

**HYDE LEADERSHIP CHARTER SCHOOL**



**Financial Statements  
(Together with Independent Auditors' Report)**

**Years Ended June 30, 2020 and 2019**

**and**

**Single Audit Reports and Schedule as Required by the  
Office of Management and Budget Uniform Guidance**

**For the Year Ended June 30, 2020**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**HYDE LEADERSHIP CHARTER SCHOOL  
FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2020 AND 2019**

**AND**

**SINGLE AUDIT REPORTS AND SCHEDULE AS REQUIRED BY THE OFFICE  
OF MANAGEMENT AND BUDGET UNIFORM GUIDANCE**

**FOR THE YEAR ENDED JUNE 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees of  
Hyde Leadership Charter School

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Hyde Leadership Charter School (the "School"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

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

### ***Prior Period Financial Statements***

The financial statements of the School as of and for the year ended June 30, 2019, were audited by other auditors whose report dated October 31, 2019, expressed an unmodified opinion on those financial statements.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards ("SEFA") (shown on page 16), for the year ended June 30, 2020 as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2020 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



New York, NY  
October 28, 2020

**HYDE LEADERSHIP CHARTER SCHOOL  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2020 AND 2019**

<b>ASSETS</b>	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>Current Assets</b>		
Cash and cash equivalents (Notes 2C, 3 and 12)	\$ 10,914,946	\$ 7,034,680
Investments, at fair value (Notes 2D, 2E and 4)	-	999,380
Contributions and grants receivable (Notes 2H and 3)	1,076,871	922,158
Prepaid expenses and other assets	<u>142,277</u>	<u>140,212</u>
<b>Total current assets</b>	12,134,094	9,096,430
Property and equipment, net (Notes 2I and 5)	<u>10,747,072</u>	<u>10,872,069</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 22,881,166</b></u>	<u><b>\$ 19,968,499</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,320,452	\$ 1,373,644
Bonds payable, current (Notes 2J and 7)	<u>451,000</u>	<u>435,000</u>
<b>Total current liabilities</b>	1,771,452	1,808,644
Paycheck Protection Program Loan payable (Note 6)	3,130,640	-
Bonds payable, noncurrent, net of deferred financing cost (Notes 2J and 7)	13,247,782	13,676,553
Interest rate swap liability (Note 4)	<u>1,315,835</u>	<u>494,189</u>
<b>TOTAL LIABILITIES</b>	<u>19,465,709</u>	<u>15,979,386</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>		
<b>NET ASSETS (Note 2B)</b>		
Without donor restrictions - undesignated	2,852,957	3,651,613
Without donor restrictions - designated by the Board (Note 2B)	<u>562,500</u>	<u>337,500</u>
	3,415,457	3,989,113
<b>TOTAL NET ASSETS</b>	<u>3,415,457</u>	<u>3,989,113</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 22,881,166</b></u>	<u><b>\$ 19,968,499</b></u>

The accompanying notes are an integral part of these financial statements.

**HYDE LEADERSHIP CHARTER SCHOOL  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>OPERATING REVENUE</b> (Note 2N):		
State and local per pupil operating revenue (Notes 2G and 12)	\$ 19,035,269	\$ 18,009,096
Contributions from individuals (Notes 2F and 2M)	92,360	165,398
Government grants (Note 2G)	1,192,614	1,581,975
Grants from foundations (Note 2F)	290,616	270,981
<b>TOTAL OPERATING REVENUE</b>	<b>20,610,859</b>	<b>20,027,450</b>
<b>OPERATING EXPENSES</b> (Note 2K):		
<b>Program Services</b>		
General education	16,248,373	15,278,009
Special education	1,928,335	1,677,760
<b>Total Program Services</b>	<b>18,176,708</b>	<b>16,955,769</b>
<b>Supporting Services</b>		
Management and General	2,128,002	2,217,132
Fundraising	232,103	221,117
<b>Total Supporting Services</b>	<b>2,360,105</b>	<b>2,438,249</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>20,536,813</b>	<b>19,394,018</b>
<b>NET INCREASE FROM OPERATIONS</b>	<b>74,046</b>	<b>633,432</b>
<b>NON-OPERATING ACTIVITIES:</b>		
Interest income (Note 4)	159,042	142,733
Other income	14,902	25,259
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<b>173,944</b>	<b>167,992</b>
<b>CHANGE IN NET ASSETS, BEFORE SWAP AGREEMENT</b>	<b>247,990</b>	<b>801,424</b>
Loss on Swap Agreement (Note 4)	(821,646)	(666,186)
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(573,656)</b>	<b>135,238</b>
Net Assets - without donor restrictions - beginning of year	3,989,113	3,853,875
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<b>\$ 3,415,457</b>	<b>\$ 3,989,113</b>

