security taxes for these employees. Benefits vest fully after 10 years of qualified employment and an employee may receive retirement benefits after 20 years of service or having reached the age of 55 if the participant (1) has a record of 10 years of creditable service, (2) was first employed by the school after January 1, 1978, (3) voluntarily left school employment on or after that date, and (4) left an accumulated annuity deduction in the fund. This retirement plan requires an employee contribution of eight to eleven percent (depending on the plan and the employment date) of their compensation.

The MTRS retirement plan, under GASB Statement No.68, *Accounting and Financial Reporting for Pensions*, is required by statute to determine the net pension liability for all participants. The net pension liability for the retirement plan at the June 30, 2020 measurement date was determined by an actuarial valuation prepared as of January 1, 2020 rolled forward to June 30, 2020. The School's share of MTRS net pension liability is \$27,200,945.

**10. On-behalf Payments**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*, the School is required to recognize its proportional share of pension revenue and expenses, as reported by MTRS, as on-behalf payments in their financial statements. As of June 30, 2021, the School recognized \$3,359,706 of on-behalf revenues and expenses, (2020 – \$2,967,458).

**11. Supplementary Cash Flow Information**

Supplemental cash flow information is as follows

	<u>2021</u>	<u>2020</u>
Cash paid during the year for:		
Interest	\$ 1,547,750	\$ 1,583,750

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**

**NOTES TO FINANCIAL STATEMENTS, Continued**

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**12. Management Contract**

The School had a management agreement with Springfield Education Management LLC (SEM), a related party, to manage the teaching, accounting and business administration functions of the School. The management agreement required that SEM receive a fixed fee of \$1,993,000 for license and management fees. This agreement ended on June 30, 2020. However, this contract was extended several times during fiscal year 2021, and was terminated on June 30, 2021, at which time the two parties ended their relationship.

The School purchased a majority of their textbooks from SABIS Educational Systems (SES), a related party.

The School paid SEM & SES the following in fiscal years:

	<u>2021</u>	<u>2020</u>
Instructional management fee	\$ 1,993,000	\$ 1,993,000
Text books and other	531,095	582,195
	<u>\$ 2,524,095</u>	<u>\$ 2,575,195</u>

**13. Contingencies**

The School may be involved in disputes or threatened litigation with the former management company. These matters, if resolved adversely against the School, may result in monetary damages. The resolution or settlement of these matters is inherently difficult to predict.

**14. Subsequent Events**

On July 1, 2021, the School changed its name to The Springfield International Charter School.

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**for the year ended June 30, 2021**

<u>Federal Grantor/Pass-through Grantor Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education:			
Pass-through from Massachusetts Department of Education:			
Title I - Grants to Local Educational Agencies.....	84.010	305-412010-2021-0441	\$ 656,225
	84.010	305-295117-2020-0441	<u>82,997</u>
			<u>739,222</u>
Title IIA - Supporting Effective Instruction State Grants.....	84.367	140-412012-2021-0041	33,125
	84.367	140-295118-2020-0441	<u>27,238</u>
			<u>60,363</u>
Title IV - Student Support and Academic Enrichment Program.....	84.424	309-412019-2021-0441	28,660
	84.424	309-295119-2020-0441	<u>4,475</u>
			<u>33,135</u>
COVID 19 - Elementary and Secondary School Emergency Relief Fund.....	84.425D	113-378590-2020-0441	485,574
	84.425D	114-398417-2021-0441	<u>16,860</u>
			<u>502,434</u>
COVID 19 - Charter School Program Grant COVID 19 Relief.....	84.282	534-488593-2021-0441	100,000
Special Education Cluster			
Special Education - Grants to States.....	84.027	240-437724-2021-0441	290,201
Special Education - Preschool Grants.....	84.173A	262-437696-2021-0441	<u>1,200</u>
Total Special Education Cluster.....			<u>291,401</u>
Total U.S. Department of Education.....			<u>1,726,555</u>
U.S. Department of Treasury:			
Pass-through from Massachusetts Department of Education:			
COVID 19 - Coronavirus Relief Fund - School Reopening Grant.....	21.019	102-403899-2021-0441	<u>354,150</u>
Total Expenditures of Federal Awards.....			<u>\$ 2,080,705</u>

*See notes to schedule of expenditures of federal awards*

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**for the year ended June 30, 2021**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Springfield International Charter School under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Springfield International Charter School, it is not intended to and does not present the financial position, changes in net position, or cash flows of The Springfield International Charter School.

