

CONEY ISLAND PREPARATORY
PUBLIC CHARTER SCHOOL
(A Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
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FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL

Report on the Financial Statements

We have audited the accompanying financial statements of Coney Island Preparatory Public Charter School (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2015, 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 auditors' 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 School'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 School'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, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the School's 2014 financial statements, and our report dated August 13, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

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, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 September 15, 2015, 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.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 15, 2015

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,262,192	\$ 2,127,481
Grants and contracts receivable	180,518	138,931
Due from affiliate	68,705	-
Prepaid expenses and other current assets	123,648	130,391
Total current assets	3,635,063	2,396,803
Other assets:		
Property and equipment, net of accumulated depreciation and amortization of \$1,174,948 and \$579,684, respectively	3,654,179	2,929,074
Restricted cash	70,344	70,256
Security deposits	45,740	45,740
Total other assets	3,770,263	3,045,070
TOTAL ASSETS	\$ 7,405,326	\$ 5,441,873
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 355,353	\$ 415,406
Accrued payroll and payroll taxes	572,747	442,683
Due to affiliate	-	5,893
Refundable advances	7,904	-
Total current liabilities	936,004	863,982
Deferred rent	149,404	98,789
Total liabilities	1,085,408	962,771
Net assets:		
Unrestricted	5,252,274	4,479,102
Temporarily restricted	1,067,644	-
Total net assets	6,319,918	4,479,102
TOTAL LIABILITIES AND NET ASSETS	\$ 7,405,326	\$ 5,441,873

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

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2015			2014
	Unrestricted	Temporarily Restricted	Total All Funds	Total All Funds
Revenue and support:				
State and local per pupil operating revenue	\$ 10,708,400	\$ -	\$ 10,708,400	\$ 7,204,406
State and local per pupil facilities funding	251,750	-	251,750	-
Federal grants	672,158	-	672,158	480,481
Federal grants - E-Rate and IDEA	184,587	-	184,587	84,339
State and city grants	46,246	185,000	231,246	40,259
Contributions and grants	25,000	1,125,000	1,150,000	27,145
Interest income	2,645	-	2,645	5,237
Net assets released from restriction - satisfaction of purpose restriction	242,356	(242,356)	-	-
Total revenue and support	<u>12,133,142</u>	<u>1,067,644</u>	<u>13,200,786</u>	<u>7,841,867</u>
Expenses:				
Program services				
Regular education	7,680,560	-	7,680,560	5,106,869
Special education	1,968,042	-	1,968,042	1,356,468
Total program services	<u>9,648,602</u>	<u>-</u>	<u>9,648,602</u>	<u>6,463,337</u>
Supporting services				
Management and general	1,706,072	-	1,706,072	1,140,457
Fundraising	5,296	-	5,296	4,858
Total expenses	<u>11,359,970</u>	<u>-</u>	<u>11,359,970</u>	<u>7,608,652</u>
Changes in net assets	773,172	1,067,644	1,840,816	233,215
Net assets - beginning of year	<u>4,479,102</u>	<u>-</u>	<u>4,479,102</u>	<u>4,245,887</u>
Net assets - end of year	<u>\$ 5,252,274</u>	<u>\$ 1,067,644</u>	<u>\$ 6,319,918</u>	<u>\$ 4,479,102</u>

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

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,840,816	\$ 233,215
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	595,264	340,456
Changes in certain assets and liabilities:		
(Increase) in grants and contracts receivable	(41,587)	(101,998)
(Increase) Decrease in due from (to) affiliate	(74,598)	90,237
Decrease (Increase) in prepaid expenses and other current assets	6,743	(33,511)
(Decrease) Increase in accounts payable and accrued expenses	(60,053)	202,016
Increase in accrued payroll and payroll taxes	130,064	87,443
Increase (Decrease) in refundable advances	7,904	(10,774)
Increase in deferred rent	50,615	79,031
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,455,168	886,115
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,320,369)	(2,855,794)
(Increase) in restricted cash	(88)	(86)
NET CASH (USED IN) INVESTING ACTIVITIES	(1,320,457)	(2,855,880)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,134,711	(1,969,765)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,127,481	4,097,246
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,262,192	\$ 2,127,481