**HYDE LEADERSHIP CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020  
(With Comparative totals for the Year Ended June 30, 2019)**

	Program Services			Supporting Services			Total 2020	Total 2019
	General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services		
<b>Salaries and Related Costs</b>								
Administrative staff personnel	\$ -	\$ -	\$ -	\$ 1,338,880	\$ 169,593	\$ 1,508,473	\$ 1,508,473	\$ 1,391,664
Instructional personnel	11,142,775	1,518,977	12,661,752	-	-	-	12,661,752	11,809,923
Fringe benefits and payroll taxes (Note 11)	2,453,374	330,527	2,783,901	208,866	36,550	245,416	3,029,317	2,790,848
<b>Total Salaries and Related Costs</b>	13,596,149	1,849,504	15,445,653	1,547,746	206,143	1,753,889	17,199,542	15,992,435
Instructional supplies and equipment	389,355	5,948	395,303	-	-	-	395,303	334,987
Professional fees and dues	2,101	-	2,101	92,387	3,384	95,771	97,872	139,348
Instructional support	132,418	-	132,418	-	-	-	132,418	193,347
Professional development	218,538	17,031	235,569	9,022	2,030	11,052	246,621	268,822
Childcare	41	-	41	-	-	-	41	781
Business insurance	53,271	9,783	63,054	67,151	1,070	68,221	131,275	121,755
Telephone	56,510	7,583	64,093	44,429	3,325	47,754	111,847	102,493
Repairs and maintenance	109,391	-	109,391	6,388	79	6,467	115,858	115,416
Food services	30,882	-	30,882	-	-	-	30,882	35,888
Management fee (Note 9)	24,395	4,480	28,875	5,824	490	6,314	35,189	60,000
Printing and postage	29,987	5,194	35,181	15,981	3,435	19,416	54,597	58,514
Bank and payroll charges	165,857	23,267	189,124	40,738	2,614	43,352	232,476	217,015
Retreats, conferences and transportation	192,018	-	192,018	18,954	424	19,378	211,396	286,333
Marketing and recruitment	67,954	-	67,954	1,744	2,698	4,442	72,396	78,259
Technology supplies and services - non-classroom	44,191	4,436	48,627	51,961	530	52,491	101,118	59,333
Noncapitalized office furniture	1,966	-	1,966	1,087	-	1,087	3,053	1,632
Other administrative support	37,881	-	37,881	27,044	3,666	30,710	68,591	75,176
Office supplies	39,352	786	40,138	10,304	97	10,401	50,539	48,172
Rent (Note 8)	-	-	-	25,056	-	25,056	25,056	8,352
Other occupancy costs	193,771	-	193,771	-	-	-	193,771	206,514
Depreciation (Note 5)	400,744	323	401,067	69,272	1,711	70,983	472,050	513,439
Miscellaneous expenses	17,054	-	17,054	119	407	526	17,580	16,068
Bad debt expense	-	-	-	87,838	-	87,838	87,838	-
Interest expense (Notes 2J and 7)	444,547	-	444,547	4,957	-	4,957	449,504	459,939
<b>TOTAL EXPENSES</b>	<b>\$ 16,248,373</b>	<b>\$ 1,928,335</b>	<b>\$ 18,176,708</b>	<b>\$ 2,128,002</b>	<b>\$ 232,103</b>	<b>\$ 2,360,105</b>	<b>\$ 20,536,813</b>	<b>\$ 19,394,018</b>

