

Board of Trustees and Management  
Bronx Academy of Promise Charter School  
Bronx, New York

In planning and performing our audit of the financial statements of Bronx Academy of Promise Charter School (the School) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

We orally communicated to management deficiencies in internal control identified during our audit that were not considered material weaknesses or significant deficiencies.

This communication is intended solely for the information and use of management, the Board of Trustees and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

New York, New York  
October 29, 2020

# **Bronx Academy of Promise Charter School**

Independent Auditor's Report and Financial Statements

June 30, 2020 and 2019



# Bronx Academy of Promise Charter School

June 30, 2020 and 2019

## Contents

<b>Independent Auditor’s Report .....</b>	<b>1</b>
<b>Financial Statements</b>	
Statements of Financial Position .....	3
Statements of Activities.....	4
Statements of Functional Expenses .....	5
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Independent Auditor’s Report .....</b>	<b>15</b>
<b>Schedule of Findings and Responses .....</b>	<b>17</b>

## Independent Auditor's Report

Board of Trustees  
Bronx Academy of Promise Charter School  
Bronx, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of Bronx Academy of Promise Charter School, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 Bronx Academy of Promise Charter 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.

### ***Supplementary Information***

Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information within the statements of functional expenses 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 audits 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated October 29, 2020, on our consideration of Bronx Academy of Promise Charter 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 Bronx Academy of Promise Charter 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 Bronx Academy of Promise Charter School's internal control over financial reporting and compliance.

**BKD, LLP**

New York, New York  
October 29, 2020

**Bronx Academy of Promise Charter School**  
**Statements of Financial Position**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 10,328,142	\$ 9,954,759
Grants and contracts receivable	560,330	197,606
Prepaid expenses and other assets	190,676	155,005
Total current assets	11,079,148	10,307,370
Cash held in escrow	70,000	70,000
Property and equipment, net	132,774	134,300
Security deposits	690,815	690,815
Total assets	<u>\$ 11,972,737</u>	<u>\$ 11,202,485</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 185,085	\$ 231,451
Accrued salaries and related liabilities	919,074	823,075
Deferred revenue	-	6,689
Total current liabilities	1,104,159	1,061,215
<b>Deferred Rent</b>	<u>2,025,980</u>	<u>1,954,901</u>
Total liabilities	3,130,139	3,016,116
<b>Net Assets, Without Donor Restrictions</b>	<u>8,842,598</u>	<u>8,186,369</u>
Total liabilities and net assets	<u>\$ 11,972,737</u>	<u>\$ 11,202,485</u>

**Bronx Academy of Promise Charter School**  
**Statements of Activities**  
**Years Ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Resident student enrollment	\$ 9,784,460	\$ 9,392,249
Students with disabilities	1,122,868	805,359
Government grants and contracts	909,447	1,036,343
Contributions	36,877	36,705
Miscellaneous income	57,130	28,599
Total revenues	11,910,782	11,299,255
<b>Expenses</b>		
Program services		
Education	6,565,598	6,832,207
Special education	2,523,358	2,151,606
Total program services	9,088,956	8,983,813
Supporting services		
Management and general	2,143,884	2,044,924
Fundraising	21,713	23,866
Total supporting services	2,165,597	2,068,790
Total expenses	11,254,553	11,052,603
<b>Change in Net Assets Without Donor Restrictions</b>	656,229	246,652
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	8,186,369	7,939,717
<b>Net Assets Without Donor Restrictions, End of Year</b>	\$ 8,842,598	\$ 8,186,369

**Bronx Academy of Promise Charter School**  
**Statements of Functional Expenses**  
**Years Ended June 30, 2020 and 2019**

	** No. of Positions	2020					
		Program Services			Supporting Services		
		Education	Special Education	Total	Management and General	Fundraising	Total
Salaries							
Administrative	12	\$ 255,495	\$ 86,704	\$ 342,199	\$ 755,994	\$ 12,309	\$ 1,110,502
Instructional	69	3,027,512	1,269,041	4,296,553	-	-	4,296,553
Noninstructional	9	173,358	41,897	215,255	340,081	-	555,336
Total salaries		3,456,365	1,397,642	4,854,007	1,096,075	12,309	5,962,391
Payroll taxes and employee benefits		982,171	397,158	1,379,329	311,464	3,498	1,694,291
Occupancy		1,040,624	420,795	1,461,419	330,000	3,706	1,795,125
Supplies and equipment		38,534	9,313	47,847	-	-	47,847
Repairs and maintenance		144,815	58,558	203,373	45,924	516	249,813
Professional fees		489,985	113,030	603,015	268,542	995	872,552
Insurance		37,764	15,270	53,034	11,976	134	65,144
Food service fees		179,086	43,281	222,367	-	-	222,367
Staff development		21,528	5,203	26,731	12,232	-	38,963
Technology services		18,564	7,507	26,071	5,887	66	32,024
Office expenses		101,446	41,022	142,468	49,754	361	192,583
Marketing/recruitment		18,661	-	18,661	-	-	18,661
Depreciation and amortization		36,055	14,579	50,634	11,434	128	62,196
Miscellaneous expenses		-	-	-	596	-	596
Total expenses		<u>\$ 6,565,598</u>	<u>\$ 2,523,358</u>	<u>\$ 9,088,956</u>	<u>\$ 2,143,884</u>	<u>\$ 21,713</u>	<u>\$11,254,553</u>

\*\* Supplementary information



**Bronx Academy of Promise Charter School**  
**Statements of Functional Expenses (Continued)**  
**Years Ended June 30, 2019 and 2018**

