

**Audited Financial Statements In Accordance
With Government Auditing Standards**

June 30, 2019

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL

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Independent Auditor's Report

To the Board of Trustees of
John V. Lindsay Wildcat Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of John V. Lindsay Wildcat Charter School (the "School"), which comprise the statement of financial position as of June 30, 2019, and 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 organization'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 organization'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 John V. Lindsay Wildcat Charter School as of June 30, 2019, 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

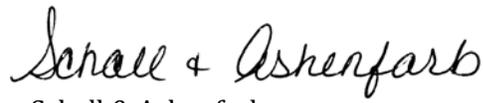
As discussed in Note 2 to the financial statements, the School adopted Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the School’s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 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 September 23, 2019 on our consideration of the 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 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 School’s internal control over financial reporting and compliance.


Schall & Ashenfarb
Certified Public Accountants, LLC

September 23, 2019

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2019
(With comparative totals at June 30, 2018)

Assets

	6/30/19	6/30/18
Current assets:		
Cash and cash equivalents	\$2,134,914	\$1,598,461
Restricted cash	70,378	70,343
Investments (Note 3)	2,611,445	2,393,091
Grants receivable - other	47,014	570,582
Other receivables	7,400	10,612
Prepaid expenses	258,585	45,758
Total current assets	5,129,736	4,688,847
Non-current assets:		
Fixed assets (Note 4)	243,210	322,637
Security deposit	500,675	500,000
Total non-current assets	743,885	822,637
Total assets	\$5,873,621	\$5,511,484

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$75,655	\$94,329
Accrued expenses	1,573,285	1,854,470
Grant advance - New York City Department of Education (Note 5)	100,498	39,332
Grant advance - other	20,474	0
Deferred rent (Note 8)	755,165	724,421
Total liabilities	2,525,077	2,712,552
Net assets:		
Without donor restrictions	3,346,544	2,798,932
With donor restrictions	2,000	0
Total net assets	3,348,544	2,798,932
Total liabilities and net assets	\$5,873,621	\$5,511,484

The attached notes and auditor's report are an integral part of these financial statements.

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/19</u>	<u>Total 6/30/18</u>
Public support and revenue:				
Public school district (Note 5):				
Revenue - resident student enrollment	\$6,984,201		\$6,984,201	\$6,776,569
Revenue - students with special education services	1,319,620		1,319,620	1,348,743
Total public school district revenue	8,303,821	0	8,303,821	8,125,312
Other government grants	1,372,913		1,372,913	1,739,174
Private grants	2,505	2,000	4,505	64,404
In-kind contributions			0	6,475
Investment income (Note 3)	226,361		226,361	139,870
Other	17,190		17,190	15,607
Net assets released from restriction			0	0
Total public support and revenue	<u>9,922,790</u>	<u>2,000</u>	<u>9,924,790</u>	<u>10,090,842</u>
Expenses:				
Program services:				
Regular education	4,131,550		4,131,550	4,339,875
Special education	3,051,668		3,051,668	3,096,310
Other programs	811,731		811,731	833,044
Total program services	<u>7,994,949</u>	<u>0</u>	<u>7,994,949</u>	<u>8,269,229</u>
Supporting services:				
Management and general	1,349,714		1,349,714	1,132,534
Fundraising	30,515		30,515	44,544
Total supporting services	<u>1,380,229</u>	<u>0</u>	<u>1,380,229</u>	<u>1,177,078</u>
Total expenses	<u>9,375,178</u>	<u>0</u>	<u>9,375,178</u>	<u>9,446,307</u>
Change in net assets	547,612	2,000	549,612	644,535
Net assets - beginning of year	<u>2,798,932</u>	<u>0</u>	<u>2,798,932</u>	<u>2,154,397</u>
Net assets - ending of year	<u>\$3,346,544</u>	<u>\$2,000</u>	<u>\$3,348,544</u>	<u>\$2,798,932</u>

The attached notes and auditor's report are an integral part of these financial statements.