**HYDE LEADERSHIP CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services			Supporting Services			Total 2019
	General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and Related Costs							
Administrative staff personnel	\$ -	\$ -	\$ -	\$ 1,258,716	\$ 132,948	\$ 1,391,664	\$ 1,391,664
Instructional personnel	10,510,448	1,299,475	11,809,923	-	-	-	11,809,923
Fringe benefits and payroll taxes (Note 11)	2,231,689	268,920	2,500,609	260,990	29,249	290,239	2,790,848
<b>Total Salaries and Related Costs</b>	<b>12,742,137</b>	<b>1,568,395</b>	<b>14,310,532</b>	<b>1,519,706</b>	<b>162,197</b>	<b>1,681,903</b>	<b>15,992,435</b>
Instructional supplies and equipment	328,858	1,665	330,523	3,639	825	4,464	334,987
Professional fees and dues	5,451	229	5,680	129,660	4,008	133,668	139,348
Instructional support	189,449	578	190,027	3,320	-	3,320	193,347
Professional development	225,390	31,506	256,896	7,113	4,813	11,926	268,822
Childcare	722	-	722	59	-	59	781
Business insurance	88,142	19,536	107,678	13,514	563	14,077	121,755
Telephone	74,018	13,113	87,131	13,067	2,295	15,362	102,493
Repairs and maintenance	108,940	-	108,940	3,926	2,550	6,476	115,416
Food services	16,274	-	16,274	19,614	-	19,614	35,888
Management fee (Note 9)	43,584	9,156	52,740	6,942	318	7,260	60,000
Printing and postage	37,654	7,611	45,265	9,525	3,724	13,249	58,514
Bank and payroll charges	159,284	20,861	180,145	34,285	2,585	36,870	217,015
Retreats, conferences and transportation	269,395	-	269,395	15,183	1,755	16,938	286,333
Marketing and recruitment	27,166	-	27,166	49,560	1,533	51,093	78,259
Technology supplies and services - non-classroom	24,286	3,881	28,167	24,975	6,191	31,166	59,333
Noncapitalized office furniture	690	-	690	300	642	942	1,632
Other administrative support	37,458	40	37,498	19,239	18,439	37,678	75,176
Office supplies	38,345	1,178	39,523	8,342	307	8,649	48,172
Rent (Note 8)	-	-	-	-	8,352	8,352	8,352
Other occupancy costs	206,514	-	206,514	-	-	-	206,514
Depreciation (Note 5)	224,680	-	224,680	288,759	-	288,759	513,439
Miscellaneous expenses	11,074	11	11,085	4,963	20	4,983	16,068
Interest expense (Notes 2J and 7)	418,498	-	418,498	41,441	-	41,441	459,939
<b>TOTAL EXPENSES</b>	<b>\$ 15,278,009</b>	<b>\$ 1,677,760</b>	<b>\$ 16,955,769</b>	<b>\$ 2,217,132</b>	<b>\$ 221,117</b>	<b>\$ 2,438,249</b>	<b>\$ 19,394,018</b>



**HYDE LEADERSHIP CHARTER SCHOOL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (573,656)	\$ 135,238
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	87,838	-
Unrealized gain on investments	(452)	(7,553)
Depreciation expense	472,050	513,439
Noncash interest expenses	22,229	22,229
Loss on swap agreement	821,646	666,186
Subtotal	829,655	1,329,539
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Contributions and grants receivable	(242,551)	297,526
Prepaid expenses and other assets	(2,065)	(42,691)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(53,192)	213,988
<b>Net Cash Provided by Operating Activities</b>	<b>531,847</b>	<b>1,798,362</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(347,053)	(180,305)
Redemptions of certificate of deposits	999,832	500,313
<b>Net Cash Provided by Investing Activities</b>	<b>652,779</b>	<b>320,008</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceed from Paycheck Protection Program loan payable	3,130,640	-
Principal payments of bond payable	(435,000)	(425,000)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>2,695,640</b>	<b>(425,000)</b>
<b>NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>3,880,266</b>	<b>1,693,370</b>
Cash, cash equivalents and restricted cash - beginning of year	7,034,680	5,341,310
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	<b>\$ 10,914,946</b>	<b>\$ 7,034,680</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 427,275	\$ 459,939

The accompanying notes are an integral part of these financial statements.

**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Hyde Leadership Charter School (the “School”) is a New York State not-for-profit educational corporation that commenced operations as a charter school in the borough of the Bronx, New York City in July 2006. On January 10, 2006, the Board of Regents of the University of the State of New York granted the School a provisional charter valid for a term of five years and renewable upon expiration. The School's latest charter was renewed on March 12, 2018 and is effective until June 30, 2023. The School operates classes for students in kindergarten through grade 12. The School is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (“IRC”) and from state and local taxes under comparable laws.