	** No. of Positions	2019					
		Program Services			Supporting Services		
		Education	Special Education	Total	Management and General	Fundraising	Total
Salaries							
Administrative	12	\$ 310,186	\$ 91,417	\$ 401,603	\$ 793,311	\$ 13,664	\$ 1,208,578
Instructional	67	2,887,559	1,036,724	3,924,283	-	-	3,924,283
Noninstructional	12	280,580	56,312	336,892	285,859	-	622,751
Total salaries		3,478,325	1,184,453	4,662,778	1,079,170	13,664	5,755,612
Payroll taxes and employee benefits		919,978	313,274	1,233,252	285,429	3,614	1,522,295
Occupancy		1,019,197	347,061	1,366,258	316,211	4,004	1,686,473
Supplies and equipment		108,460	21,767	130,227	-	-	130,227
Repairs and maintenance		177,221	60,348	237,569	54,983	696	293,248
Professional fees		594,591	89,362	683,953	191,675	1,031	876,659
Insurance		38,146	12,990	51,136	11,834	150	63,120
Food service fees		277,310	55,656	332,966	-	-	332,966
Staff development		26,643	5,347	31,990	9,340	-	41,330
Technology services		19,700	6,708	26,408	6,113	77	32,598
Office expenses		109,255	37,204	146,459	63,324	429	210,212
Marketing/recruitment		12,178	-	12,178	-	-	12,178
Depreciation and amortization		51,203	17,436	68,639	15,885	201	84,725
Miscellaneous expenses		-	-	-	10,960	-	10,960
Total expenses		\$ 6,832,207	\$ 2,151,606	\$ 8,983,813	\$ 2,044,924	\$ 23,866	\$11,052,603

\*\* Supplementary Information

# Bronx Academy of Promise Charter School

## Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Operating Activities</b>		
Change in net assets	\$ 656,229	\$ 246,652
Items not requiring operating cash flows		
Depreciation and amortization	62,196	84,725
Changes in		
Grants and contracts receivable	(362,724)	245,523
Prepaid expenses and other assets	(35,671)	62,196
Accounts payable and accrued expenses	(46,366)	(12,491)
Accrued salaries and related liabilities	95,999	181,366
Deferred revenue	(6,689)	(14,009)
Deferred rent	71,079	137,875
	<u>434,053</u>	<u>931,837</u>
Net cash provided by operating activities		
<b>Investing Activities</b>		
Purchase of property and equipment	<u>(60,670)</u>	<u>(58,282)</u>
Net cash used in investing activities	<u>(60,670)</u>	<u>(58,282)</u>
<b>Net Increase in Cash and Restricted Cash</b>	373,383	873,555
<b>Cash and Restricted Cash, Beginning of Year</b>	<u>10,024,759</u>	<u>9,151,204</u>
<b>Cash and Restricted Cash, End of Year</b>	<u>\$ 10,398,142</u>	<u>\$ 10,024,759</u>
<b>Cash and Restricted Cash Consist of:</b>		
Cash	\$ 10,328,142	\$ 9,954,759
Cash held in escrow	<u>70,000</u>	<u>70,000</u>
	<u>\$ 10,398,142</u>	<u>\$ 10,024,759</u>

# Bronx Academy of Promise Charter School

## Notes to Financial Statements

June 30, 2020 and 2019

### Note 1: Nature of Organization and Summary of Significant Accounting Policies

#### ***Nature of Operations***

Bronx Academy of Promise Charter School (the School) is an educational corporation that operates as a charter school in the borough of Bronx, New York City. The School received a charter from the Board of Regents and the Board of Trustees of the University of the State of New York, for and on behalf of the State Education Department, effective through June 30, 2023. The charter is for a period of five years and is renewable upon expiration.

The School was organized to increase learning opportunities for students through innovative educational programs and to enable parents to be more involved in their children's education. In fiscal years 2020 and 2019, the School operated classes for 599 and 595 students in grades K-8, respectively.

The School is supported primarily by state and local per-pupil operating revenues and government grants and contracts.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

#### ***Income Taxes***

The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the School is subject to federal income tax on any unrelated business taxable income. The School files tax returns in the U.S. federal jurisdiction.

#### ***Cash***

As of June 30, 2020 and 2019, the School's cash accounts exceeded federally insured limits by approximately \$9.9 million and \$9.5 million, respectively.

#### ***Cash Held in Escrow***

The School established an escrow account of \$70,000 as of June 30, 2020 and 2019, which is held aside for contingency purposes as required by the New York City Department of Education.

# Bronx Academy of Promise Charter School

## Notes to Financial Statements

June 30, 2020 and 2019

### **Receivables**

Receivables are recorded when services are rendered and are stated at amount billed. Receivables are presented net of allowances for doubtful accounts. Receivables are ordinarily due upon issuance of the invoice. Receivables past due more than 30 days are considered delinquent. The allowances are based on management's evaluation of the collectability of the related accounts.

### **Allowance for Doubtful Accounts**

The School determines whether an allowance for doubtful accounts should be provided for receivables. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. The School has determined that no allowance for uncollectible accounts for grant and contracts receivable is necessary as of June 30, 2020 and 2019.

### **Property and Equipment**

Property and equipment acquisitions over \$3,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture, fixtures and equipment	3 - 5 years
Leasehold improvements	10 - 15 years

### **Long-Lived Asset Impairment**

The School evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2020 and 2019.

### **Deferred Revenue**

Deferred revenue is recorded when payments received by the New York City Department of Education exceed the per-pupil revenue.

# Bronx Academy of Promise Charter School

## Notes to Financial Statements

June 30, 2020 and 2019

### **Net Assets**

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

### **State and Local Per-Pupil Revenues**

Revenues from the state and local governments resulting from the School's charter status and based on the number of students enrolled are recorded when services are performed in accordance with the charter agreement. Federal and state funds are recorded by the School when expenditures are incurred and billed.

### **Government Grants and Contracts**

Revenues from government grants and contracts to which the School is entitled are recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School.

### **Contributions**

Contributions are provided to the School either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on a future and uncertain event	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor imposed condition is substantially met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

# Bronx Academy of Promise Charter School

## Notes to Financial Statements

June 30, 2020 and 2019

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue and net assets without donor restrictions.

### **Functional Allocation of Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on estimates of time and effort and other methods.

### **Operating Leases**

Operating lease payments are charged to rental expense. Operating lease expense has been recorded on the straight-line basis over the life of the lease. Deferred rent, when material, is recorded for the difference between the fixed payment and the rent expense incurred.

