

Audited Financial Statements In Accordance
With Government Auditing Standards
June 30, 2020

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, 2020, 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 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

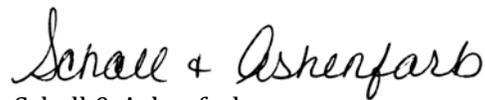
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of John V. Lindsay Wildcat Charter School as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles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

Report on Summarized Comparative Information

We have previously audited the School's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 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 14, 2020 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 the effectiveness of the 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 School's internal control over financial reporting and compliance.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 14, 2020

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2020
(With comparative totals at June 30, 2019)

Assets

	6/30/20	6/30/19
Current assets:		
Cash and cash equivalents	\$2,084,484	\$2,134,914
Restricted cash	70,407	70,378
Investments (Note 3)	2,836,555	2,611,445
Grants receivable -		
New York City Department of Education (Note 4)	24,184	0
Grants receivable - other	268,676	47,014
Other receivables	7,592	7,400
Prepaid expenses	136,917	258,585
Total current assets	5,428,815	5,129,736
Non-current assets:		
Fixed assets (Note 5)	162,193	243,210
Security deposit	500,460	500,675
Total non-current assets	662,653	743,885
Total assets	\$6,091,468	\$5,873,621

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$91,354	\$75,655
Accrued expenses	1,462,731	1,573,285
Grant advance - New York City Department of Education (Note 4)	0	100,498
Grant advance - other	1,026	20,474
Deferred rent (Note 6)	687,588	755,165
Total liabilities	2,242,699	2,525,077
Net assets:		
Without donor restrictions	3,844,769	3,346,544
With donor restrictions (Note 7)	4,000	2,000
Total net assets	3,848,769	3,348,544
Total liabilities and net assets	\$6,091,468	\$5,873,621

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, 2020
(With comparative totals for the year ended June 30, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/20</u>	<u>Total 6/30/19</u>
Public support and revenue:				
Public school district (Note 8):				
Revenue - resident student enrollment	\$7,202,238		\$7,202,238	\$6,984,201
Revenue - students with special education services	1,482,819		1,482,819	1,319,620
Total public school district revenue	8,685,057	0	8,685,057	8,303,821
Other government grants	1,353,015		1,353,015	1,372,913
Private grants	710	2,000	2,710	4,505
Investment income (Note 3)	231,982		231,982	226,361
Other	4,002		4,002	17,190
Net assets released from restriction			0	0
Total public support and revenue	<u>10,274,766</u>	<u>2,000</u>	<u>10,276,766</u>	<u>9,924,790</u>
Expenses:				
Program services:				
Regular education	4,173,364		4,173,364	4,131,550
Special education	3,086,229		3,086,229	3,051,668
Other programs	1,070,130		1,070,130	811,731
Total program services	<u>8,329,723</u>	<u>0</u>	<u>8,329,723</u>	<u>7,994,949</u>
Supporting services:				
Management and general	1,409,733		1,409,733	1,349,714
Fundraising	37,085		37,085	30,515
Total supporting services	<u>1,446,818</u>	<u>0</u>	<u>1,446,818</u>	<u>1,380,229</u>
Total expenses	<u>9,776,541</u>	<u>0</u>	<u>9,776,541</u>	<u>9,375,178</u>
Change in net assets	498,225	2,000	500,225	549,612
Net assets - beginning of year	<u>3,346,544</u>	<u>2,000</u>	<u>3,348,544</u>	<u>2,798,932</u>
Net assets - end of year	<u><u>\$3,844,769</u></u>	<u><u>\$4,000</u></u>	<u><u>\$3,848,769</u></u>	<u><u>\$3,348,544</u></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, 2020
(With comparative totals for the year ended June 30, 2019)