The School’s mission is to develop the deeper character and unique potential of each student. Using the Hyde process for family-based character education, the School unites parents, teachers and students in helping each student achieve their best academically as well as in sports, the arts and the community.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. ***Basis of Accounting*** – The School prepares its financial statements using the accrual basis of accounting. The School adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. ***Net Assets*** – Net assets and revenues are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – represents net assets not subject to donor-imposed stipulations and are available for the general support of the School’s operations. Certain net assets without donor restrictions are designated by the Board of Trustees for future use.

Net Assets With Donor Restrictions – represents net assets subject to donor-imposed stipulations that will be met by actions of the School or by the passage of time.

As of June 30, 2020 and 2019, the School had no net assets with donor restrictions.

- C. ***Cash and Cash Equivalents*** – Cash equivalents include all highly liquid instruments purchased with maturities of 90 days or less. The School has not experienced any losses on these accounts. Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution, should it occur.

As required by its charter, the School maintains a separate Dissolution Reserve Account, with a minimum balance requirement of \$75,000, which is included in cash and cash equivalents. The School is also required to maintain a minimum unrestricted liquidity of \$3,000,000 to be tested each June 30 and December 31 as part of its covenant in relation to the bonds financing.

- D. ***Investments*** – Investments are stated at fair value. Donated securities are recorded at their fair values on the date received using an average of the high and low price on the date received. Investment income is recorded as revenue in the period earned.
- E. ***Fair Value Measurements*** – Fair value measurements are the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.

**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- F. **Contributions and Grants** – Contributions received, including unconditional promises to give, are recognized as revenues in the appropriate category of net assets in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, if material. The discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received.
- G. **Government Support** – State and local per pupil revenue resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement.

Performance obligations are determined based on the nature of the services provided by the School in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The School measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

The School's performance obligations are primarily satisfied over time during the course of an academic year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2020. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The School determines the transaction price based on established per pupil reimbursement rate.

Revenue from federal, state and local government grants and contracts are recorded by the School when qualifying expenditures are incurred and billable. Funds received in advance for which expenditures have not been incurred are reflected as refundable advances in the accompanying statements of financial position. Governmental grants are recognized as revenue when barriers within the contract are overcome and there is no longer a right of return. As of June 30, 2020 and 2019, the School had no conditional grants and contracts from government agencies that have not been recorded in the accompanying financial statements.

- H. **Contributions and Grants Receivable** – Contributions and grants receivables are stated at the amount management expects to collect from outstanding balances based upon an estimated allowance for doubtful accounts. This estimate is based on management's assessment of the aged basis of its government funding sources, current economic conditions and creditworthiness of its donors and grantors. The School determined that no allowance for doubtful accounts was necessary as of June 30, 2020 and 2019. All contributions and grants receivable are expected to be collected within one year.
- I. **Property and Equipment** – The School capitalizes property and equipment having a cost of \$200 or more and a useful life of two or more years. Depreciation is recognized using the straight-line method over the estimated useful lives of the respective assets. Property and equipment acquired with certain government contract funds are recorded as expenses pursuant to the terms of the contract.
- J. **Deferring Financing Fees** – Deferred financing fees represent costs incurred to obtain financing. These costs have been capitalized and are amortized as interest expense by the straight-line method, which approximate the effective interest method, over the term of the related outstanding debt. Deferred financing fees are presented as a direct reduction from the carrying amount of the related debt liability.

**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

K. **Functional Allocation of Expenses** – Expenses are categorized and summarized according to their functional classification as either program services, development, or management and general. Program Services expenses are expenses directly associated with general education and special education those students requiring additional attention and guidance. Development expenses are expenses directly associated with the School's effort to raise funds to support the operations for the School. Lastly, Management and General expenses are expenses related to the overall administration and operations of the school that are not directly associated with any program services or development.

All of the above mentioned expense categories, when pertaining to a single and specific program, are charged against the relating functional expense classification. In the event that an expense serves multiple functional classification, for example utilities and space, the expense is allocated using reasonable, consistent and fair methodologies such as time and effort, and staff and student headcounts.

L. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

M. **In Kind Revenue** – Donated services are recognized in the financial statements if the services or goods enhance or create nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills. The donated services for the years ended June 30, 2020 and 2019 were \$0 and \$1,248, respectively.

N. **Measurement of Operations** – The School includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting services. Interest income, other income, and gains or losses on the swap agreement are reflected as nonoperating activities.

O. **Recent Accounting Pronouncements** – Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, "*Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*" (Topic 958) which was adopted by the School for the year ended June 30, 2020. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution or government grant is conditional as described in Note 2G.