## **Note 2: Changes in Accounting Principles**

### **ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash**

In 2020, the School changed its method of accounting for restricted cash and restricted cash equivalents by adopting the provisions of Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The new accounting guidance in ASU 2016-18 requires balances generally described as restricted cash or restricted cash equivalents to be included with cash and cash equivalents when reconciling beginning and end-of-period balances on the statements of cash flows. This change was applied retrospectively to all periods presented which resulted in the following changes within the statements of cash flows:

	<b>As Originally Reported</b>	<b>As Reported Under ASU 2016-18</b>	<b>Effect of Change</b>
Cash and Restricted Cash, Beginning of Year	\$ 9,081,204	\$ 9,151,204	\$ 70,000
Cash and Restricted Cash, End of Year	9,954,759	10,024,759	70,000

# Bronx Academy of Promise Charter School

## Notes to Financial Statements

June 30, 2020 and 2019

### **ASU 2018-08 – Not-for-Profit Entities (Topic 958): Contributions**

During 2020, the School adopted the Financial Accounting Standards Board (FASB) ASU 2018-08 (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The core guidance in ASU 2018-08 is to clarify existing guidance on determining whether a transaction with a resource provider, *e.g.*, the receipt of funds under a government grant or contract, is a contribution or an exchange transaction. The adoption had no impact on the change in net assets.

### **Note 3: Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 and 2019, comprise of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 10,328,142	\$ 9,954,759
Grants and contracts receivable	<u>560,330</u>	<u>197,606</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,888,472</u>	<u>\$ 10,152,365</u>

The School manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The School monitors liquidity and cash flows on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current expenditure needs.

### **Note 4: Property and Equipment**

	<u>2020</u>	<u>2019</u>
Furniture, fixtures and equipment	\$ 915,522	\$ 854,852
Leasehold improvements	<u>319,235</u>	<u>319,235</u>
	1,234,757	1,174,087
Accumulated depreciation	<u>(1,101,983)</u>	<u>(1,039,787)</u>
	<u>\$ 132,774</u>	<u>\$ 134,300</u>

# Bronx Academy of Promise Charter School

## Notes to Financial Statements

June 30, 2020 and 2019

### Note 5: Lease Commitment

The School entered into a lease of a school building located at 1349 Inwood Avenue, Bronx, NY that will expire on July 31, 2028. Included in the agreement was a requirement for the landlord to build out a space adjacent to the school building. Since it was not completed, the School received a rent reduction of \$150,000 and \$151,181 in 2020 and 2019, respectively. A security deposit of \$500,000 was paid for the facility at 1349 Inwood Avenue, and an additional security deposit of \$150,000 was paid for the space adjacent to the School building. The School also entered into an informal rental agreement for a playground during the year ended June 30, 2020. Rent expense is recognized on a straight-line basis and was \$1,614,552 and \$1,520,163 for the years ended June 30, 2020 and 2019, respectively.

The future minimum lease payments as of June 30, 2020 are:

2021	\$ 1,476,854
2022	1,525,659
2023	1,575,925
2024	1,627,710
2025	1,681,041
Thereafter	<u>5,533,990</u>
	<u>\$ 13,421,179</u>

### Note 6: Pensions

The School adopted a 403(b) profit sharing plan (the Plan) which covers most of its employees. Employees are eligible to enroll in the Plan on the first day of the plan year and employees who have completed at least one full year of service are also eligible for employer contribution. The Plan provided for the School to contribute 6 percent of an eligible employee's salary. For the years ended June 30, 2020 and 2019, pension expense was \$194,885 and \$194,373, respectively.

### Note 7: Contingencies and Concentrations

#### **Government Grants and Contracts**

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

A significant portion of the School's operating revenue is paid by New York State Department of Education. In addition, all grants and contracts receivable due at year-end were all due from the New York State Department of Education.



# Bronx Academy of Promise Charter School

## Notes to Financial Statements

June 30, 2020 and 2019

### **Note 8: Subsequent Events**

Subsequent events have been evaluated through October 29, 2020, which is the date the financial statements were available to be issued.

### **Note 9: Future Changes in Accounting Principles**

#### ***Accounting for Leases***

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021. The School is evaluating the impact the standard will have on the financial statements; however, the standard may have a material impact on the financial statements due to the recognition of additional assets and liabilities for operating leases.

**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**

Board of Trustees  
Bronx Academy of Promise Charter School  
Bronx, New York

We have audited, 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, the financial statements of Bronx Academy of Promise Charter 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 29, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Bronx Academy of Promise Charter School's internal control over financial reporting (internal control) as a basis for designing 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 Bronx Academy of Promise Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Bronx Academy of Promise Charter 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 a 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 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 Bronx Academy of Promise Charter School's financial statements are free from 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 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.

**BKD, LLP**

New York, New York  
October 29, 2020

**Bronx Academy of Promise Charter School**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2020**

**Findings Required to be Reported by *Government Auditing Standards***

No matters are reportable.

Board of Trustees and Management  
Bronx Academy of Promise Charter School  
Bronx, New York

As part of our audit of the financial statements of Bronx Academy of Promise Charter School (the School) as of and for the year ended June 30, 2020, we wish to communicate the following to you.

## **AUDIT SCOPE AND RESULTS**

### **Auditor's Responsibility Under 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 and U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)**

An audit performed 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 and U.S. Office of Management and Budget (OMB) Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

### **Qualitative Aspects of Significant Accounting Policies and Practices**

#### ***Significant Accounting Policies***

The School's significant accounting policies are described in *Note 1* of the audited financial statements.

## ***ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made***

Effective July 1, 2019, the School adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 applies to all grants and contributions received and clarifies the accounting guidance applicable for grant accounting.

Historically, there was diversity in practice for accounting for grants. Some grantees considered grants to be an exchange transaction, whereas others reported grants as donor-restricted contributions. ASU 2018-08 provides guidance that unless the grantor is directly receiving value in the same amount as the services provided (an exchange transaction), the grant should be considered a contribution. In addition, if the grantor incorporates barriers into the contract and has a right of return, the transaction is considered to be a conditional contribution. Under the accounting guidance, conditional contributions are not recorded as revenue until the condition has been met.

In implementing ASU 2018-08, the Organization was required to evaluate all grant agreements. Adoption of the ASU may cause a change in the timing and classification of grant revenues.

### ***Alternative Accounting Treatments***

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- In connection with the adoption of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, management has elected an accounting policy that conditional contributions having donor stipulations, which are satisfied in the period the gift is received, are recorded as revenue and net assets without donor restrictions.