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

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Coney Island Preparatory Public Charter School (the “School”) is a New York State, not-for-profit educational corporation that operates as a charter school in the borough of Brooklyn, New York. On February 12, 2009, the Board of Regents of the University of the State of New York for and on behalf of the State Education Department granted the School a provisional charter valid for a term of five years from the effective date of December 16, 2008 and renewable upon expiration. The School renewed its charter for an additional five-year term expiring on June 30, 2018. Students at the School will develop the academic skills and character necessary for success in selective colleges and universities, and the career of their choice. Students will learn through a rigorous academic program, with a strong focus on writing, in a supportive and structured school community. Classes commenced in Brooklyn, New York, in August 2009 and the School provided education to approximately 637 students in grades kindergarten, first, and fifth through tenth during the 2014-2015 academic year.

Food and Transportation Services

The School uses an outside vendor to serve breakfast and lunch to its students and files for reimbursement of qualified expenses through the National School Lunch Program and the School Breakfast Program. The New York City Department of Education provides Metrocards to a majority of the School’s students.

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b) (1) (A) (ii). The School is subject to income taxes only on net unrelated business income. The School did not have net unrelated business income for the years ended June 30, 2015 and 2014.

The School’s accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The School has no uncertain tax position resulting in an accrual of tax expense or benefit.

IRS Forms 990 filed by the School are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Forms 990 filed by the School are no longer subject to examination for the fiscal years ended June 30, 2011, and prior.

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Accounting Standards Codification (“ASC”) No. 958-205. Under ASC 958-205, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets classifications are described as follows:

Unrestricted

Unrestricted net assets of the School consists of cash and otherwise unrestricted amounts that are available for use in carrying out the objectives of the School and include those expendable resources, which have been designated for special use by the School or the Board of Trustees.

Temporarily Restricted

Temporarily restricted net assets of the School represent those amounts that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the School. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets, as net assets released from restrictions.

Permanently Restricted

Permanently restricted net assets of the School result from contributions whose use has been permanently limited by donor-imposed restrictions. Such assets include contributions required to be invested in perpetuity, the income from which is available to support charitable purposes designated by the donors.

At June 30, 2015 and 2014, the School had no permanently restricted net assets.

Revenue and Support

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations. Restricted contributions and grants that are made to support the School’s current year activities are recorded as unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support (Continued)

Revenue from the state and local governments 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. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agency.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially subject the School to concentrations of credit risk are cash and cash equivalents. The School places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of \$250,000 per institution at various times during the year. The School believes that there is little risk in any losses and has not experienced any losses in such accounts.

Restricted Cash

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

Property and Equipment

Purchased property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred. Property and equipment acquired with certain government funding are recorded as expenses pursuant to the terms of the contract, in which ownership of such property and equipment is retained by the funding source. No amortization is recorded on construction-in-progress until property is placed into service. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Furniture and fixtures	7 years
Computers and equipment	3 to 5 years
Software	3 years
Leasehold improvements	Useful life or related lease

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Refundable Advances

The School records certain government grants and contracts as refundable advances until related services are performed, at which time it is recognized as revenue.

Comparative Financial Information

The accompanying statements of activities and schedule of functional expenses are presented with summarized comparative information. Such prior year information is not presented by net asset class in the statements of activities or by functional category in the schedule of functional expenses. Accordingly, such information should be read in conjunction with the School's 2014 financial statements from which the summarized information was derived.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of federal, state, and city entitlements and grants. The School expects to collect these receivables within one year.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30,:

	2015	2014
Furniture and fixtures	\$ 391,504	\$ 239,409
Computers and equipment	912,900	569,541
Software	30,437	28,157
Leasehold improvements	3,494,286	2,671,651
	4,829,127	3,508,758
Less: Accumulated depreciation and amortization	1,174,948	579,684
	\$3,654,179	\$2,929,074

Depreciation and amortization expense was \$595,264 and \$340,456 for the years ended June 30, 2015 and 2014, respectively.