FASB ASU 2014-09, "*Revenue from Contracts with Customers*" (Topic 606) was adopted by the School for the year ended June 30, 2020. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services as described in Note 2G.

P. **Reclassification** – Certain reclassifications have been made to the June 30, 2019 financial statements in order to conform to the June 30, 2020 presentation.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

As part of the School's liquidity management, the School invests cash in excess of daily requirements in short-term certificates of deposits and money market funds. In addition, the School maintains \$3,000,000 of restricted cash as minimum unrestricted liquidity as part of its covenant in relation to the bonds financing.

**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 3 – LIQUIDITY AND AVAILABILITY (Continued)**

The School's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 10,914,946	\$ 7,034,680
Investments	-	999,380
Contributions and grants receivable	<u>1,076,871</u>	<u>922,158</u>
	11,991,817	8,956,218
Less: Cash maintained as minimum unrestricted liquidity	(3,000,000)	(3,000,000)
Less: Board designated net assets	<u>(562,500)</u>	<u>(337,500)</u>
	<u>\$ 8,429,317</u>	<u>\$ 5,618,718</u>

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments amounted to \$0 and \$999,380 of certificates of deposit as of June 30, 2020 and 2019, respectively.

Investment income consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 158,590	\$ 135,180
Unrealized gain on investments	<u>452</u>	<u>7,553</u>
Total	<u>\$ 159,042</u>	<u>\$ 142,733</u>

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models or similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The School has investments in certificates of deposit with original maturities of greater than three months from the date of purchase, which the School considers to be short-term investments. The certificates of deposit represent interest-bearing cash accounts and are categorized as Level 1 of the fair value hierarchy.

Financial assets and liabilities carried at fair value as of June 30, 2020 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>LIABILITIES CARRIED AT FAIR VALUE</b>			
Interest rate swap agreement	<u>\$ -</u>	<u>\$ 1,315,835</u>	<u>\$ 1,315,835</u>

**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

Financial assets and liabilities carried at fair value as of June 30, 2019 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>ASSETS CARRIED AT FAIR VALUE</b>			
Certificates of deposit	\$ <u>999,380</u>	\$ <u>-</u>	\$ <u>999,380</u>
<b>LIABILITIES CARRIED AT FAIR VALUE</b>			
Interest rate swap agreement	\$ <u>-</u>	\$ <u>494,189</u>	\$ <u>494,189</u>

Investments are subject to market volatility that could substantially change their carrying values in the near term.

As discussed in Note 7, in connection with the issuance of Series 2017 Bonds and in order to manage exposure to interest rate fluctuations, the School entered into an interest rate swap agreement. The fair value of the interest rate swap is estimated using Level 2 inputs, which are based on a model-derived valuation in which all significant inputs and significant value drivers are observable in active markets. The School considers the counterparty credit risk and bilateral or “own” credit risk adjustments in estimating fair value in accordance with ASC 820.

The School’s policy is to recognize transfers in and out between fair value levels as of the beginning of the period in which the transfer takes place. During the years ended June 30, 2020 and 2019, no such transfers between fair value levels occurred.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>	<u>Estimated Useful Lives</u>
Land	\$ 1,750,000	\$ 1,750,000	
Building	9,110,280	9,110,280	45 years
Building Improvement	273,013	270,883	10 years
Furniture and equipment	455,647	428,175	5 years
Computer and software	1,569,962	1,403,400	3 years
Office equipment	403,603	403,603	5 years
Instructional assets	<u>591,037</u>	<u>440,148</u>	3 years
	14,153,542	13,806,489	
Less: accumulated depreciation and amortization	<u>(3,406,470)</u>	<u>(2,934,420)</u>	
Total	<u>\$ 10,747,072</u>	<u>\$ 10,872,069</u>	

Depreciation expense amounted to \$472,050 and \$513,439 for the years ended June 30, 2020 and 2019, respectively.

**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE**

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”). If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

The School applied for and received a loan under this program from an SBA authorized lender amounting to \$3,130,640 on May 4, 2020. Management has opted to account for the proceeds as a loan under FASB ASC 470 until the loan is, in part or wholly, forgiven and the School has been legally released.