### ***Management Judgments and Accounting Estimates***

No matters are reportable.

### ***Financial Statement Disclosures***

No matters are reportable.

### ***Audit Adjustments***

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

#### Proposed Audit Adjustments Recorded

- To record accrued legal fees
- To adjust vacation liability
- To adjust health insurance accrual

#### Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole.

### **Auditor's Judgments About the Quality of the School's Accounting Principles**

During the course of the audit, we observed the School applied new accounting principles related to restricted cash and cash equivalents.

### **Other Material Communications**

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies

### **OTHER MATTERS**

We observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

### **New Lease Accounting Standard**

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will be required to recognize substantially all leases on the balance sheet as both a right-of-use asset a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021 and any interim periods within annual reporting periods that begin after December 15, 2022.

This communication is intended solely for the information and use of management, the Board of Trustees and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

New York, New York  
October 29, 2020



# Bronx Academy of Promise

## ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

### QUANTITATIVE AND QUALITATIVE ANALYSIS

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	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	11,079,148	0	11,079,148	0.00%
Non-Current Assets	893,589	0	893,589	0.00%
Current Liabilities	(1,104,159)	0	(1,104,159)	0.00%
Non-Current Liabilities	(2,025,980)	0	(2,025,980)	0.00%
Current Ratio	10.03		10.03	0.00%
Total Assets	11,972,737	0	11,972,737	0.00%
Total Liabilities	(3,130,139)	0	(3,130,139)	0.00%
Net Assets	(8,842,598)	0	(8,842,598)	0.00%
Revenues & Income	(11,910,782)	0	(11,910,782)	0.00%
Costs & Expenses	11,254,553	(15,000)	11,239,553	-0.13%
Net Income	(656,229)	(15,000)	(671,229)	2.29%

Description	Location or Business Unit	Financial Line Item	Factual (F), Judgmental (J) or Projected (P)	Assets				Liabilities		(X) Non Tax	Revenues & Income		Costs & Expenses		Net Assets		Net Effect on Following Year			
				Current		Noncurrent		Current			Noncurrent		DR (CR)		DR (CR)		DR (CR)		Net Income Net Assets	
				DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)		DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	
Turnaround effect of accrual for legal settlement was passed on in the PY (see 350)			F		0	0		0	0		0		(15,000)	15,000		0	0			
				0	0	0	0	0	0		0	0	0	0		0	0			
				0	0	0	0	0	0		0	0	0	0		0	0			
				0	0	0	0	0	0		0	0	0	0		0	0			
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				0	0	0	0	0	0		0	0	0	0		0	0			
				0	0	0	0	0	0		0	0	0	0		0	0			
Taxable passed adjustments											0	(15,000)	15,000			0	0			
Times (1 - effective tax rate of 00%)											100%	100%	100%							
Taxable passed adjustments net of tax impact											0	(15,000)	15,000							
Nontaxable passed adjustments				0	0	0	0	0	0		0	0	0							
<b>Total passed adjustments, net of tax impact (if any)</b>				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>(15,000)</u>	<u>15,000</u>							
				<b>Impact on Net Income</b>												<b>(15,000)</b>				
				<b>Impact on Net Assets</b>												<b>0</b>				



10-29-2020

**BKD, LLP**

Certified Public Accountants  
1155 Avenue of the Americas  
New York, NY 10036-2711

We are providing this letter in connection with your audits of our financial statements as of and for the years ended June 30, 2020 and 2019. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated August 19, 2020, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. We acknowledge the Organization is not a conduit debt obligor whose debt securities are listed, quoted or traded on an exchange or an over-the-counter market. As a result, we acknowledge the Organization does not meet the definition of a "public entity" under generally accepted accounting principles for certain accounting standards.
5. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial

statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

6. We have provided you with:
  - (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
  - (b) Additional information that you have requested from us for the purpose of the audit.
  - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - (d) All minutes of trustees' meetings held through the date of this letter. Unsigned minutes completely and accurately represent the discussions and actions taken by the board during these meetings.
  - (e) All significant contracts and grants.
7. All transactions have been recorded in the accounting records and are reflected in the financial statements.
8. We have informed you of all current risks of a material amount that are not adequately prevented or detected by Organization procedures with respect to:
  - (a) Misappropriation of assets.
  - (b) Misrepresented or misstated assets, liabilities or net assets.
9. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
10. We understand the potential penalties for failure to disclose reportable tax transactions to the taxing authorities and have fully disclosed to BKD any and all known reportable tax transactions.
11. We have no knowledge of any known or suspected:
  - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
  - (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.

12. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, customers, regulators, suppliers or others.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, subsidiaries accounted for by the equity method; and any other party with which the Organization may deal if the Organization can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the Organization.
15. Except as reflected in the financial statements, there are no:
  - (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
  - (b) Material transactions omitted or improperly recorded in the financial records.
  - (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
  - (d) Events occurring subsequent to the statement of financial position date through the date of this letter requiring adjustment or disclosure in the financial statements.
  - (e) Agreements to purchase assets previously sold.
  - (f) Restrictions on cash balances or compensating balance agreements.
  - (g) Guarantees, whether written or oral, under which the Organization is contingently liable.
16. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
17. We have no reason to believe the Organization owes any penalties or payments under the Employer Shared Responsibility Provisions of the Patient Protection and

Affordable Care Act nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

18. We are not aware of any pending or threatened litigation or claims whose effects should be considered when preparing the financial statements. We have not sought or received attorney's services related to pending or threatened litigation or claims during or subsequent to the audit period. Also, we are not aware of any litigation or claims, pending or threatened, for which legal counsel should be sought.
19. Adequate provisions and allowances have been accrued for any material losses from:
  - (a) Uncollectible receivables, including pledges.
  - (b) Purchase commitments in excess of normal requirements or above prevailing market prices.
20. Except as disclosed in the financial statements, the Organization has:
  - (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.
  - (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
21. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the statement of financial position date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
22. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.
23. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

24. With respect to any nonattest services you have provided us during the year, including assisting with the preparation of the financial statements and preparation of the exempt organization tax return:
  - (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
  - (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.
  - (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
  - (d) We have evaluated the adequacy of the services performed and any findings that resulted.
25. We are an organization exempt from income tax under Section 501(c) of the Internal Revenue Code and a similar provision of state law and, except as disclosed in the financial statements, there are no activities that would jeopardize our tax-exempt status or subject us to income tax on unrelated business income or excise tax on prohibited transactions and events.
26. We have identified to you any activities conducted having both fund raising and program or management and general components (joint activities) and have allocated the costs of any joint activities in accordance with the provisions of FASB ASC 958-720-45.
27. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.
28. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
29. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
30. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.
31. We have a process to track the status of audit findings and recommendations.

32. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.
33. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.
34. With regard to supplementary information:
  - (a) We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
  - (b) We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
  - (c) The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period.
  - (d) We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
  - (e) If the supplementary information is not presented with the audited consolidated financial statements, we acknowledge we will make the audited consolidated financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.
35. In connection with the adoption of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, management has elected an accounting policy to record conditional contributions having donor stipulations which are satisfied in the period the gift is received as revenue and net assets without donor restrictions.
36. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.
37. We acknowledge the current economic situation presents difficult circumstances and challenges for not-for-profit organizations. Not-for-profit organizations are



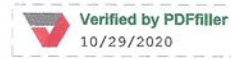
facing declines in the fair values of assets, declines in contributions, constraints on liquidity and difficulty obtaining financing. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts receivable, etc. that could negatively impact the Organization's ability to maintain sufficient liquidity. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the Organization's financial statements. Further, management and the Board are solely responsible for all aspects of managing the Organization, including questioning the quality and valuation of assets, reviewing allowances for uncollectible amounts and evaluating capital needs and liquidity plans.

*Denise Schiralidi*

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Denise Schiralidi, Principal

*Candace Greene*



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Candace Greene, Business Manager

## Bronx Academy of Promise Charter School FY21 Projected Budget

	FY21 Projected Budget	Comments
<b>Student Enrollment</b>	<b>600</b>	
<b>Growth Rate</b>	<b>100%</b>	
<b>Staff Headcount</b>	<b>91</b>	
<b>Growth Rate</b>	<b>103%</b>	
<b>Summary</b>		
Total Revenue	12,289,641	
Total Expense	12,209,465	
<b>Total Surplus/Deficit</b>	<b>80,176</b>	
<i>Add Back: Depreciation</i>	100,000	
<i>Minus: Capital Expenditures</i>	<i>(80,000)</i>	
<b>Total Cash Surplus/Deficit</b>	<b>100,176</b>	
<i>Cash Carryover from previous year</i>	<i>9,696,138</i>	
<b>Estimated Total Cash at 6/30- includes cumulative cash carryover</b>	<b>9,796,314</b>	
<b>Income</b>		
<b>4100 State Grants</b>		
4101 State Grants- Per Pupil Aid - General Education	9,673,800	Based on \$16,123 per pupil allocation in FY21 and 600 FTE. Max enrollment is 612.
4102 State Grants- Per Pupil Aid - Special Education	1,489,284	
4103 State Grants- NYSTL	35,010	\$58.35 per child
4104 State Grants- NYSSL	8,988	\$14.98 per child
4105 State Grants- NYSLIBL	3,750	\$6.25 per child
4106 State Grants- DYCD		
4107 Per Pupil Supplement	90,000	Supplement in FY21 decreased to \$150/pp due to State cuts
4108 State Grants - Other	-	
<b>Total 4100 State Grants</b>	<b>11,300,832</b>	

<b>4200 Federal Grants - A-133</b>		
4201 Federal Grants- Title I	387,185	Based on FY21 allocation released
4202 Federal Grants- Title I ARRA	-	
4203 Federal Grants- Title IIA	46,344	Assumes 3% increase
4204 Federal Grants- Title IID	-	
4205 Federal Grants- Title III	-	
		Based on \$1000 per SpEd pupil over 60%,
4206 Federal Grants- IDEA for Special Education	76,000	accounts for 76 students
4207 Federal Grants- Title IV	25,747	Assumes 3% increase
4209 Federal Grants- CSP	-	
4210 Federal - NSLP	-	
<b>Total 4200 Federal Grants - A-133</b>	<b>535,276</b>	
<b>4300 Federal Grants - Non A-133</b>		
4301 E-Rate	18,000	Based on FY21 Application
<b>Total 4300 Federal Grants - Non A-133</b>	<b>18,000</b>	
<b>4400 Contributions</b>		
4401 Contributions- Individual		
4402 Contributions- Foundations		
4403 Contributions- Corporate		
4404 Contributions- In-Kind Services		
4500 Fundraising Revenue	30,000	In-School fundraising
<b>Total 4400 Contributions</b>	<b>30,000</b>	
<b>4600 Miscellaneous Revenues</b>		
4601 Misc. Revenues- Interest Income	51,628	
4603 Misc. Revenues- Other	-	
4604 Dividend Income	-	
4605 Staff Meal Sales	5,000	
<b>Total 4600 Miscellaneous Revenues</b>	<b>56,628</b>	
<b>4220 Federal Meal Reimbursement Program</b>		
4225 Other Federal Meal Reimbursement Income	25,747	Fresh Fruit & Vegetable Reimbursement
<b>Total 4700 Federal Meal Reimbursement Program</b>	<b>348,905</b>	
4710 Food Sales - Non-Reimbursable	-	
<b>Total Income</b>	<b>12,289,641</b>	
<b>Expenses</b>		

