



CENTRAL QUEENS ACADEMY
CHARTER SCHOOL

**Audited Financial Statements In Accordance
With Government Auditing Standards**

June 30, 2016

CENTRAL QUEENS ACADEMY CHARTER SCHOOL

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Independent Auditors' Report

To the Board of Directors of
Central Queens Academy Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Central Queens Academy Charter School (the "School"), which comprise the statement of financial position as of June 30, 2016, 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 organization'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 organization'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

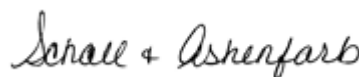
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Queens Academy Charter School as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the School's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 5, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2016 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.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 7, 2016

CENTRAL QUEENS ACADEMY CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2016
(With comparative totals at June 30, 2015)

	<u>6/30/16</u>	<u>6/30/15</u>
Assets		
Cash and cash equivalents	\$2,669,142	\$1,012,174
Restricted cash (Note 3)	76,071	75,691
Grants receivable - New York City (Note 5)	8,707	0
Pledges receivable (Note 4)	76,050	101,000
Government grants receivable	231,289	81,480
Prepaid expenses	98,543	20,863
Security deposit	112,180	112,180
Fixed assets, net (Note 6)	<u>502,151</u>	<u>666,849</u>
Total assets	<u><u>\$3,774,133</u></u>	<u><u>\$2,070,237</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$731,199	\$657,079
Deferred rent	25,081	122,792
Deferred revenue (Note 5)	<u>0</u>	<u>18,092</u>
Total liabilities	<u>756,280</u>	<u>797,963</u>
Net assets:		
Unrestricted	2,967,853	1,162,274
Temporarily restricted (Note 7)	<u>50,000</u>	<u>110,000</u>
Total net assets	<u>3,017,853</u>	<u>1,272,274</u>
Total liabilities and net assets	<u><u>\$3,774,133</u></u>	<u><u>\$2,070,237</u></u>

*The attached notes and auditors' report
are an integral part of these financial statements.*

CENTRAL QUEENS ACADEMY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
(With comparative totals for the year ended June 30, 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 6/30/16</u>	<u>Total 6/30/15</u>
Public support and revenue:				
Public school district: (Notes 2g)				
Revenue - resident student enrollment	\$5,594,884		\$5,594,884	\$4,179,942
Revenue - students with special education services	732,512		732,512	601,940
Subtotal public school district	<u>6,327,396</u>		<u>6,327,396</u>	<u>4,781,882</u>
Government grants				
Federal	217,668		217,668	159,891
State	412,126		412,126	462,246
Subtotal government grants	<u>629,794</u>		<u>629,794</u>	<u>622,137</u>
Contributions	118,716	50,000	168,716	158,587
Special event (net of expenses with a direct benefit to donors) (Note 8)	377,697		377,697	241,460
Donated services	110,685		110,685	67,123
Interest income	4,285		4,285	1,450
Miscellaneous income	2,932		2,932	10,596
Released from restriction	<u>110,000</u>	<u>(110,000)</u>	<u>0</u>	<u>0</u>
Total public support and revenue	<u>7,681,505</u>	<u>(60,000)</u>	<u>7,621,505</u>	<u>5,883,235</u>
Expenses:				
Program services:				
Regular education	4,372,373		4,372,373	3,937,865
Special education	696,990		696,990	512,464
Total program services	<u>5,069,363</u>	<u>0</u>	<u>5,069,363</u>	<u>4,450,329</u>
Supporting services:				
Management and general	654,617		654,617	682,070
Fundraising	151,946		151,946	143,643
Total expenses	<u>5,875,926</u>	<u>0</u>	<u>5,875,926</u>	<u>5,276,042</u>
Change in net assets	1,805,579	(60,000)	1,745,579	607,193
Net assets - beginning	<u>1,162,274</u>	<u>110,000</u>	<u>1,272,274</u>	<u>665,081</u>
Net assets - ending	<u><u>\$2,967,853</u></u>	<u><u>\$50,000</u></u>	<u><u>\$3,017,853</u></u>	<u><u>\$1,272,274</u></u>

*The attached notes and auditors' report
are an integral part of these financial statements.*

CENTRAL QUEENS ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(With comparative totals for the year ended June 30, 2015)