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

	Program Services			Supporting Services		Total Expenses 6/30/19	Total Expenses 6/30/18*		
	Regular Education	Special Education	Other Programs	Total Program Services	Management and General			Total Supporting Services	
Personnel services:									
Administrative staff personnel	\$345,500	\$192,479	\$79,817	\$617,796	\$796,256	\$22,325	\$818,581	\$1,436,377	\$1,374,043
Instructional staff personnel	1,165,139	1,085,170	237,917	2,488,226			0	2,488,226	2,552,132
Non-instructional staff personnel	341,607	192,154		533,761	53,173		53,173	586,934	643,285
Total personnel services	<u>1,852,246</u>	<u>1,469,803</u>	<u>317,734</u>	<u>3,639,783</u>	<u>849,429</u>	<u>22,325</u>	<u>871,754</u>	<u>4,511,537</u>	<u>4,569,460</u>
Employee benefits and payroll taxes	417,708	331,006	71,813	820,527	192,090	5,068	197,158	1,017,685	989,914
Retirement	340,474	272,276	14,220	626,970	31,638	3,122	34,760	661,730	660,874
Accounting and audit services				0	22,569		22,569	22,569	28,500
Other purchased professional and consulting services	28,328	17,384	222,090	267,802	37,184		37,184	304,986	411,474
Occupancy and facility costs	1,170,068	746,058	450	1,916,576	156,258		156,258	2,072,834	1,995,470
Repairs and maintenance	34,264	23,986	18,360	76,610	4,751		4,751	81,361	71,866
Insurance	30,226	19,272		49,498	4,036		4,036	53,534	50,465
Utilities	78,350	54,848	95,579	228,777	10,863		10,863	239,640	214,142
Supplies and materials	27,495	16,526	27,278	71,299			0	71,299	95,110
Equipment and furnishings				0	532		532	532	170
Staff development	3,431	2,110		5,541	3,783		3,783	9,324	5,133
Marketing and recruitment				0	559		559	559	902
Technology	3,688	2,268		5,956	9,427		9,427	15,383	15,046
Student services	65,274	40,129	23,001	128,404			0	128,404	146,066
Office expense	22,864	16,006	903	39,773	7,763		7,763	47,536	55,447
Depreciation and amortization	49,283	34,499	20,199	103,981	6,833		6,833	110,814	80,621
Other	7,851	5,497	104	13,452	11,999		11,999	25,451	55,647
Total expenses	<u><u>\$4,131,550</u></u>	<u><u>\$3,051,668</u></u>	<u><u>\$811,731</u></u>	<u><u>\$7,994,949</u></u>	<u><u>\$1,349,714</u></u>	<u><u>\$30,515</u></u>	<u><u>\$1,380,229</u></u>	<u><u>\$9,375,178</u></u>	<u><u>\$9,446,307</u></u>

* Reclassified for comparison purposes

The attached notes and auditor's report are an integral part of these financial statements.

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

	6/30/19	6/30/18*
Cash flows from operating activities:		
Change in net assets	\$549,612	\$644,535
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Depreciation and amortization	110,814	80,621
Net gain on investments	(174,138)	(157,146)
Changes in assets and liabilities:		
Restricted cash	(35)	(35)
Grants receivable - other	523,568	(261,193)
Other receivables	3,212	4,985
Prepaid expenses	(212,827)	203,339
Accounts payable	(18,674)	33,409
Accrued expenses	(281,185)	39,463
Grant advance - New York City Department of Education	61,166	8,303
Grant advance - other	20,474	0
Deferred rent	30,744	(28,902)
Total adjustments	62,444	(77,156)
Net cash flows provided by operating activities	612,056	567,379
Cash flows from investing activities:		
Fixed asset acquisitions	(31,387)	(150,805)
Purchase of investments (including reinvestments of interest income)	(875,516)	0
Proceeds from sale of investments	831,300	22,243
Net cash flows used for investing activities	(75,603)	(128,562)
Net increase in cash and cash equivalents	536,453	438,817
Cash and cash equivalents - beginning of year	1,598,461	1,159,644
Cash and cash equivalents - end of year	\$2,134,914	\$1,598,461
Supplemental data:		
Interest and taxes paid	\$0	\$0

* Reclassified for comparison purposes

The attached notes and auditor's report are an integral part of these financial statements.

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Organization and Nature of Activities

Effective September 1, 2000, John V. Lindsay Wildcat Charter School (the "School") was granted a charter by the University of the State of New York, Education Department. The School's charter which ended August 31, 2016 was renewed for five more years by the New York State Board of Regents through 2021. The School is an inner city high school serving adolescents who are at risk of failure due to poor attendance, disruptive behavior, criminal activity and poor academic achievement.

The School was organized under the Not-For-Profit Corporation Law of the State of New York and has been notified by the Internal Revenue Service that they are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

Note 2 - Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective July 1, 2018, the School adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 11).

Implementation of ASU 2016-14 did not require any reclassification or restatement of opening balances related to the periods presented.

The School reports information regarding their financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions.