<b>5000 Personnel Expense</b>		
<b>5100 Administrative Staff</b>		
		Assumes 5% increase for Admin Staff
5101 Leadership	183,750	
5102 Administrative Support	925,560	
5104 Pupil Accounting		
5105 Receptionist		
5106 Custodian	93,301	
5107 Human Resources		
5108 Parent Outreach		
5109 Security Guards	44,226	
<b>Total 5100 Administrative Staff</b>	<b>1,246,837</b>	
<b>5200 Instructional Staff</b>		
5201 Teachers- Classroom	2,490,438	
5202 SpEd Teachers	640,530	
5203 Teaching Assistants	479,330	
5204 Teachers-Art		
5206 Teachers- After School		Instructional Salaries based on Union contract
5207 Teachers - Saturday School		
5209 Teacher-Music		
5210 Teacher-Intervention		
5211 Teachers-IT/Computer		
5215 Teachers - Specialty	1,087,081	
<b>Total 5200 Instructional Staff</b>	<b>4,697,380</b>	
5302 Counselors/Social Workers	171,115	Based on union contract
5303 ESL Teacher		
5304 Food Service Personnel	269,601	Assumes 5% increase for kitchen staff
<b>Total 5300 Student Support</b>	<b>440,716</b>	
<b>5500 Stipends</b>	<b>56,321.43</b>	Afterschool and summer stipends
<b>Total 5000 Personnel Expense</b>	<b>6,441,254</b>	
<b>6000 Benefits</b>		
6001 FUTA	4,509	Estimated at .07% of salaries
6002 SUI/Disability Expense	3,141	Based on \$1.30 per employee per payroll (26)

6003 FICA Expense	492,756	Social Security 6.20% of Salaries Medicare 1.45% of Salaries
6007 Federal Income Tax - Clearing Account		
6008 State Income Tax - Clearing Account		
6009 Local Income Tax - Clearing Account		
6010 401(k) Employee Clearing		
6011 401(k) Employer Match	193,238	3% of salaries assuming all employees contribute
***401(k) Fees	24,000	
6013 TransitChek Fees		
6014 Metro Commuter Tax		
6015 Union Dues		
<b>6018 Personnel Insurance</b>		
6019 Medical	913,780	Assumes 3% increase
6020 Dental	42,214	Assumes 3% increase
6021 Vision	7,200	Assumes 3% increase
6022 Workers Comp	-	Included in payroll fees
6023 Life Insurance/AD&D	6,611	Assumes 3% increase
6024 STD/LTD	17,712	Assumes 3% increase
6025 Unemployment Compensation		
6026 Garnishments - Clearing		
6027 Employee Loan - Clearing		
6028 Employee Advance - Clearing		
6029 AFLAC		
<b>Total 6000 Benefits</b>	<b>1,705,160</b>	
<b>6100 Direct Educational Expenses</b>		
6101 Classroom Supplies	35,000	
6102 Textbooks & Materials	5,000	
6103 SPED Supplies		
6104 NYSTL	35,010	
6105 NYSSL	8,988	
6106 NYSLIBL	3,750	
6107 Classroom Libraries	3,000	
6108 Assessment Expenses	35,000	
6109 Field Trips	30,000	

***** 6113 Field Trips - Disney Trip	48,000	Disney Trip for grades 5th and 6th grades Offset by parent contributions \$650/student
6110 Student Transportation		
6111 School Food	320,000	
6112 School Food Materials and Supplies	5,000	
6115 Student Incentives	15,000	
6117 Athletic Program	5,000	
<b>Total 6100 Direct Educational Expenses</b>	<b>548,748</b>	
<b>7000 Administrative Expenses</b>		
7001 Office Supplies	25,000	
7002 Phone/Internet	50,000	
7003 Postage & Delivery	5,000	
7004 Printing & Copying	12,000	
7005 Copier - Lease	26,000	
7006 Staff Food	5,000	
7007 Staff Travel/Transportation	35,000	
7008 Subscriptions & Dues	3,000	
7010 Non-capitalized Furniture/Equipment	25,000	
7011 Staff Incentives	20,000	
<b>Total 7000 Administrative Expenses</b>	<b>206,000</b>	
<b>7100 Professional Services</b>		
7101 Auditing/Accounting	40,000	
		Based on contracted scope of service for financial and grant services - based on hourly
7102 Financial Management Services	75,000	contract
7104 Technology Services	33,625	
		3% increase - includes ADPTS Management Fees and Taxes less FICA + staff growth
7105 Payroll Processing Fee	448,598	
7106 Phone System Services		
		Increased budget for legal services associated with expansion
7108 Legal Services - Paid	45,000	
7111 Substitute Teachers	117,000	
7113 Educational Consultant	45,000	C. Jackvony - Education Consultant
7115 Website Development Consultant	3,000	

7117 Other Consultants	50,155.44	Includes Strategic Marketing (Meal Consultant), Dan Pasek - Annual Report and M. Garber Erate consultants, \$95k for expansion architect
7118 SPED Consultant	-	
7119 Contracted Security	35,000	1% Increase, 1 guard
7120 Other Professional Service Costs	2,500	Temp Kitchen Staff
<b>Total 7100 Professional Services</b>	<b>894,878</b>	
<b>7200 Insurance Expenses</b>		
7201 General Liability	34,487	Includes Property and Excess Crime Insurance
7202 Catastrophic Accident	-	
7203 Student Accident	3,045	
7204 Excess Umbrella	12,148	Includes Excess Educators Legal Liability & Excess Fiduciary
7205 Umbrella	-	
7206 Directors/Officers	22,633	
7207 Other Miscellaneous Service Cost	-	
<b>Total 7200 Insurance Expenses</b>	<b>72,312</b>	
<b>7300 Professional Development</b>		
7302 Administrative Staff PD	5,000	
7303 Schoolwide PD	27,000	
7304 Board PD/Strategic Planning	10,000	Includes Board participation on Disney trip, travel expenses, office expenses, and board meeting meals
7306 Title and Renewal	-	
<b>Total 7300 Professional Development</b>	<b>42,000</b>	
<b>7400 Marketing &amp; Recruitment</b>		
7401 Student Recruitment	2,000	2% Increase
7402 Staff Recruitment	5,200	Annual staff recruitment subscription
7404 Marketing Expenses	3,000	
7501 Fundraising	25,000	
***75015 Special Events Expenses	10,000	
<b>Total 7400 Marketing &amp; Recruitment</b>	<b>45,200</b>	
<b>8100 Facilities</b>		