	Program Services			Supporting Services		Total Expenses 6/30/20	Total Expenses 6/30/19		
	Regular Education	Special Education	Other Programs	Total Program Services	Management and General			Fundraising	Total Supporting Services
Personnel services:									
Administrative staff personnel	\$385,300	\$214,609	\$131,597	\$731,506	\$804,780	\$24,637	\$829,417	\$1,560,923	\$1,436,377
Instructional staff personnel	1,231,020	1,177,418	214,849	2,623,287			0	2,623,287	2,488,226
Non-instructional staff personnel	350,630	197,229		547,859	80,629		80,629	628,488	586,934
Total personnel services	<u>1,966,950</u>	<u>1,589,256</u>	<u>346,446</u>	<u>3,902,652</u>	<u>885,409</u>	<u>24,637</u>	<u>910,046</u>	<u>4,812,698</u>	<u>4,511,537</u>
Employee benefits and payroll taxes	425,702	336,031	77,659	839,392	195,916	6,906	202,822	1,042,214	1,017,685
Retirement	329,325	254,693	14,427	598,445	40,025	5,542	45,567	644,012	661,730
Accounting and audit services				0	31,569		31,569	31,569	22,569
Other purchased professional and consulting services	31,708	17,834	445,918	495,460	38,801		38,801	534,261	304,986
Occupancy and facility costs	1,117,326	712,430	400	1,830,156	149,211		149,211	1,979,367	2,072,834
Repairs and maintenance	26,805	17,023		43,828	3,617		3,617	47,445	81,361
Insurance	31,173	19,879		51,052	4,165		4,165	55,217	53,534
Utilities	88,373	56,107	89,640	234,120	11,927		11,927	246,047	239,640
Supplies and materials	32,060	18,577	37,385	88,022	893		893	88,915	71,299
Equipment and furnishings				0	281		281	281	532
Staff development	196	111		307	612		612	919	9,324
Marketing and recruitment				0	400		400	400	559
Technology	10,947	3,454	2,295	16,696	31,555		31,555	48,251	15,383
Student services	32,251	18,055	21,312	71,618			0	71,618	128,404
Office expense	22,985	14,655	500	38,140	8,805		8,805	46,945	47,536
Depreciation and amortization	49,475	23,238	17,706	90,419	4,868		4,868	95,287	110,814
Other	8,088	4,886	16,442	29,416	1,679		1,679	31,095	25,451
Total expenses	<u><u>\$4,173,364</u></u>	<u><u>\$3,086,229</u></u>	<u><u>\$1,070,130</u></u>	<u><u>\$8,329,723</u></u>	<u><u>\$1,409,733</u></u>	<u><u>\$37,085</u></u>	<u><u>\$1,446,818</u></u>	<u><u>\$9,776,541</u></u>	<u><u>\$9,375,178</u></u>

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, 2020
(With comparative totals for the year ended June 30, 2019)

	6/30/20	6/30/19*
Cash flows from operating activities:		
Change in net assets	\$500,225	\$549,612
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Depreciation and amortization	95,287	110,814
Net gain on investments	(168,982)	(174,138)
Changes in assets and liabilities:		
Grants receivable - other	(221,662)	523,568
Other receivables	(192)	3,212
Prepaid expenses	121,668	(212,827)
Security deposit	215	(675)
Accounts payable	15,699	(18,674)
Accrued expenses	(110,554)	(281,185)
Grant receivable/advance - New York City Department of Education	(124,682)	61,166
Grant advance - other	(19,448)	20,474
Deferred rent	(67,577)	30,744
Total adjustments	(480,228)	62,479
Net cash flows provided by operating activities	19,997	612,091
Cash flows from investing activities:		
Fixed asset acquisitions	(14,270)	(31,387)
Purchase of investments (including reinvestments of interest income)	(924,250)	(875,516)
Proceeds from sale of investments	868,122	831,300
Net cash flows used for investing activities	(70,398)	(75,603)
Net (decrease)/increase in cash and cash equivalents	(50,401)	536,488
Cash and cash equivalents - beginning of year	2,205,292	1,668,804
Cash and cash equivalents - end of year	\$2,154,891	\$2,205,292
Cash and cash equivalents:		
Cash and cash equivalents	\$2,084,484	\$2,134,914
Restricted cash	70,407	70,378
	\$2,154,891	\$2,205,292
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, 2020

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 Accounting

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, 2019, the School adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Topic 606"). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price, and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective July 1, 2019, the School adopted ("ASU") No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("Topic 605"). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, the School evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, the School applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

For contributions, the School evaluates whether they are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the School to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

Analysis of the various provisions of both standards resulted in no significant changes in the way the School recognizes revenue.

b. Basis of Presentation

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* – represents 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.

c. Revenue Recognition

The School did not have any types of revenue that fall under Topic 606.

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.

The School's public-school district revenue and other government grants are primarily conditional, non-exchange transactions and fall under Topic 605. Revenue from these transactions is recognized when performance related outcomes are achieved and other conditions under the agreements are met.

Contributions and grants that are due within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Pledges are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2020 or 2019. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

d. 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.

e. 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.

f. 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

g. Investments

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

h. 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*

i. 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 years ended June 30, 2020 and 2019.

j. 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 costs 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 and facility costs
- Repairs and maintenance
- Insurance
- Utilities
- Supplies and materials
- Staff development
- Technology
- Office expense
- Depreciation
- Other

k. 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.

l. 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, 2019, from which the summarized information was derived.

m. 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, 2017 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 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.

FASB issued (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line item presentation on the statement of activities and additional disclosures.