- *Net Assets with Donor Restrictions* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

b. Cash and Cash Equivalents

The School considers all bank accounts, certificates of deposit and any investments with an initial maturity of three months or less to be cash and cash equivalents, except for cash held with an investment custodian for long-term purposes.

c. Concentration of Credit Risk

Financial instruments that potentially subject the School to concentration of credit risk consist of cash, money market accounts, and investment securities, which are placed with financial institutions that management deems to be creditworthy. The market value of investments is subject to fluctuation; however, management believes the investment policy is prudent for the long-term welfare of the School. At year end and at various times throughout the year, balances were in excess of insured amounts. The School has not suffered any losses due to bank failure.

d. Fair Value Measurement

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the School has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significance to the overall fair value measurement.

The following have been recorded at fair value:

- Investments
- Donated services

e. Investments

Investments have been recorded at fair value. Unrealized gains and losses are included in income.

f. Government Grants

All government grants are recognized as revenue in the period earned, which is typically when the expense allowed under the grant is incurred.

The School reviews receivables that are unlikely to be collected based on historical experience and a review of activity subsequent to the date of the statement of financial position. No allowance for doubtful accounts exists as of June 30, 2019. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

g. Fixed Assets

Property and equipment that exceed pre-determined amounts and have a useful life of greater than one year are recorded at cost or at the fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Office equipment – *3-year life*

Furniture and fixtures – *7-year life*

Leasehold improvements – *Life of lease*

h. Revenues – Public School District

The School receives grants from the New York City Department of Education (“NYCDOE”) to carry out its operations. Program revenues are recognized based on rates established by the School’s funding sources and the amount realizable on the accrual basis in the period during which services are provided.

i. Contributions

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions receivable are recognized as revenue in the period that a promise to give is considered unconditional in nature. Contributions expected to be received within one year are recorded at net realizable value.

j. Donated Goods and Services

Donated goods and services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind, are recognized at fair value. The school did not receive any donated goods or services during the year ended June 30, 2019. The School received \$6,475 of goods and services for the year ended 2018.

k. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following cost are allocated by time and effort reporting:

- Personnel services
- Employee benefits and payroll taxes
- Retirement

The following costs are allocated by student full time equivalent ratio:

- Other purchased professional and consulting services
- Occupancy
- Repairs and maintenance
- Insurance
- Utilities
- Supplies and materials
- Staff development
- Technology
- Office expense
- Depreciation
- Other

l. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

m. Prior-Year Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

n. Accounting for Uncertainty of Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax returns for periods ending June 30, 2016 and later are subject to examination by applicable taxing authorities.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through September 23, 2019 the date the financial statements were available to be issued. No events have occurred subsequent to the date of the statement of financial position through our evaluation date that would require adjustment to or disclosure in the financial statements.

p. New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes effective for the June 30, 2020 year, with early implementation permitted, provides guidance on whether a receipt from a third-party resource provider should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions.

In addition, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the June 30, 2020 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

Lastly, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2021 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

The School is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Investments

The following summarizes the composition of investments:

	<u>June 30, 2019</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash	\$47,014	\$0	\$47,014
US Common Stock	1,033,936	0	1,033,936
US Corporate Fixed Income	0	367,948	367,948
Government securities:			
US Treasury Securities	0	373,722	373,722
US Federal Agency Bonds	0	103,195	103,195
US Mutual Funds	<u>685,630</u>	<u>0</u>	<u>685,630</u>
Total	<u>\$1,766,580</u>	<u>\$844,865</u>	<u>\$2,611,445</u>
	<u>June 30, 2018</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash	\$44,720	\$0	\$44,720
US Common Stock	931,111	0	931,111
US Corporate Fixed Income	0	414,105	414,105
Government securities:			
US Treasury Securities	0	252,703	252,703
US Federal Agency Bonds	0	107,851	107,851
US Mutual Funds	<u>642,601</u>	<u>0</u>	<u>642,601</u>
Total	<u>\$1,618,432</u>	<u>\$774,659</u>	<u>\$2,393,091</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

The following summarizes investment income:

	<u>6/30/19</u>	<u>6/30/18</u>
Interest and dividends income	\$75,217	\$4,967
Realized gain on investments	65,656	0
Unrealized gain on investments	108,482	157,146
Investment fees	<u>(22,994)</u>	<u>(22,243)</u>
Total	<u>\$226,361</u>	<u>\$139,870</u>

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/19</u>	<u>6/30/18</u>
Furniture and fixtures	\$156,145	\$152,827
Office equipment	1,161,495	1,133,426
Leasehold improvements	<u>517,092</u>	<u>517,092</u>
	1,834,732	1,803,345
Less: accumulated depreciation	<u>(1,591,522)</u>	<u>(1,480,708)</u>
Total fixed assets, net	<u>\$243,210</u>	<u>\$322,637</u>

