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Financial Statements and
Uniform Guidance Schedules
Together With Independent Auditors' Reports

June 30, 2020 and 2019

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 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.

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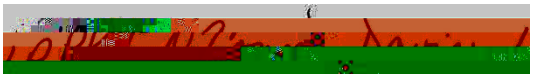
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards on page 19 as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## :.3$, @$-",.1#= @$G/1,$* 0% Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



October 26, 2020

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Adoption of New Accounting Policies (continued)

Recognition of Contributions (continued)

This guidance provides a framework for evaluating whether contributions and grants should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way the School recognizes contributions and grants, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis

Restricted Cash

In November 2016, the Financial Accounting Standards Board issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. ASU 2016-18 requires significant changes regarding how restricted cash is classified and presented on the statement of cash flows. On July 1, 2019, the School adopted the new guidance regarding the presentation and classification of restricted cash. The guidance requires the School to 1) include restricted cash and restricted cash equivalents in the cash and cash equivalents balances on the statements of cash flows, 2) provide a reconciliation between the statements of financial position and the statements of cash flows when more than one item for cash, cash equivalents, restricted cash, and restricted cash equivalents is presented on the statements of financial position, 3) eliminate the presentation of transfers between restricted cash and cash, and 4) include disclosures about the nature of the restrictions for material balances presented on the statements of financial position, 3) eliminate the presentation of transfers betwe

Notes to Financial Statements
June 30, 2020 and 2019

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Restricted Cash

Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution, should it occur.

Certificate of Deposit

At June 30, 2020 and 2019, the School had $5,250,467 and $0 invested in a certificate of deposit held by a bank. The certificate of deposit is reported at cost plus accrued interest and has an original term of six months maturing on December 25, 2020.

Property and Equipment

The School follows the practice of capitalizing all expenditures for property and equipment with costs in excess of $1,000 and a useful life in excess of one year. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods, which are reasonably assured, or the estimated useful life of the asset. Purchased property and equipment are recorded at cost at the date of acquisition. Minor costs of maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding is capitalized, unless the government agency retains legal title to such assets, in which case it is expensed as incurred.

Depreciation and amortization is recognized on the straight-line method over the estimated useful lives of such assets as follows:

| | |
|---|---|
| Computers and equipment | 3 to 5 years |
| Furniture and fixtures | 7 years |
| Software | 3 years |

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator ş Ď ® î þ ¡ O

Notes to Financial Statements
June 30, 2020 and 2019

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Revenue and Support

Revenue from the state and local governments resulting from the School's charter status and based on

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Notes to Financial Statements
June 30, 2020 and 2019

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Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the statement of financial position date, are comprised of the following at June 30:

| | 2020 | 2019 |
|---|---|---|
| Cash and cash equivalents | $ 2,370,668 | $ 6,546,074 |
| Certificate of deposit | 5,250,467 | - |
| Grants and contracts receivable | 1,002,243 | 386,209 |
| Due from related party | - | 1,371 |
| | $ 8,623,378 | $ 6,933,654 |

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The School receives a substantial portion of its revenue and support from the New York City Department of Education. For the years ended June 30, 2020 and 2019, the School received approximately 93% of its total revenue and support from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

Notes to Financial Statements
June 30, 2020 and 2019

Notes to Financial Statements
June 30, 2020 and 2019

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New High School Facility (continued)

annual amount equal to the

Notes to Financial Statements
June 30, 2020 and 2019

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Uniform Guidance
Schedules and Reports

June 30, 2020

Coney Island Preparatory Public Charter School

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Provided to Subrecipients | Total Federal Expenditures |
|---|---|---|---|---|
| U.S. Department of Agriculture | | | | |
| Pass-through New York State Education Department: | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | 332100860949 | $ - | $ 102,658 |
| National School Lunch Program | 10.555 | 332100860949 | - | 239,945 |
| Total U.S. Department of Agriculture | | | - | 342,603 |
| U.S. Department of Education | | | | |
| Pass-through New York State Education Department: | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 0021204595 | - | 396,787 |
| Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants) | 84.367 | 0147204595 | - | 40,580 |
| Student Support and Academic Enrichment Program | 84.424 | 0204204595 | - | 24,760 |
| CARES Act: Elementary and Secondary School Emergency Relief Fund | 84.425D | 5890214595 | - | 114,464 |
| Total U.S. Department of Education | | | - | 576,591 |
| Total Expenditures of Federal Awards | | | $ - | $ 919,194 |

See independent auditors' report and notes to schedule of expenditures of federal awards

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

Board of Trustees
Coney Island Preparatory Public Charter School

Report on Compliance for Each Major Federal Program

We have audited Coney Island Preparatory Public Charter School's (the "School") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2020. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



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Coney Island Preparatory Public Charter School