

LEGACY COLLEGE PREPARATORY  
CHARTER SCHOOL

BRONX, NEW YORK

AUDITED FINANCIAL STATEMENTS

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Legacy College Preparatory Charter School

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We have audited the accompanying financial statements which comprise the balance sheet as of June 30, 2022 and the related statements of income, expenses, and cash flows for the year ended June 30, 2022.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States and maintaining an adequate internal control system to prevent and detect fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements in accordance with the auditing standards prescribed by the American Institute of Certified Public Accountants. 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 procedures to test and verify amounts and disclosures in the financial statements. It also includes the auditor's judgment about the quality of the accounting principles used and the presentation of the financial statements.

We believe that the audit netvialredh cap pweo phbraivsei so bftoari pmoen opinion.

Opinion

In our opinion, the financial statements of Legacy College Preparatory Charter Schools as of and for the year ended June 30, 2020, in all material respects, fairly present the financial position and the results of operations and cash flows for the year ended June 30, 2020, in accordance with the accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have audited Legacy College Preparatory Charter Schools' 2019 and 2020 financial statements in accordance with the standards for the audit of financial statements. In our opinion, the summarized comparative information is consistent, in all material respects, with the audited financial statements.

Other Report Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report concerning our consideration of Legacy College Preparatory Charter Schools' internal controls over financial reporting. The purpose of that reporting is to provide information on the school's compliance with certain provisions of the Uniform Guidance that are required for the school to be eligible to receive federal awards. This report is an integral part of our audit of the financial statements in accordance with Government Auditing Standards in considering Legacy College Preparatory Charter Schools' compliance with the Uniform Guidance.

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As discussed in Note 2 to the financial statements in 2020, Legacy College Preparatory Charter Schools' accounting guidance related to the recognition and measurement of certain financial assets and liabilities is not modified with respect to these matters.

*Mengel, Metzger, Baw & Co. LLP*

Rochester, New York  
October 27, 2020



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LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020  
 (With Comparative Totals for 2019)

	Year ended June 30,					
	2020		2019			
	Program Services	Support Services	Management	Total		
	No. of Regular Positions	Special Education	Sub-total	General	Total	
Personnel services costs:						
Administrative staff	13	\$ 807,257	\$ 118,003	\$ 996,874	\$ 148,238	\$ 2,381,455
Instructional personnel	39	2,224,452	252,245	2,476,906	906	2,746,906
Totals salaries and staff		3,031,723	371,248	3,402,971	134,820	3,892,018
Fringe benefits		606,519	142,438	748,971	29,656	778,627
Retirement		18,871	42,330	61,203	923	24,226
Legal services		-	-	-	8,378	8,378
Accounting/Audit services		-	-	-	27,050	27,050
Other Purchased/Professional/Consulting services		66,860	15,703	82,563	227	399,790
Building		1,312,118	308,175	1,620,293	-	1,620,293
Repairs and maintenance		45,855,770	10	56,625	56,625	56,625
Insurance		25,508	5,991	131,499	5,558	37,057
Utilities		-	-	-	-	749
Supplies/Materials		225,397	52,939	278,336	-	278,336
Equipment/Furnishings		22,644	275,936	128	-	27,962
Staff development		63,980	15,027	7893,070	974	163,807
Marketing/Recruitment		71,042	16,686	87,728	8	87,722
Technology		43,091	10,121	53,212	-	53,212
Food service		309,306	72,646	681,952	-	381,952
Student services		224,433	52,711	277,144	44	277,144
Office expenses		-	-	156,382	-	156,382
Depreciation/amortization		147,625	34,673	182,298	182,298	182,298
Other		-	-	-	31,171	31,171
		\$ 6,214,957	\$ 2,459,701	\$ 1,674,673	\$ 73,808	\$ 778,853
						\$ 5,205,217

The accompanying grant report are a part of the financial statements.





LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

STATEMENT OF CASH FLOWS, Cont'd

YEAR ENDED JUNE 30, 2020  
(With Comparative Totals for 2019)

	<u>Year ended June</u>	
	<u>2020</u>	<u>2019</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Reconciliation of cash reported within the statement of cash flows to the balance sheet		
Cash	\$ 1,048,750	\$ 1,246,810
Cash in escrow	75,044	
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LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

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LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT

As per the adoption of ASC 606, the Charter School has elected to use the expedient method of identifying performance obligations at the time of a transaction rather than at the end of the reporting period. The school's performance obligations are identified at the time of a transaction and are measured at the initial date of recognition. The school's performance obligations are measured at the initial date of recognition. The school's performance obligations are measured at the initial date of recognition.

Contributions and contributions made

In June 2018, FASB issued ASU 2018-08, Accounting Guidance for Certain Contributions, evaluating whether transactions should be treated as contributions or as sales. The school is currently evaluating whether transactions should be treated as contributions or as sales. For most reporting periods, the school has been applying the ASU 2018-08 applicable to the school. The school is currently evaluating whether transactions should be treated as contributions or as sales. For most reporting periods, the school has been applying the ASU 2018-08 applicable to the school.

Statement of cash flows

In November 2016, the FASB issued ASU 2016-19, Statement of Cash Flows, which requires entities to include certain items in their cash flow statements. The school is currently evaluating whether transactions should be treated as contributions or as sales. For most reporting periods, the school has been applying the ASU 2016-19 applicable to the school.

New accounting pronouncement - leases

In February 2016, the FASB issued ASU 2016-02, Leases, which requires entities to recognize lease liabilities on their balance sheet. The school is currently evaluating whether transactions should be treated as contributions or as sales. For most reporting periods, the school has been applying the ASU 2016-02 applicable to the school.

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LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE B: LIQUIDITY AND AVAILABILITY

The Charter School regularly monitors its liquidity and its ability to meet its commitments. The Charter School's primary source of

For purposes of this note, the Charter School's liquidity is defined as the amount of cash and cash equivalents available at the end of the reporting period. The Charter School's liquidity is measured in millions of dollars (\$M).

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LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE D: SCHOOL FACILITY

The Charter School agreement with the County of Santa Clara, dated 2010, as amended to include utility expenses, was increased to \$1,922,400 for 2019, and to \$2,032,000 for 2020. The annual base rent increased to \$627,224 in 2019 and \$642,400 in 2020. The year ended 2019 and 2020. The amount of the increase is \$154,776.

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LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE F: CONCENTRATIONS

At June 30, 2020, 34% of accounts receivable and other assets relating to certain grants and contract receivables are due from certain

For the year ended June 30, 2019, 20.2% of total revenue came from pupil fees and other income through the network. This percentage is set annually

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LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2020

(With Comparative Totals for 2019)

NOTE J: FUNCTIONAL EXPENSES

The financial statements do not include the costs of supporting functions. The related expenses are based on estimates of time and effort.

NOTE K: PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

In response to the COVID-19 outbreak, the CARES Act was passed by Congress on March 27, 2020. The Act provides for the creation of the Paycheck Protection Program (PPP) which allows businesses to apply for loans that can be used to pay payroll costs. The maximum amount of a PPP loan is \$10 million. The loan is guaranteed by the U.S. Department of Treasury. The loan is classified as long-term as of June 30, 2020.

NOTE L: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

On January 30, 2020, the World Health Organization declared a global health emergency due to the outbreak of a new strain of coronavirus (COVID-19). The outbreak is classified as a pandemic. The impact of the outbreak is significant and is expected to have a long-term impact on the global economy. Management is actively monitoring the situation and is taking steps to minimize the impact of the outbreak on the school's operations. Management is also working with the local health department to ensure that the school is following all guidelines and regulations regarding the outbreak.

LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

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MERRILL LYNCH PIERCE FENNER SMITH

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON CONTROL OVER FINANCIAL  
STATEMENTS AND OTHER MATTERS SUBMITTED FOR FINANCIAL  
STATEMENT AUDITING STANDARDS

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Philadelphia, PA 19106

Certified Public Accountants

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\*Additional Offices: Elmira, NY; Canandaigua, NY; Hornell, NY; An Independent Member of the BDO Seidman Alliance



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Status of matters included in our letter as of June 30, 2019 dated October 16, 2019

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