Note 5 - Advance Payable – New York City Department of Education

	<u>6/30/19</u>	<u>6/30/18</u>
Beginning advance payable	(\$39,332)	(\$31,029)
Funding based on allowable FTEs	8,303,821	8,125,312
Advances received	<u>(8,364,987)</u>	<u>(8,133,615)</u>
Ending advance payable	<u>(\$100,498)</u>	<u>(\$39,332)</u>

Note 6 - Net Assets With Donor Restrictions

A summary of net assets with donor restrictions is as follows:

	<u>June 30, 2019</u>			
	<u>7/1/18</u>	<u>Restricted Contributions</u>	<u>Released from Restrictions</u>	<u>6/30/19</u>
Michael Steiner Memorial Fund	<u>\$0</u>	<u>\$2,000</u>	<u>(\$0)</u>	<u>\$2,000</u>

	<u>June 30, 2018</u>			
	<u>7/1/17</u>	<u>Restricted Contributions</u>	<u>Released from Restrictions</u>	<u>6/30/18</u>
Michael Steiner Memorial Fund	<u>\$2,000</u>	<u>\$0</u>	<u>(\$2,000)</u>	<u>\$0</u>

Note 7 - Significant Concentrations

The School and NYCDOE signed an agreement, which permits the School to operate the charter. Approximately 83% and 81% of the School's total public support and revenue was received from NYCDOE in 2019 and 2018, respectively.

Note 8 - Commitments

The School occupies space in lower Manhattan and the Bronx under separate lease agreements that expire on June 30, 2028 and August 31, 2022, respectively.

Future minimum payments due under the leases are as follows:

	<u>Amount</u>
Year ending: June 30, 2020	\$2,132,238
June 30, 2021	2,173,552
June 30, 2022	2,215,472
June 30, 2023	1,278,675
June 30, 2024	1,307,445
Thereafter	<u>5,530,650</u>
Total	<u>\$14,638,032</u>

Rent expense is recognized evenly over the life of each lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. As payments exceed the amount of expense recognized, deferred revenue will be reduced until it is zero at the end of the lease.

Note 9 - Multi-Employer Benefit Plan

The School participates in a multi-employer plan that provides defined benefits to certain contract labor covered by a collective bargaining agreement which expires October 31, 2018. The School contributed \$624,057 and \$658,796 to the plan during the years ended June 30, 2019 and 2018, respectively. The School's participation in this plan for the annual period ended June 30, 2018 is outlined below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN"). The most recent Pension Protection Act ("PPA") zone status is not applicable because it is a government plan. As of the most current report on file with the City of New York's Office of the Actuary, which is for the fiscal year ending June 30, 2018, total plan assets were \$54,532,500,000 and the accumulated benefit obligations were \$73,244,000,000 which results in the plan being 74% funded.

Information on the Teachers' Retirement System of the City of New York Pension Plan, as of June 30, 2019, is as follows:

<u>EIN/Pension Plan Number</u>	<u>Plan End Date</u>	<u>PPA Zone Status</u>	<u>Collective Bargaining Agreement Expiration Date</u>	<u>Contribution</u>
90-0584726	6/30/18	N/A	10/31/2018	<u>\$624,057</u>

Note 10 - 403(b) Plan

The School has a retirement plan under IRS Section 403(b). All eligible employees (as defined by the plan) may elect to defer a portion of their salary and contribute to this plan up to statutory amounts. The School can provide a discretionary match to eligible employees. During the year ended June 30, 2019, the school provided a match totaling \$34,000. No match has been provided during the year ended June 30, 2018.

Note 11 - Availability and Liquidity

The following reflects the school's financial assets at June 30, 2019 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:	
Cash and cash equivalents	\$2,134,914
Investments	2,611,446
Grants receivable	<u>47,014</u>
Total financial assets	\$4,793,374
Less amounts not available for general expenditures:	
Donor contributions restricted to specific purposes	<u>(2,000)</u>
Financial assets available to meet cash needs for operations within one year	<u>\$4,791,374</u>

The school maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the school operates its programs within a board approved budget and relies on grants and earned income to fund its operations and program activities.

**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
John V. Lindsay Wildcat Charter School

Report on the Financial Statements

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 John V. Lindsay Wildcat Charter School (the "School"), which comprise the statement of financial position as of June 30, 2019, and 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 September 23, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

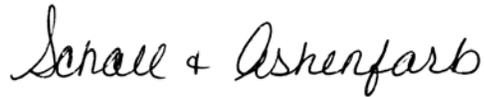
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during 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 School's financial statements are free of 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 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.



Schall & Ashenfarb
Certified Public Accountants, LLC

September 23, 2019

**JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2019**

Current Year:

None

Prior Year:

None