
ACADEMIC LEADERSHIP CHARTER SCHOOL

Financial Statements

For the years ended June 30, 2020 and 2019

ACADEMIC LEADERSHIP CHARTER SCHOOL

Financial Statements

June 30, 2020 and 2019

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Academic Leadership Charter School as of June 30, 2020 and 2019, 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.

Other reporting required by government auditing standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2020 on our consideration of Academic Leadership Charter School internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 in considering Academic Leadership Charter School and compliance.



New York, New York
October 28, 2020

ACADEMIC LEADERSHIP CHARTER SCHOOL**Statements of Financial Position**

As of June 30,

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 28,080,162	\$ 23,964,961
Grants receivable	632,390	439,926
Total current assets	28,712,552	24,404,887
Property and equipment, net - Note 5	5,846,567	4,094,686
Other assets		
Reserve contingency	78,076	77,183
Total Assets	<u>\$ 34,637,195</u>	<u>\$ 28,576,756</u>
 <u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 317,087	\$ 395,120
Accrued salaries and other payroll-related expenses - Note 7	389,622	323,663
Refundable advances	-	1,975
Total current liabilities	706,709	720,758
Net assets without donor restrictions		
Undesignated	33,852,410	27,778,815
Reserve - contingency	78,076	77,183
Total net assets without donor restrictions	33,930,486	27,855,998
Total liabilities and net assets without donor restrictions	<u>\$ 34,637,195</u>	<u>\$ 28,576,756</u>

The accompanying notes are an integral part of these financial statements.

ACADEMIC LEADERSHIP CHARTER SCHOOL**Statements of Activities**

For the years ended June 30,

	2020	2019
<u>Operating revenue and other support</u>		
State and local per pupil operating revenue		
General education	\$ 9,102,721	\$ 7,616,230
Special education	461,095	301,950
Total state and local per pupil operating revenue	9,563,816	7,918,180
Grants, contracts and other support		
Federal grants	524,912	589,386
State and local grants	166,104	277,275
Interest and other income	417,572	385,940
Total grants, contracts and other support	1,108,588	1,252,601
Total operating revenue and other support	10,672,404	9,170,781
<u>Expenses</u>		
Program expenses		
Regular education	3,894,601	3,787,518
Special education	178,981	133,364
Total program expenses	4,073,582	3,920,882
Supporting services		
Management and general	524,334	431,404
Total program and supporting services expenses	4,597,916	4,352,286

The accompanying notes are an integral part of these financial statements.

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ACADEMIC LEADERSHIP CHARTER SCHOOL**Statements of Cash Flows**

For the years ended June 30,

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 6,074,488	\$ 4,818,495
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	82,237	64,583
Changes in operating assets and liabilities		
Grants receivable	(192,464)	(137,525)
Accounts payable and accrued expenses	(78,033)	126,382
Accrued payroll and benefits	65,959	(116,557)
Refundable advances	(1,975)	(34,720)
Net cash provided by operating activities	<u>5,950,212</u>	<u>4,720,658</u>
Cash flows from investing activities		
Reserve contingency	(893)	(1,059)
Acquisition of fixed assets	<u>(1,834,118)</u>	<u>(313,982)</u>
Net cash used in investing activities	<u>(1,835,011)</u>	<u>(315,041)</u>
Net increase in cash and cash equivalents	4,115,201	4,405,617
Cash and cash equivalents - beginning of year	<u>23,964,961</u>	<u>19,559,344</u>
Cash and cash equivalents - end of year	<u><u>\$ 28,080,162</u></u>	<u><u>\$ 23,964,961</u></u>

The accompanying notes are an integral part of these financial statements.

ACADEMIC LEADERSHIP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2020 and 2019

Note 1 Organization

-exempt organization, is a public charter school located in Bronx, New York. The School was granted a provisional charter on February 10, 2009, which was renewed on May 1, 2018 for an additional five years. The School served from Kindergarten through seventh grade in 2015 and added eighth grade in 2016. The School provides a broad-based education for all students, focusing on developing good character as well as comprehension and analytical skills across all disciplines, ranging from the fundamentals of reading and mathematics to fine arts, physical education, drama, and dance.

Note 2 Summary of significant accounting policies

Basis of presentation and use of estimates. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation. The financial statements of the School have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School.

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and cash equivalents. The School considers all short-term, highly liquid investments, such as money market funds, to be cash equivalents.

ACADEMIC LEADERSHIP CHARTER SCHOOL
Notes to the Financial Statements 2019 Statement of

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 Academic Leadership Charter School's financial statements are free of material misstatement, we performed tests of its compliance with financial statements