Opportunity Charter School

Financial Report
June 30, 2020

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Independent Auditor's Report

Board of Directors
Opportunity Charter Center School

Report on the Financial Statements
We have audited the accompanying financial statements of Opportunity Charter Center School (the Charter School), which comprise the statement of financial position as of June 30, 2020, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charter School as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As further discussed in Note 9 to the financial statements, the Charter School's authorizer, the New York City Department of Education, has recommended renewal of the charter effective July 1, 2017, with the condition that the Charter School eliminate grades six, seven and eight. The Charter School has challenged this condition in court and the Charter School is continuing to operate all grades. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information
We have previously audited the Charter School's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated October 29, 2020 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Charter School's internal control over financial reporting and compliance.

New York, New York
October 29, 2020

Opportunity Charter School

Statement of Activities
Year Ended June 30, 2020
(with summarized comparative information for the year ended June 30, 2019)

	Without Donor Restrictions	**With Donor Restrictions**	**Total**	2019 Summarized Comparative Total
Operating revenue:				
State and local per pupil operating revenue	**$ 11,616,142**	**$ -**	**$ 11,616,142**	$ 11,643,352
Government grants	**606,792**	**-**	**606,792**	537,949

Statement of Cash Flows
Year Ended June 30, 2020
(with summarized comparative information for the year ended June 30, 2019)

		2020		2019
Cash flows from operating activities:				
Change in net assets	**$**	**688,109**	$	(561,108)
Adjustments to reconcile change in net assets to net cash used in (provided by) operating activities:				
Depreciation and amortization		**213,097**		247,622
Loss on disposal of equipment		**-**		2,380
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable		**(144,795)**		125,596

Note 1. Principal Business Activity

Opportunity Charter School (the Charter School) is an educational corporation that operates a charter school in the borough and county of Manhattan, New York. The Charter School was granted a charter valid for a term of five years from May 18, 2004 that is renewable by the Board of Regents of the University of the State of New York. In May 2012, the Charter School was awarded its third renewal, which is a five-year renewal, which expired on June 30, 2017. During the year ended June 30, 2018, the Charter School was recommended for a short term renewal of three years for its high school only with conditions consistent with the terms of the renewal application (please refer to Note 9).

The Charter School was established to prepare underserved middle and high school students for higher education, civic involvement and lifelong success through a structured, caring environment of high academic expectations. The Charter School is unique in that each year it accepts an incoming grade of students, more than half of whom have been classified by their previous schools as requ2.9 (al)-9 (,)-incomihom l.2 (oe0en
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Opportunity Charter School

Notes to Financial Statements

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Note 4. Employee Benefit Plan (Continued)

Employer contributions to the Plan are determined by the Plan's Chief Actuary of the Office of the Actuary in accordance with the State statutes and City laws, and include amounts to reduce the Plan's underfunding. During the years ended June 30, 2020 and 2019, the Charter School contributed $809,412 and $795,393, respectively, to the Plan.

The audited financial statements of the Plan, as of and for the year ended June 30, 2019, reported total assets of $85,076,959,000. The funded status of the Plan as of June 30, 2019, the most recent actuarial valuation date, is as follows:

	Amounts (in Thousands)
Actuarial value of assets	$ 44,381,706
Actuarial accrued liability	69,552,380
Unfunded actuarial accrued liability	$ (25,170,674)
Funded status	63.8%

Note 7. Facilities

As part of the New York City Chancellor's Charter School Initiative, the NYC DOE has committed space to charter schools within existing public schools. Beginning with fiscal year 2007, the NYC DOE has facilitated Shared Use Agreements with charter schools outlining services and facility offerings to charter schools for a five-year period. Beginning with fiscal year 2012, the NYC DOE renewed the Shared Use Agreement for a five-year period that expired on June 30, 2017. Currently the Charter School awaits the renewal of the Shared Use Agreement from NYC DOE and continues to operate in the same location for fiscal year 2020. The Charter School shares space at a public school building and utilizes approximately 20,800 square feet at no cost to the Charter School.