	Program Services			Supporting Services			
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Expenses 6/30/16	Total Expenses 6/30/15
Salaries	\$2,712,248	\$483,029	\$3,195,277	\$349,854	\$84,666	\$3,629,797	\$2,851,122
Employee benefits and payroll taxes	462,043	64,335	526,378	52,638	5,849	584,865	488,900
Total personnel costs	3,174,291	547,364	3,721,655	402,492	90,515	4,214,662	3,340,022
Professional fees	85,198	6,795	91,993	20,651	618	113,262	205,881
In-kind professional fees			0	110,685		110,685	67,123
Occupancy	642,441	89,454	731,895	73,190	8,132	813,217	938,856
Repairs and maintenance	11,733	1,634	13,367	1,336	149	14,852	18,671
Insurance	40,134	5,588	45,722	4,572	508	50,802	37,524
Utilities	33,510	4,666	38,176	3,818	424	42,418	55,233
Curriculum and classroom expenses	35,321		35,321			35,321	112,636
Classroom supplies and materials	49,699		49,699			49,699	88,161
Equipment	18,791	2,616	21,407	2,141	238	23,786	32,610
Professional development	4,363	389	4,752	2,121	35	6,908	16,010
Student and staff recruitment	14,135	1,968	16,103	1,610	48,008	65,721	45,962
Information technology	20,395	2,840	23,235	2,323	258	25,816	27,797
Food services	510		510			510	2,759
Office expenses	17,198	2,395	19,593	1,959	218	21,770	19,645
Communications	17,793	2,478	20,271	2,027	225	22,523	20,987
Travel and meals	389	54	443	44	5	492	372
Miscellaneous	3,670	511	4,181	2,543	46	6,770	22,139
Depreciation	202,802	28,238	231,040	23,105	2,567	256,712	223,654
Total other than personnel costs	1,198,082	149,626	1,347,708	252,125	61,431	1,661,264	1,936,020
Total expenses	<u>\$4,372,373</u>	<u>\$696,990</u>	<u>\$5,069,363</u>	<u>\$654,617</u>	<u>\$151,946</u>	<u>\$5,875,926</u>	<u>\$5,276,042</u>

*The attached notes and auditors' report
are an integral part of these financial statements.*

CENTRAL QUEENS ACADEMY CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(With comparative totals for the year ended June 30, 2015)

	<u>6/30/16</u>	<u>6/30/15</u>
Cash flows from operating activities:		
Change in net assets	\$1,745,579	\$607,193
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	256,712	223,654
Changes in assets and liabilities:		
Restricted cash	(380)	(25,246)
Pledges receivable	24,950	97,000
Grant receivable - New York City	(8,707)	1,517
Government grants receivable	(149,809)	(11,906)
Prepaid expenses	(77,680)	48,309
Accounts payable and accrued expenses	74,120	160,504
Deferred rent	(97,711)	102,563
Deferred revenue	(18,092)	18,092
	<u>3,403</u>	<u>614,487</u>
Total adjustments	<u>3,403</u>	<u>614,487</u>
Net cash provided by operating activities	<u>1,748,982</u>	<u>1,221,680</u>
Cash flows from investing activities:		
Purchases of fixed assets	(92,014)	(566,722)
Net cash used for investing activities	<u>(92,014)</u>	<u>(566,722)</u>
Net increase in cash and cash equivalents	1,656,968	654,958
Cash and cash equivalents - beginning	<u>1,012,174</u>	<u>357,216</u>
Cash and cash equivalents - ending	<u><u>\$2,669,142</u></u>	<u><u>\$1,012,174</u></u>
Supplemental disclosures:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

*The attached notes and auditors' report
are an integral part of these financial statements.*

CENTRAL QUEENS ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 - Organization and Nature of Activities

Central Queens Academy Charter School (the "School"), located in Queens, New York, is a not-for-profit education corporation chartered by the Regents of the University of the State of New York. The charter was authorized by SUNY Charter Schools Institute. The School was founded by a team of educators, parents and youth advocates in partnership with APEX, a youth development organization with almost 20 years of experience working with Asian immigrant youth in New York.