**NOTE 7 – BONDS PAYABLE**

On December 15, 2017, the School entered into an agreement with Build NYC. Under the terms of the agreement, Build NYC has issued Series 2017 Bonds. The School received proceeds of \$15,250,000 net of bond issuance costs of \$555,716. The proceeds of the Bond were used to finance the acquisition by the School of its high school facility. These bonds are payable in annual installments beginning January 1, 2018 through December 1, 2042. The Series 2017 Bonds were privately placed and not part of a public offering and is subject to certain covenants. The Series 2017 Bonds bear a fixed interest rate of 1.639% plus a floating rate at USD-LIBOR-BBA\*0.6501%. The bonds are secured by the high school facility included in the statements of financial position under property and equipment. As of June 30, 2020 and 2019, the School was in compliance with all financial covenants.

Future minimum debt service payments are as follows:

2021	\$	451,000
2022		466,000
2023		479,000
2024		492,000
2025		507,000
Thereafter		<u>11,803,000</u>
Total		14,198,000
Less:		
Financing costs		<u>(499,218)</u>
		<u>\$ 13,698,782</u>

In connection with the issuance of the Series 2017 Bonds, the School entered into an interest rate swap agreement to mitigate the risk of increases in interest rates associated with the Series 2017 Bonds. Under the terms of the agreement, the School pays a synthetic fixed rate of 2.889% (1.25%+1.639%), determined at inception, and receives 65% times a one-month LIBOR plus a credit spread of 1.25%.

**NOTE 8 – AGREEMENT FOR SCHOOL FACILITIES**

The School operates under a Facility Shared Use Agreement (the “Agreement”) with the New York City Department of Education for dedicated and shared space at 730 Bryant Avenue, Bronx, New York. The Agreement commenced on July 1, 2006 at a cost of \$1. The School is not responsible for rent, utilities, custodial services, maintenance and school safety services. The value of space and related utilities and services cannot be established, and therefore is not recorded in the financial statements. The School is responsible for any overtime-related costs for services provided beyond the regular operating hours. Rent expenses incurred for leased space at 1231 Lafayette Ave, Bronx NY 10474 for administrative staff amounted to \$25,056 and \$8,352 for the years ended June 30, 2020 and 2019, respectively.

**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 9 – LICENSING AND SERVICES AGREEMENT**

The Hyde Institute, a not-for-profit organization dedicated to helping start and support certain aspects of charter school, provides management, fundraising, and other administrative support services to the School. Pursuant to the terms of a five-year licensing and services agreement with an effective date of October 17, 2016, the School pays the Hyde Foundation an annual fee of \$60,000 for use of licensed educational models, program materials, training of new faculty and accreditation services. Upon expiration, there are automatic successive one-year renewal terms, unless terminated by the School and/or the Hyde Foundation by a written 90-day notice. Effective July 1<sup>st</sup>, 2019, a new five-year licensing and services agreement was entered with the annual fee of \$35,000 for use of licensed educational models, program materials, training of new faculty and accreditation services.

**NOTE 10 – CONTINGENCIES**

- A. The School believes it had no uncertain tax positions as of June 30, 2020 and 2019, in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowances of costs submitted for reimbursement by the School. Management is of the opinion that such 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.
- C. On March 11, 2020, the World Health Organization (“WHO”) recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventive or protective measures including temporary in-school learning closures. As a result of COVID-19 and the related restrictive measures the School has enacted several initiatives to mitigate financial risk and adverse impacts to programing.

In anticipation of the additional expenditures anticipated for remote learning programming as well as sanitization and social distancing efforts, 2% of the annual budget has been set aside for these costs. Additionally, the School was notified by the New York State Department of Education that it has been allocated \$549,642 in funding from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. Furthermore, the School has taken steps to engage students and families while educating in a remote environment. While the School's enrollment is subject to fluctuation throughout the course of the school year, the School remains confident that the enrollment remains consistent with prior years and as of the date of the report, the enrollment is over a thousand students.

At this stage, the impact to the School's ability to carry on with school operations and results has not been significant and based on their experience to date, the School expects this to remain the case. The School will continue to follow the various guidance from the New York State Department of Education as well as the New York City Department Education in an effort to continue their operations in the best and safest way possible without jeopardizing the health of their students, staff and the surrounding community.

