

LEGACY COLLEGE PREPARATORY
CHARTER SCHOOL

BRONX, NEW YORK

AUDITED FINANCIAL STATEMENTS

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MENGEL METZGER BARR & CO. LL

Chartered Public Accountants

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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 and 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 expenses and flows for the year with the accompanying principles the United States of America.

Report on Summarized Comparative Information

We have audited Legacy College Preparatory Charter Schools' financial statements and the summarized comparative information in our opinion, the summarized comparative information is consistent, in all material respects with the

Other Report Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report on our consideration of Legacy College Preparatory Charter Schools' internal controls and the results of our tests of those controls. The purpose of that reporting is to provide information on internal control compliance and the results of our tests of those controls. This report is an integral part of our Government Auditing Standards in considering Legacy College Preparatory Charter Schools' financial compliance.

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As discussed in our financial statements in 2020, Legacy College Preparatory Charter Schools' accounting guidance and our opinion is not modified with respect to these matters.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 27, 2020

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	Supporting Services Management and
	No. of Regular Positions	Special Education
	Education	Education
	Sub-total	General
	Total	Total
Personnel services costs:		
Administrative and instructional staff	13 \$ 807,257	11 \$ 800,399
Instructional personnel	39 \$ 2,224,452	22 \$ 4,542,746
Total salaries and staff	3,031,729	5,343,145
Fringe benefits	606,519	142,438
Retirement	18,871	42,320
Legal services	-	-
Accounting/Audit services	-	-
Other Purchased/Professional/Consulting services	66,860	15,703
Building	1,312,118	8,175
Repairs and maintenance	45,855,770	10
Insurance	25,508	5,991
Utilities	-	-
Supplies/Materials	225,397	522,399

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	\$ 1,048,810	\$ 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 ASU 606, the Charter School has elected to use the expedient model of initial recognition of performance obligations at the transaction date of the contract. The school has elected to use the expedient model of initial recognition of performance obligations at the transaction date of the contract. The school has elected to use the expedient model of initial recognition of performance obligations at the transaction date of the contract.

Contributions and contributions made

In June 2018, FASB issued ASU 2018-08, Accounting Guidance for Certain Contributions, evaluating whether transactions should be accounted for as contributions or as sales. For most reporting periods beginning after December 15, 2018, the school has elected to use the expedient model of initial recognition of performance obligations at the transaction date of the contract.

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 has elected to use the expedient model of initial recognition of performance obligations at the transaction date of the contract.

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 has elected to use the expedient model of initial recognition of performance obligations at the transaction date of the contract.

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 primary source of liquidity is its cash and cash equivalents. The Charter School's primary source of liquidity is its cash and cash equivalents. The Charter School's primary source of liquidity is its cash and cash equivalents.

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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 the annual base rent increased to \$1,922,400 for 2020. 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 the annual base rent increased to \$1,922,400 for 2020.

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. The network fee 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 cover payroll and other expenses. The loans are guaranteed by the SBA and are eligible for forgiveness if the funds are used for the intended purposes. The amount of the loan that is forgiven is based on the amount of payroll and other expenses that are paid during the covered period. The amount of the loan that is not forgiven is classified as long-term debt as of June 30, 2020.

NOTE L: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

On January 30, 2020, the World Health Organization declared a new strain of coronavirus as a public health emergency. The international community has responded with various measures to contain the spread of the virus. The outbreak has had a significant impact on the global economy and has resulted in the closure of many businesses. The impact of the outbreak on the financial statements is significant. Management has estimated the impact of the outbreak on the financial statements based on the current status of the outbreak and the expected duration of the outbreak. The impact of the outbreak on the financial statements is expected to be significant and is being reported as a non-adjusting event.

LEGACY COLLEGE PREPARATORY CHARTER SCHOOL

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

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

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Status as of June 30, 2020

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