The School's academic program is designed to meet the needs of a highly diverse student body. The School has grounded this program in its core values and will implement its mission using research-based methods that have worked in other schools. Its curriculum is aligned with the Common Core State Standards and the New York State Standards, and has been designed to make sure that students learn what they need to know in a rigorous and fun environment.

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. They have not been designated as a private foundation.

Note 2 - Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The School's net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted* – represent those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. Temporarily restricted contributions, the requirements of which are met in the year of donation, are reported as unrestricted.

b. Cash and Cash Equivalents

The School considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

c. Concentration of Credit

Financial instruments which potentially subject the School to concentration of credit risk consist of cash and money market accounts, which have been placed with financial

institutions that management deems to be creditworthy. At year-end and at various times throughout the year, material cash balances were in excess of FDIC insurance levels; however, management feels they have little risk and the School has not experienced any losses from the default of any financial institution.

d. Capitalization Policy

Computer hardware, furniture, leasehold improvements and equipment are stated at cost or at the fair value at the date of gift, if donated. The School capitalizes fixed assets in excess of pre-defined amounts that have a useful life of more than one year. Depreciation was computed using the straight-line method over the estimated useful lives of the respective assets, which generally are between 3 and 5 years.

e. Deferred Rent

Rent expense is recorded on the straight-line basis over the life of the lease. Rent expense recognized in excess of cash payments is reflected as deferred rent. As future payments exceed the annual expense recognized, deferred rent will be reduced to zero at the end of the lease term.

f. Contributions

Contributions are recorded as revenue at the earlier of the receipt of cash or when pledges are considered unconditional in nature. Contributions are available for unrestricted use, unless specifically restricted by the donor, in which case they are recorded in one of the restricted classes of net assets, depending on the nature of the restriction.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using a risk adjusted discount rate. Conditional contributions are recorded as liabilities and are recognized as income when the conditions have been substantially met.

g. Revenue

Program revenue is recognized based on rates established by the School's funding sources and the amount realizable on the accrual basis in the period during which services are provided.

The terms of each government grant are reviewed to determine if they contain traits more closely associated with contributions or exchange transactions. Management has determined that all existing government grants are exchange transactions because they contain traits more similar to contracts for service. The difference between revenue recognized and cash received is reflected as government grants receivable or refundable advances.

h. Donated Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

The School received in-kind professional legal services that were valued at \$110,685 and \$67,123 for the years ended June 30, 2016 and June 30, 2015, respectively.

The Organization pays for most other services requiring specific expertise. Board members and other individuals volunteer their time and support its mission and accomplish its programmatic goals. These services do not meet the criteria for recognition as outlined above and have not been recorded in the financial statements.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

j. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

k. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the School's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

l. Accounting for Uncertainty in Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2013 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. The School has not yet evaluated the impact this will have on future statements.

n. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through October 7, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, through our evaluation date that would require adjustment to or disclosure in the financial statements.

Note 3 - Restricted Cash

An escrow account has been established to meet the requirement of New York City Department of Education ("NYCDOE"). The purpose of this account is to ensure sufficient funds are available for an orderly dissolution or transition process in the event of termination of the charter or school closure.

Note 4 - Pledges Receivable

Pledges receivable are due in the following years:

Year-ending:	June 30, 2017	\$51,050
	June 30, 2018	<u>25,000</u>
Total		<u>\$76,050</u>

Note 5 - Grants Receivable/Deferred Revenue

Grants receivable and advances payable on the contract with NYCDOE can be summarized as follows:

	<u>6/30/16</u>	<u>6/30/15</u>
Beginning (advance)/grant receivable	(\$18,092)	\$1,517
Funding based on allowable FTE's	6,327,396	4,781,882
Advances received	(6,300,597)	(4,788,737)
Rental assistance grant	325,000	262,246
Payments received	<u>(325,000)</u>	<u>(275,000)</u>
Ending grant receivable/(advance)	<u>\$8,707</u>	<u>(\$18,092)</u>

Note 6 - Fixed Assets

Fixed assets can be summarized as follows:

	<u>6/30/16</u>	<u>6/30/15</u>
Leasehold improvements	\$808,846	\$776,640
Construction in progress	7,235	0
Furniture and equipment	<u>410,990</u>	<u>358,417</u>
	1,227,071	1,135,057
Less: accumulated depreciation	<u>(724,920)</u>	<u>(468,208)</u>
Total fixed assets - net	<u>\$502,151</u>	<u>\$666,849</u>