8101 Rent	1,774,812	Rent based on Lease no longer includes gym reduction, playground added
**** Rent (Temp Space)		\$50 per square foot * 10k
**** Rent (Adjacent Building)		New adjacent building with gym (45SFT @ \$38), 2% thereafter
8102 Utilities	125,000	
8103 Custodial Services & Supplies	114,000	Reduction due to new cleaning service company
8104 Repairs & Maintenance	75,000	Reduced to exclude annual building painting
8105 Real Estate Taxes	65,000	
8108 Relocation		
8110 Deferred Rent		
<b>Total 8100 Facilities</b>	<b>2,153,812</b>	
<b>8800 Miscellaneous Expense</b>		
8801 Bank/Miscellaneous Fees	100	
8805 Expense Suspense Account		
8810 Bad Debt		
8900 Depreciation and Amortization	100,000	
8905 Loss on Disposal of Assets		
<b>Total 8800 Miscellaneous Expense</b>	<b>100,100</b>	
<b>Total Expenses</b>	<b>12,209,465</b>	
<b>Net Income</b>	<b>80,176</b>	
<b>Capital Expenditures</b>		
1501 Building	-	
1503 Land	-	
1510 Furniture and Equipment	50,000	Chromebooks for 1-1 Tech, Laptop replacements
1530 Computer Hardware	-	
1540 Computer Software	-	
1550 Leasehold Improvements	20,000	COVID Related Building Improvments
1560 Renovations/Construction	-	



1565 Kitchen	10,000	Kitchen Equipment
<b>Total Capital Expenditures</b>	<b>80,000</b>	
<b>Total Cash Surplus</b>		
Net Income	80,176	
Add Depreciation	100,000	
Minus CapEX	<u>(80,000)</u>	
<b>Total Cash Surplus</b>	<b>100,176</b>	

BAPCS

Multiplier FY21

Per Pupil Allocation	101%	16,123
20-60%		10,390
60% and over		19,049

Enrollment		2020-21
Kindergarten		65.00
1st Grade		68.00
2nd Grade		69.00
3rd Grade		66.00
4th Grade		70.00
5th Grade		68.00
6th Grade		69.00
7th Grade		60.00
8th Grade		65.00
<b>GenEd Total Students</b>		<b>600</b>

SpEd Under 20%		2020-21
Kindergarten		3.00
1st Grade		6.00
2nd Grade		4.00
3rd Grade		7.00
4th Grade		3.00
5th Grade		5.00
6th Grade		2.00
7th Grade		5.00
8th Grade		5.00
<b>SpEd Under 20%</b>		<b>40</b>

SpEd 20-60%		2020-21
Kindergarten		-
1st Grade		1.00
2nd Grade		-
3rd Grade		-
4th Grade		1.00
5th Grade		-
6th Grade		-
7th Grade		1.00
8th Grade		1.00
<b>SpEd 20-60%</b>		<b>4.00</b>

SpEd 60% and over		2019-21
Kindergarten		10.00
1st Grade		9.00
2nd Grade		11.00
3rd Grade		10.00
4th Grade		10.00
5th Grade		8.00
6th Grade		8.00
7th Grade		3.00
8th Grade		7.00
<b>SpEd 60% and over</b>		<b>76</b>

	2020-21
<b>TOTAL ENROLLMENT (GenEd)</b>	<b>600</b>
<b>TOTAL ENROLLMENT (20-60%)</b>	<b>4</b>
<b>TOTAL ENROLLMENT (Over 60%)</b>	<b>76</b>
<b>Growth</b>	<b>0%</b>

State Funding		2020-21
Per Pupil Funding		9,673,800
PP SpEd 20-60%		41,560
PP SpEd 60% and over		1,447,724
NYSTL	\$ 58.35	35,010
NYSSL	14.98	8,988
NYSLIBL	6.25	3,750
Per Pupil Supplement	\$ 150.00	90,000
SUNY SSF Grant		-
<b>Total State Revenue</b>		<b>11,300,832</b>

Federal Funding		
Title I		387,185
Title II		46,344
Title III	103%	-
Title IV		25,747
IDEA	1000.00	76,000
Equipment Grant - NSLP		-
Federal Meal Reimbursement	101%	323,158
Non-Federal Meal Reimbursement		-
Income	103%	25,747
		<b>884,180</b>

E-Rate	75%	18,000
		<b>18,000</b>

Other Revenue		
Interest Income		51,628
Fundraising		30,000
Staff Meal Sales		5,000
		<b>86,628</b>

12,289,641  
12,289,641

Start Date	Title	FY21 Salaries	Notes/Comments
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8/21/2019	Permanent Sub	45,150	
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		<b>45,150</b>	
		<b>1</b>	

8/20/2019	Teacher	73,368	
8/20/2019	Teacher	101,599	
9/7/2017	Teacher	84,026	
10/13/2016	Teacher	77,458	
11/17/2016	Teacher	77,458	
9/27/2018	Teacher	71,405	
8/24/2016	Teacher	86,337	
8/19/2019	Teacher	73,368	
8/30/2018	Teacher	75,385	
8/25/2017	Teacher	73,368	
9/3/2018	Teacher	101,599	
8/30/2018	Teacher	71,405	
8/23/2010	Teacher	88,711	
1/6/2020	Teacher	71,405	
10/14/2019	Teacher	93,657	
8/25/2017	Teacher	73,368	
4/15/2019	Teacher	69,493	
8/20/2019	Teacher	81,777	
1/4/2016	Teacher	96,233	
8/28/2018	Teacher	91,151	
2/12/2018	Teacher	75,385	
1/9/2017	Teacher	73,368	
8/30/2018	Teacher	77,458	
8/31/2015	Teacher	36,246	
8/24/2010	Teacher	77,458	
8/25/2017	Teacher	73,368	
8/24/2016	Teacher	75,385	
1/22/2019	Teacher	69,493	
9/5/2014	Teacher	79,589	

8/31/2015	Teacher	73,368
9/3/2014	Teacher	101,599

**2,445,288**

**31**

8/26/2016	Teacher	101,599
10/19/2009	ESL Teacher	91,151
10/22/2012	SETTS	101,599
8/24/2016	Perm Sub	73,589
11/17/2017	Physical Education	73,368
2/5/2018	Art Teacher	73,368
8/31/2017	Physical Education	93,657
9/7/2017	Teacher	73,368
8/27/2015	ESOL Teacher	77,458
8/31/2015	AIS Teacher	101,599
1/5/2015	ESOL Teacher	79,589

	<i>Music Teacher</i>	<i>73,368</i>
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	<i>Technology</i>	<i>73,368</i>
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**1,087,081**