NOTE 4 - COMMITMENTS

Elementary School Facility

The School began sharing space with a New York City public school in July 2014. The School is not responsible for rent, real estate taxes, utilities, custodial services, maintenance, and school safety services other than security related to the School's programs that take place outside the district's school day.

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4 - COMMITMENTS (Continued)

Middle School Facility

The School began sharing space with a New York City public school in July 2011. The School is not responsible for rent, real estate taxes, utilities, custodial services, maintenance, and school safety services other than security related to the School's programs that take place outside the district's school day.

High School Facility

On November 19, 2012, the School entered into a lease agreement with The Roman Catholic Church of SS. Simon and Jude for the rental of space of a two story building located in Brooklyn, New York. The lease term commenced on April 1, 2013 and expires on July 31, 2023. The School is responsible for real estate taxes, utilities, custodial services, and maintenance.

Future minimum lease payments are as follows:

Year ending June 30,	2016	\$ 563,789
	2017	580,703
	2018	598,124
	2019	616,068
	2020	634,550
	Thereafter	<u>1,383,016</u>
		<u>\$ 4,376,250</u>

The School recognizes rent expense on a straight-line basis. Rent expense in excess of payments is recorded as deferred rent in the accompanying statements of financial position. Occupancy expense for the years ended June 30, 2015 and 2014 was \$657,550 and \$641,525, respectively.

Leased Equipment

The School leases office equipment under one-year purchase orders, pursuant to contract with The New York City Department of Education. There are no future minimum obligations under these leases. Equipment rental expense for the years ended June 30, 2015 and 2014 amounted to \$69,519 and \$61,026, respectively.

NOTE 5 - REVENUE CONCENTRATION

The School receives a substantial portion of its support and revenue from the New York City Department of Education. If the charter school laws were modified to reduce or eliminate these revenues, the School's finances could be materially adversely affected.

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 6 - CONTINGENCY

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.

NOTE 7 - FUNCTIONAL ALLOCATION OF EXPENSE

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expense includes those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

NOTE 8 - RELATED PARTY TRANSACTIONS

The School is an affiliate of Coney Island Prep Builders, Inc. ("Builders"), a New York State, not-for-profit corporation. Builders supports the School through financial, fundraising, and development efforts.

For the years ended June 30, 2015 and 2014, the School charged Builders \$67,000 and \$23,450, respectively, for salary and benefits of one shared employee and \$1,705 and \$10,085, respectively, for net operating expenses. In addition, various deposits totaling \$39,428 were incorrectly deposited into the School during the year ended June 30, 2014.

Net balance due from (to) Builders at June 30, 2015 and 2014 amounted to \$68,705 and \$(5,893), respectively. The balance due at June 30, 2015 was received in full prior to the issuance of this report.

NOTE 9 - PENSION PLAN

The School maintains a pension plan qualified under the Internal Revenue Code 403(b) for the benefit of its eligible employees. Under the plan the School provided matching contributions of 5% to the plan. The amount charged for matching contributions to this plan was \$205,835 and \$147,721 for the years ended June 30, 2015 and 2014, respectively.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of \$1,067,644 restricted for facility renovation at June 30, 2015. The School had no temporarily restricted net assets at June 30, 2014. Depreciation and amortization expense in the amount of \$242,356 was released from restriction during the year ended June 30, 2015, as a result of the High School facility being placed into service.

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 11 - SUBSEQUENT EVENTS

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through September 15, 2015, the date the financial statements were available to be issued.