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, 2020</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash	\$50,981	\$0	\$50,981
US Common Stock	1,121,144	0	1,121,144
US Corporate Fixed Income	0	349,316	349,316
Government securities:			
US Treasury Securities	0	470,056	470,056
US Federal Agency Bonds	0	98,463	98,463
US Mutual Funds	<u>746,595</u>	<u>0</u>	<u>746,595</u>
Total	<u>\$1,918,720</u>	<u>\$917,835</u>	<u>\$2,836,555</u>
	<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>

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>6/30/20</u>	<u>6/30/19</u>
Interest and dividends income	\$87,964	\$75,217
Realized gain on investments	33,657	65,656
Unrealized gain on investments	135,325	108,482
Investment fees	<u>(24,964)</u>	<u>(22,994)</u>
Total	<u>\$231,982</u>	<u>\$226,361</u>

Note 4 - Grants Receivable/(Advance Payable) – New York City Department of Education

	<u>6/30/20</u>	<u>6/30/19</u>
Beginning advance payable	(\$100,498)	(\$39,332)
Funding based on allowable FTEs	8,685,057	8,303,821
Advances received	<u>(8,560,375)</u>	<u>(8,364,987)</u>
Ending advance payable	<u>\$24,184</u>	<u>(\$100,498)</u>

Note 5 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/20</u>	<u>6/30/19</u>
Furniture and fixtures	\$156,147	\$156,145
Office equipment	1,175,763	1,161,495
Leasehold improvements	<u>517,092</u>	<u>517,092</u>
	1,849,002	1,834,732
Less: accumulated depreciation	<u>(1,686,809)</u>	<u>(1,591,522)</u>
Total fixed assets, net	<u>\$162,193</u>	<u>\$243,210</u>

Note 6 - Commitments

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

Future minimum payments due under the leases are as follows:

	<u>Amount</u>
Year ending: June 30, 2021	\$2,173,552
June 30, 2022	2,215,472
June 30, 2023	1,278,675
June 30, 2024	1,307,445
June 30, 2025	1,336,863
Thereafter	<u>4,193,788</u>
Total	<u>\$12,505,795</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 7 - Net Assets With Donor Restrictions

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

	<u>June 30, 2020</u>			
	<u>7/1/19</u>	<u>Restricted Contributions</u>	<u>Released from Restrictions</u>	<u>6/30/20</u>
Michael Steiner Memorial Fund	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$0</u>	<u>\$4,000</u>
	<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>

Note 8 - Significant Concentrations

The School and NYCDOE signed an agreement, which permits the School to operate the charter. Approximately 85% and 83% of the School’s total public support and revenue was received from NYCDOE in 2020 and 2019, respectively.

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. The School contributed \$605,886 and \$624,057 to the plan during the years ended June 30, 2020 and 2019, respectively. The School’s participation in this plan for the annual period ended June 30, 2019 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, 2019, total plan assets were \$57,990,000,000 and the accumulated benefit obligations were \$73,347,000,000 which results in the plan being 79% funded.

Information on the Teachers’ Retirement System of the City of New York Pension Plan, as of June 30, 2020, 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	6/30/19	N/A	9/13/22	<u>\$605,886</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. The school provided a match of \$38,000 and \$34,000 for the years ended June 30, 2020 and 2019, respectively.

Note 11 - Availability and Liquidity

The following reflects the school's financial assets at June 30, 2020 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:	
Cash and cash equivalents	\$2,084,484
Investments	2,836,555
Grants receivable –	
New York City Department of Education	24,184
Grants receivable – other	268,676
Other receivables	<u>7,592</u>
Total financial assets	\$5,221,491
Less amounts not available for general expenditures:	
Donor contributions restricted to specific purposes	<u>(4,000)</u>
Financial assets available to meet cash needs for operations within one year	<u>\$5,217,491</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.

Note 12 - Subsequent Events

Management has evaluated the impact of all subsequent events through October 14, 2020 which is the date that the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, through our evaluation date, that would require adjustment to or disclosure in the financial statements.

Note 13 Other Matters

In January 2020, the World Health Organization declared the novel coronavirus (COVID-19) a Public Health Emergency of International Concern. Since then, the pandemic has led to quarantines, facility closures, and travel and logistics restrictions that have hurt workforces, economies, and financial markets. These events could adversely affect the School by potentially impacting the funding it receives, limiting program operations, depressing demand for its services, and disrupting its staff and suppliers. As of the date of these financial statements, the potential impact of these events on the School cannot be quantified.

**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***

Independent Auditor's Report

To the Board of Trustees of
John V. Lindsay Wildcat 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 John V. Lindsay Wildcat Charter School (the "School"), which comprise the statement of financial position as of June 30, 2020, 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 October 14, 2020.

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.

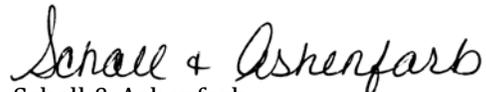
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during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


Schall & Ashenfarb
Certified Public Accountants, LLC

October 14, 2020

**JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2020**

Current Year:

None

Prior Year:

None