**13**

9/6/2016	Special Ed Teacher	77,458
8/22/2011	Special Ed Teacher	93,657
11/19/2018	Special Ed Teacher	77,458
9/3/2014	Special Ed Teacher	79,589
3/29/2018	Special Ed Teacher	75,385
8/21/2019	Special Ed Teacher	73,368
8/25/2014	Special Ed Teacher	79,589
8/23/2012	Special Ed Teacher	84,026

**640,530**

**8**

9/4/2019	Teaching Assistant	31,689
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8/26/2019	Teaching Assistant	33,875
8/25/2017	Teaching Assistant	33,875
9/10/2013	Teaching Assistant	34,967
7/30/2018	Teaching Assistant (Floater)	32,782
9/12/2017	Teaching Assistant	33,875
8/31/2015	Teaching Assistant	36,246
11/27/2017	Teaching Assistant	33,875
8/19/2019	Teaching Assistant	35,137
9/28/2017	Teaching Assistant	33,875
8/25/2017	Teaching Assistant	33,875
1/5/2015	Teaching Assistant	36,246
8/25/2017	Teaching Assistant	33,875
9/24/2018	Teaching Assistant	35,137

**479,330**  
**14**

1/2/2019	Security Guard	44,226
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**44,226**  
**1**

11/15/2010	Custodian	54,205
8/30/2018	Custodian	39,096

**93,301**  
**2**

	Kitchen Staff	34,507
12/29/2014	Chef/Food Service	58,092
8/30/2018	Kitchen Staff	34,496
8/27/2018	Kitchen Staff	32,760
8/27/2018	Kitchen Staff	44,226
8/28/2014	Kitchen Staff	32,760
	Kitchen Staff	32,760

**269,601**  
**7**

10/19/2015	Guidance Counselor	93,657
9/17/2015	Guidance Counselor	77,458

		<b>171,115</b>
		<b>2</b>

11/2/2015	Math Specialist	142,402
8/24/2016	Special Education Coordinator	120,184
8/6/2018	AP Cleark	39,803
9/1/2016	School Secretary	36,750
2/1/2016	School Secretary	46,864
9/10/2015	Business Manager	94,704
8/31/2015	ELA Coach	125,270
8/12/2014	Parent Coordinator	63,259
11/13/2018	Dean	111,604
8/27/2012	Operations Associate	79,717
8/30/2018	<i>HR Director</i>	<i>65,000</i>

		<b>925,560</b>
		<b>11</b>


8/11/2014	Principal	183,750
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		<b>183,750</b>
		<b>1</b>

<b>Total Employees</b>	<b>91</b>
<b>New Employees</b>	<b>3</b>
<b>Staff Growth Rate</b>	<b>3%</b>
<b>Salaries</b>	<b>6,384,933</b>
<b>Stipends</b>	<b>56,321</b>
<b>Total Salaries</b>	<b>6,441,254</b>

P.O. Box 15284  
Wilmington, DE 19850

**Customer service information**

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BRONX ACADEMY OF PROMISE CHARTER SCHOOL  
ESCROW  
1349 INWOOD AVE  
BRONX, NY 10452-3222

## Your Business Advantage Checking Preferred Rewards for Bus Platinum Honors

for August 1, 2020 to August 31, 2020


Account number: XXXXXXXXXXXXXXXXXXXX

**BRONX ACADEMY OF PROMISE CHARTER SCHOOL ESCROW**

### Account summary

Beginning balance on August 1, 2020	\$70,000.00	# of deposits/credits: 0
Deposits and other credits	0.00	# of withdrawals/debits: 0
Withdrawals and other debits	-0.00	# of items-previous cycle <sup>1</sup> : 0
Checks	-0.00	# of days in cycle: 31
Service fees	-0.00	Average ledger balance: \$70,000.00
<b>Ending balance on August 31, 2020</b>	<b>\$70,000.00</b>	<sup>1</sup> Includes checks paid, deposited items & other debits

BUSINESS ADVANTAGE



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SSM-11-19-0030.B | 2846838

## IMPORTANT INFORMATION: BANK DEPOSIT ACCOUNTS

**How to Contact Us** - You may call us at the telephone number listed on the front of this statement.

**Updating your contact information** - We encourage you to keep your contact information up-to-date. This includes address, email and phone number. If your information has changed, the easiest way to update it is by visiting the Help & Support tab of Online Banking.

**Deposit agreement** - When you opened your account, you received a deposit agreement and fee schedule and agreed that your account would be governed by the terms of these documents, as we may amend them from time to time. These documents are part of the contract for your deposit account and govern all transactions relating to your account, including all deposits and withdrawals. Copies of both the deposit agreement and fee schedule which contain the current version of the terms and conditions of your account relationship may be obtained at our financial centers.

**Electronic transfers: In case of errors or questions about your electronic transfers** - If you think your statement or receipt is wrong or you need more information about an electronic transfer (e.g., ATM transactions, direct deposits or withdrawals, point-of-sale transactions) on the statement or receipt, telephone or write us at the address and number listed on the front of this statement as soon as you can. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- Tell us your name and account number.
- Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

For consumer accounts used primarily for personal, family or household purposes, we will investigate your complaint and will correct any error promptly. If we take more than 10 business days (10 calendar days if you are a Massachusetts customer) (20 business days if you are a new customer, for electronic transfers occurring during the first 30 days after the first deposit is made to your account) to do this, we will provisionally credit your account for the amount you think is in error, so that you will have use of the money during the time it will take to complete our investigation.

For other accounts, we investigate, and if we find we have made an error, we credit your account at the conclusion of our investigation.

**Reporting other problems** - You must examine your statement carefully and promptly. You are in the best position to discover errors and unauthorized transactions on your account. If you fail to notify us in writing of suspected problems or an unauthorized transaction within the time period specified in the deposit agreement (which periods are no more than 60 days after we make the statement available to you and in some cases are 30 days or less), we are not liable to you and you agree to not make a claim against us, for the problems or unauthorized transactions.

**Direct deposits** - If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you may call us to find out if the deposit was made as scheduled. You may also review your activity online or visit a financial center for information.

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**Daily ledger balances**

Date	Balance (\$)
08/01	70,000.00



**Your Digital Tip**

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