Note 8. Commitments

During fiscal year 2016, the Charter School entered into a lease agreement for additional classrooms in New York City under an operating lease that expires on April 30, 2021 with an additional five-year renewal option. The Charter School occupied the lease space on April 20, 2016 and the lease is subject

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Opportunity 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 Opportunity Charter School (the Charter School), which comprise the statement of financial position as of June 30, 2020, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) to determine the 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 Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Charter School'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. Accordingly, material weaknesses or significant deficiencies may exist that were not identified. 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 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 determination of financial statement amounts. 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

Opportunity Charter School	Budget Draft
	Jul '20 - Jun 21
Government Grants	12,153,598.00
Contributed Income	77,000.00
Interest Income	5,000.00
Misc. Income	2,000.00
Total Income	12,237,598.00
Personnel	10,493,553.93
OTPS	1,744,044.07
Total Expense	12,237,598.00
Net Income	0.00

J.P.Morgan

JPMORGAN CHASE
10430 HIGH HIGHLAND MAR
2ND FLO
TAMPA, FL 33610-9128

SEGREGATED DEPOSIT ACCOUNT
Statement Date: [illegible] Cycle: 2020 Statement Period: September 30, 2020
THE OPPORTUNITY CHARTER SCHOOL INC
Number of Checks Enclosed:

00000017 SDA 002 054 27520 - NNN T 0 000000 N0 0000
THE OPPORTUNITY CHARTER SCHOOL INC
LEONARD GOLDBERG / CEO
240 WEST 113TH STREET
NEW YORK, NY 10026

J.P.Morgan

JPMORGAN CHASE BANK, N.A.
10420 HIGHLAND MANOR DRIVE
2ND FLOOR FL3-2513
TAMPA, FL 33610-9128

SEGREGATED DEPOSIT ACCOUNT
September 01, 2020 - September 30, 2020
THE OPPORTUNITY CHARTER SCHOOL INC
Primary Account Number [redacted]
Number of Checks Enclosed: 0
Page 1 of 4

THE OPPORTUNITY CHARTER SCHOOL INC
LEONARD SOBSEY / CEO
240 WEST 113TH STREET
NEW YORK, NY 10026

Customer Service Information
Service Center: 1-800-221-3175

ESCROW SUMMARY

Current Interest: $9.39
Year to Date Interest: $85.72
Life to Date Interest: $1,291.15

GROUP	Number of Accounts	Beginning Balance	Total Deposits	Total Withdrawals	Current Interest	Ending Balance
OPPORTUNITY CHARTER SCHOOL	1	$76,337.01	$9.39	$0.00	$9.39	$76,346.40
Totals	1	$76,337.01	$9.39	$0.00	$9.39	$76,346.40

Primary Account [redacted] for THE OPPORTUNITY CHARTER SCHOOL INC [redacted]

Transactions

Date	Description	Funds Added	Funds Subtracted	Daily Balance
09/01	OPENING BALANCE			$0.00
Totals				$0.00

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For Group OPPORTUNITY CHARTER SCHOOL	Client Number	Current Interest	Year To Date Interest	Life to Date Interest	Closing Balance
THE OPPORTUNITY CHARTER SCHOOL	NEW	$9.39	$85.72	$1,604.15	$76,346.40
Total [redacted]		$9.39	$85.72	$1,[redacted]	$76,346.40

THE OPPORTUNITY CHARTER SCHOOL — Closing Balance $76,346.40

Client # NEW [redacted]

Interest Participant	Interest Allocation	Current Interest	Year To Date Interest	Life To Date Interest
THE OPPORTUNITY CHARTER SCHOOL	100.00%	$9.39	$85.72	$1,604.15
Total Participants .01	100.00%	$9.39	$85.72	$1,604.15

Transactions

Date	Description	Funds Added	Funds Subtracted	Balance
09/01	OPENI[redacted]			$76,337.01
09/30	INTEREST PAYMENT	$9.39		$76,346.40
Totals		$9.39		$76,346.40

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SEGREGATED DEPOSIT ACCOUNT

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THE OPPORTUNITY CHARTER SCHOOL INC

Primary Account Number: 0000007902000398

Number of Checks Enclosed: 0

account and (2) the bank