**NOTE 11 – PENSION PLAN**

The School maintains a defined contribution plan (“Plan”) in accordance with the provisions of Section 403(b) of the IRC. The School matches employee contributions up to 5% of each employee's annual compensation not to exceed the employee's annual salary deferral amount. The School, at its own discretion, can make matching and nonelective contributions. Contributions amounted to \$465,463 and \$444,270 for the years ended June 30, 2020 and 2019, respectively, and are included in fringe benefits and payroll taxes in the accompanying statements of functional expenses.



**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 12 – CONCENTRATIONS**

- A. The School receives a majority of its revenues from the New York State Education Department through the New York City Department of Education. The New York City Department of Education provides general operating support to the School based upon the location and the number of students enrolled. Operating support provided to the School by the New York City Department of Education totaled \$19,035,269 and \$18,009,096, respectively, for the years ended June 30, 2020 and 2019.
  
- B. Cash accounts that potentially subject the School to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to \$250,000 per depositor. As of June 30, 2020 and 2019, there was approximately \$10,697,000 and \$6,783,000, respectively, of cash and cash equivalents held by a bank that exceeded FDIC limits.

**NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated, for potential accrual or disclosure, events subsequent to the date of the statements of financial position through October 28, 2020, the date the financial statements were available to be issued.

**HYDE LEADERSHIP CHARTER SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
U.S Department of Education				
Passed through the New York State Education Department				
Title I - Grants to Local Educational Agencies (LEAs)	84.010		\$ 578,414	\$ -
Title II - Improving Teacher Quality State Grants	84.367		69,136	-
Title IV - Student Support and Academic Enrichment Grant	84.424		46,196	-
Special Education Cluster (IDEA):				
Passed through the New York State Education Department				
Special Education Cluster (IDEA), Individuals with Disabilities Education Act	84.027		<u>201,849</u>	<u>-</u>
Total U.S. Department of Education				
			<u>895,595</u>	<u>-</u>
U.S Department of Agriculture				
Child Nutrition Cluster:				
Passed through the New York State Education Department				
School Breakfast Program	10.553		1,279	-
National School Lunch Program	10.555		<u>19,407</u>	<u>-</u>
Total Child Nutrition Cluster				
			<u>20,686</u>	<u>-</u>
Total U.S. Department of Agriculture				
			<u>20,686</u>	<u>-</u>
<b>AMOUNTS PROVIDED TO SUBRECIPIENTS</b>				<b>\$ -</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 916,281</u></b>	

**HYDE LEADERSHIP CHARTER SCHOOL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2020**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Hyde Leadership Charter School (the "School") for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting except for amounts passed through to subrecipients which are reported on a cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

**NOTE 3 – INDIRECT COST RATES**

The School has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**INDEPENDENT AUDITORS' 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**

The Board of Trustees of  
Hyde Leadership Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hyde Leadership Charter School (the "School"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing our auditing 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 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 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 the 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 financial statement amounts. 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Marks Paneth LLP". The signature is written in a cursive, flowing style.

New York, NY  
October 28, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors of  
Hyde Leadership Charter School

**Report on Compliance for Each Major Federal Program**

We have audited Hyde Leadership Charter School's (the "School") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget Compliance Supplement* that could have a direct and material effect the School's major federal program for the year ended June 30, 2020. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.



## Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



New York, NY  
October 28, 2020

**HYDE LEADERSHIP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Section I—Summary of Auditors' Results**

**Financial Statements**

Type of Auditors' report issued:	_____	Unmodified	_____
Internal control over financial reporting:			
Material weaknesses identified?	_____ Yes	_____ X _____	No
Significant deficiency identified not considered to be material weaknesses?	_____ Yes	_____ X _____	None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X _____	No

**Federal Awards**

Internal control over major program:			
Material weaknesses identified?	_____ Yes	_____ X _____	No
Significant deficiency identified not considered to be material weaknesses?	_____ Yes	_____ X _____	None reported

Type of auditors' report issued on compliance for major program:	_____	Unmodified	_____
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____ Yes	_____ X _____	No
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Identification of major program:

    U.S. Department of Education:  
    CFDA 84.010 – Title I Grants to local educational agencies

Dollar threshold used to distinguish between Type A and Type B programs:	_____	\$750,000	_____
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Auditee qualified as low-risk auditee?	_____ X _____	Yes	_____	No
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**Section II—Financial Statement Findings**

No matters were reported.

**Section III—Federal Award Findings and Questioned Costs**

There were no findings and questioned costs for federal awards.



**HYDE LEADERSHIP CHARTER SCHOOL  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Prior Year Findings:**

No matters were reported.