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets are summarized as follows:

	<u>June 30, 2016</u>			
	Balance <u>7/1/15</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>6/30/16</u>
Art programs	\$10,000	\$0	(\$10,000)	\$0
Time restrictions	<u>100,000</u>	<u>50,000</u>	<u>(100,000)</u>	<u>50,000</u>
Total	<u>\$110,000</u>	<u>\$50,000</u>	<u>(\$110,000)</u>	<u>\$50,000</u>

	<u>June 30, 2015</u>			
	Balance <u>7/1/14</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>6/30/15</u>
Art programs	\$0	\$10,000	\$0	\$10,000
Time restrictions	<u>198,000</u>	<u>0</u>	<u>(98,000)</u>	<u>100,000</u>
Total	<u>\$198,000</u>	<u>\$10,000</u>	<u>(\$98,000)</u>	<u>\$110,000</u>

Note 8 - Special Events

Special events are summarized as follows:

	<u>June 30, 2016</u>		
	<u>Gala</u>	<u>Poker</u>	<u>Total</u>
Gross revenue	\$402,945	\$60,417	\$463,362
Less: expenses where donors receive a direct benefit	<u>(49,137)</u>	<u>(36,528)</u>	<u>(85,665)</u>
	353,808	23,889	377,697
Less: other event expenses	<u>(27,165)</u>	<u>(20,664)</u>	<u>(47,829)</u>
Total	<u>\$326,643</u>	<u>\$3,225</u>	<u>\$329,868</u>

	<u>June 30, 2015</u>		
	Museum of Chinese in <u>America</u>	<u>BINGO</u>	<u>Total</u>
Gross revenue	\$88,041	\$204,150	\$292,191
Less: expenses where donors receive a direct benefit	<u>(10,100)</u>	<u>(40,631)</u>	<u>(50,731)</u>
	77,941	163,519	241,460
Less: other event expenses	<u>(2,752)</u>	<u>(24,705)</u>	<u>(27,457)</u>
Total	<u>\$75,189</u>	<u>\$138,814</u>	<u>\$214,003</u>

Note 9 - Significant Concentrations

The School is dependent upon grants from NYCDOE to carry out its operations. Approximately 89% and 87% of the School's total public support and revenue was from NYCDOE for the years ended June 30, 2016 and 2015, respectively.

Note 10 - Commitments and ContingenciesGovernment Grants

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified.

Lease Commitments

On January 18, 2012, the School entered into an operating lease for classroom space and administrative offices that was originally set to expire on July 15, 2015. On January 21, 2015, a lease amendment was signed extending the term of the agreement through July 15, 2018. Future minimum lease payments are as follows:

For the year-ending:	June 30, 2017	\$393,384
	June 30, 2018	393,384
	June 30, 2019	<u>16,391</u>
		<u>\$803,159</u>

On May 5, 2014, the School entered into a second operating lease for additional classroom and administrative space that expires in July 15, 2019. On April 1, 2016, a lease amendment was signed that increased the base rent per year. The lease term began on July 1, 2014 and future minimum lease payments are as follows:

For the year-ending:	June 30, 2017	\$545,004
	June 30, 2018	545,004
	June 30, 2019	570,000
	June 30, 2020	<u>23,750</u>
		<u>\$1,683,758</u>

Note 11 - Employee Benefits

The School has a tax deferred annuity plan under IRS section 401(k) for all employees. Under the plan, employees may opt to defer a portion of their gross pay, having that portion of pay be invested in accordance with applicable federal and state guidelines governing deferred compensation programs. The School contributed \$52,931 and \$63,251 to the plan during the years ended June 30, 2016 and 2015, respectively.

**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 Directors of
Central Queens Academy Charter School

Report on the Financial Statements

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 Central Queens Academy Charter School (the "School"), which comprise the statement of financial position as of June 30, 2016, 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 7, 2016.

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 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 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.

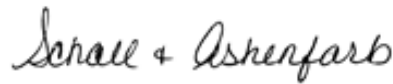
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during 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 of 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 7, 2016

**CENTRAL QUEENS ACADEMY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2016**

Current Year:

None

Prior-Year:

None