**2. Summary of Significant Accounting Policies**

***Expenditures***

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

The Springfield International Charter School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.





**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of  
The Springfield International Charter School

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 the business-type activities of The Springfield International Charter School, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise The Springfield International Charter School's basic financial statements, and have issued our report thereon dated October 29, 2021.

***Internal Control over Financial Reporting***

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

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether The Springfield International Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### *Purpose of this Report*

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

MP P.C.

Springfield, Massachusetts  
October 29, 2021



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

To the Board of Trustees of  
The Springfield International Charter School

***Report on Compliance for Each Major Federal Program***

We have audited The Springfield International Charter School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Springfield International Charter School's major federal programs for the year ended June 30, 2021. The Springfield International Charter School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of The Springfield International Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Springfield International Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Springfield International Charter School's compliance.

***Opinion on Each Major Federal Program***

In our opinion, The Springfield International Charter School 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, 2021.

## *Report on Internal Control over Compliance*

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

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

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

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

MP P.C.

Springfield, Massachusetts  
October 29, 2021

**THE SPRINGFIELD INTERNATIONAL CHARTER SCHOOL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**for the year ended June 30, 2021**

**SUMMARY OF AUDIT RESULTS**

1. The Auditors' report expresses an unmodified opinion on whether the financial statements of The Springfield International Charter School were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of The Springfield International Charter School, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance. No material weaknesses are reported.
5. The Auditors' report on compliance for major federal award programs for The Springfield International Charter School expresses an unmodified opinion on the major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were Charter School Program Grant COVID-19 Relief - 84.282 and Elementary and Secondary School Emergency Relief Fund - 84.425D.
8. The threshold for distinguishing between Types A and B programs was \$750,000.
9. The Springfield International Charter School was determined to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**THE SABIS INTERNATIONAL CHARTER SCHOOL**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**for the year ended June 30, 2021**

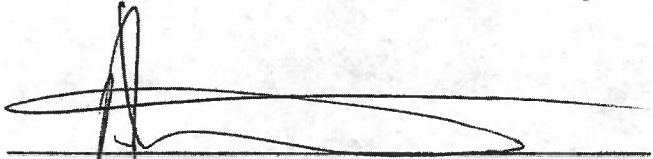
There were no audit findings reported in the prior year's audit for the year ended June 30, 2020.

**Springfield International Charter School**  
Springfield, Massachusetts

**ACCEPTANCE OF THE BOARD OF TRUSTEES**

We, the Board of Trustees of The Springfield International Charter School or its designee, have voted to accept the representations of management and the expression of the opinions made by MP, P.C. as embodied in the financial statements, supplemental schedules and independent auditors' reports for the years ended June 30, 2021 and 2020.

We also certify that the representations made by management and the disclosures in the financial statements are accurate and have been correctly and completely disclosed as required by accounting principles generally accepted in the United States of America and the Commonwealth of Massachusetts Charter School Audit Guide for the periods ended June 30, 2021 and 2020.



\_\_\_\_\_  
Board President or Treasurer or Other Designated Person

October 29, 2021

\_\_\_\_\_  
Date

160 Joan St., Springfield, MA 01129, U.S.A.  
Tel: (+1) 413 783 2600 Fax: (+1) 413 783 2555

*Springfield International Charter School does not discriminate based on race, color, national origin, disability, sex, religion, sexual orientation, homelessness, or gender identity*