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL

We have audited the financial statements of Coney Island Preparatory Public Charter School as of and for the year ended June 30, 2015, and have issued our report thereon dated September 15, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule 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 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.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 15, 2015

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

2015

	Program Services			Supporting Services			2014
	Regular Education	Special Education	Total	Management and General	Fundraising	Total	
Salaries and wages	\$ 4,342,276	\$ 1,151,711	\$ 5,493,987	\$ 960,845	\$ 3,384	\$ 6,458,216	\$ 4,068,876
Employee benefits and payroll taxes	824,590	201,642	1,026,232	193,527	682	1,220,441	766,591
Professional and consulting services	174,213	42,601	216,814	114,321	56	331,191	353,972
Accounting fees	-	-	-	27,500	-	27,500	18,300
Professional development	129,247	31,606	160,853	19,001	55	179,909	115,113
Curriculum and classroom supplies	458,317	112,072	570,389	-	-	570,389	378,445
Supplies and materials	58,658	14,344	73,002	13,767	48	86,817	55,414
Postage and delivery	4,200	1,027	5,227	987	3	6,217	5,377
Travel and conferences	171	42	213	40	-	253	628
Student meals	395,756	96,777	492,533	-	-	492,533	358,409
Insurance	42,418	10,373	52,791	9,955	35	62,781	44,889
Dues and subscriptions	1,577	386	1,963	370	1	2,334	820
Marketing and recruiting	29,089	7,113	36,202	79,421	24	115,647	122,437
Technology and communications	107,452	26,276	133,728	25,218	89	159,035	35,265
Occupancy	444,273	108,641	552,914	104,269	367	657,550	641,525
Repairs and maintenance	218,518	53,436	271,954	51,283	181	323,418	241,109
Equipment leasing	47,616	11,644	59,260	11,176	39	70,475	61,026
Depreciation and amortization	402,189	98,351	500,540	94,392	332	595,264	340,456
Total	\$ 7,680,560	\$ 1,968,042	\$ 9,648,602	\$ 1,706,072	\$ 5,296	\$ 11,359,970	\$ 7,608,652

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NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

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

TO THE BOARD OF TRUSTEES OF
CONEY ISLAND PREPARATORY PUBLIC 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 Coney Island Preparatory Public Charter School (the "School"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2015.

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) to determine the 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. 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.

TO THE BOARD OF TRUSTEES OF
CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL

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*.

We noted a certain matter that was reported to the management of the School in a separate letter dated September 15, 2015.

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.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 15, 2015

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

TO THE BOARD OF TRUSTEES OF
CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL

Report on Compliance for Each Major Federal Program

We have audited Coney Island Preparatory Public Charter School's (the "School") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2015. The School's major federal programs are 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 requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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 each of its major federal programs for the year ended June 30, 2015.

TO THE BOARD OF TRUSTEES OF
CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL

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 OMB Circular A-133, 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.

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 requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 15, 2015

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

A - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Coney Island Preparatory Public Charter School.
2. No significant deficiencies and no material weaknesses were discovered during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Coney Island Preparatory Public Charter School, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies and no material weaknesses relating to the audit of the major federal award programs are reported in accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Coney Island Preparatory Public Charter School expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for Coney Island Preparatory Public Charter School are reported in this schedule.
7. The programs tested as major programs included:
 - National School Breakfast Program, CFDA No. 10.553
 - National School Lunch Program, CFDA No. 10.555
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Coney Island Preparatory Public Charter School did not qualify as a low-risk auditee.

B - FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor Pass-through Grantor Program Name/Cluster	Federal CFDA Number	Federal Expenditures
U.S. Department of Education:		
Passed through the New York State		
Education Department:		
Title I Part A	84.010	\$ 297,540
Title II Part A	84.367	<u>7,356</u>
Total U.S. Department of Education		<u>304,896</u>
U.S. Department of Agriculture:		
Passed through the New York State		
Education Department:		
Child Nutrition Cluster		
National School Breakfast Program	10.553	80,480
National School Lunch Program	10.555	<u>286,782</u>
Total U.S. Department of Agriculture		<u>367,262</u>
Total Expenditures of Federal Awards		<u><u>\$ 672,158</u></u>

See accompanying notes to schedule of expenditures of federal awards.

CONEY ISLAND PREPARATORY PUBLIC CHARTER SCHOOL
(A Not-For-Profit Organization)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coney Island Preparatory Public Charter School and is presented on the accrual basis of accounting for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements on OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.