

HYDE LEADERSHIP CHARTER SCHOOL



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

Years Ended June 30, 2022 and 2021

and

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

For the Year Ended June 30, 2022



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

YEARS ENDED JUNE 30, 2022 AND 2021

AND

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

FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees of
Hyde Leadership Charter School

Opinion

We have audited the financial statements of Hyde Leadership Charter School (the "School") which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2021 Financial Statements

The financial statements of the School as of and for the year ended June 30, 2021 were audited by another auditor whose report dated October 27, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental 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 for the year ended June 30, 2022, 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 GAAS. 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 31, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Mayer Hoffman McCann CPAs

New York, NY
October 31, 2022

**HYDE LEADERSHIP CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021**

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents (Notes 2C, 3 and 12B)	\$ 9,014,181	\$ 11,720,088
Restricted cash (Notes 2C, 3 and 12B)	75,018	75,191
Contributions and grants receivable (Notes 2F, 2H and 3)	1,134,086	1,415,684
Prepaid expenses and other assets	<u>181,112</u>	<u>100,916</u>
Total current assets	10,404,397	13,311,879
Interest rate swap asset (Note 4)	140,329	-
Property and equipment, net (Notes 2I and 5)	<u>10,614,550</u>	<u>10,747,745</u>
TOTAL ASSETS	<u>\$ 21,159,276</u>	<u>\$ 24,059,624</u>
 LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,615,850	\$ 2,244,732
Refundable advances	823,822	-
Bonds payable, current (Notes 2J and 7)	<u>479,000</u>	<u>466,000</u>
Total current liabilities	2,918,672	2,710,732
Paycheck Protection Program loan payable (Note 6)	-	3,130,640
Bonds payable, noncurrent, net of deferred financing costs (Notes 2J and 7)	12,347,239	12,804,011
Interest rate swap liability (Note 4)	<u>-</u>	<u>795,902</u>
TOTAL LIABILITIES	<u>15,265,911</u>	<u>19,441,285</u>
 CONTINGENCIES (Note 10)		
 NET ASSETS (Note 2B)		
Without donor restrictions - undesignated	4,880,865	3,830,839
Without donor restrictions - designated by the Board (Notes 2B and 3)	<u>1,012,500</u>	<u>787,500</u>
TOTAL NET ASSETS	<u>5,893,365</u>	<u>4,618,339</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 21,159,276</u>	<u>\$ 24,059,624</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, 2022 AND 2021**

	2022	2021
OPERATING REVENUE (Note 2N):		
State and local per pupil operating revenue (Notes 2G and 12A)	\$ 18,942,930	\$ 19,425,768
Contributions from individuals (Notes 2F and 2M)	125,321	118,315
Government grants (Note 2G)	1,301,663	1,734,791
Grants from foundations (Note 2F)	329,774	298,709
TOTAL OPERATING REVENUE	20,699,688	21,577,583
OPERATING EXPENSES (Note 2K):		
Program Services		
General education	18,255,362	16,244,201
Special education	1,903,841	2,141,228
Total Program Services	20,159,203	18,385,429
Supporting Services		
Management and general	3,015,931	2,238,878
Fundraising	376,420	303,659
Total Supporting Services	3,392,351	2,542,537
TOTAL OPERATING EXPENSES	23,551,554	20,927,966
NET (DECREASE) INCREASE FROM OPERATIONS	(2,851,866)	649,617
NON-OPERATING ACTIVITIES:		
Paycheck Protection Program loan forgiveness (Note 6)	3,130,640	-
Interest income	9,470	29,719
Other income	35,100	3,613
TOTAL NON-OPERATING ACTIVITIES	3,175,210	33,332
CHANGE IN NET ASSETS BEFORE SWAP AGREEMENT	323,344	682,949
Gain on swap agreement (Note 4)	951,682	519,933
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,275,026	1,202,882
Net Assets - without donor restrictions - beginning of year	4,618,339	3,415,457
NET ASSETS - WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ 5,893,365	\$ 4,618,339

**HYDE LEADERSHIP CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

	For the Year Ended June 30, 2022						Total 2022	Total 2021
	Program Services		Total Program Services	Supporting Services		Total Supporting Services		
	General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2022	Total 2021
Salaries and Related Costs								
Administrative staff personnel	\$ -	\$ -	\$ -	\$ 1,868,998	\$ 251,820	\$ 2,120,818	\$ 2,120,818	\$ 1,561,325
Instructional personnel	12,014,335	1,494,883	13,509,218	-	-	-	13,509,218	12,868,551
Fringe benefits and payroll taxes (Note 11)	<u>2,729,688</u>	<u>335,890</u>	<u>3,065,578</u>	<u>434,419</u>	<u>68,901</u>	<u>503,320</u>	<u>3,568,898</u>	<u>3,273,954</u>
Total Salaries and Related Costs	14,744,023	1,830,773	16,574,796	2,303,417	320,721	2,624,138	19,198,934	17,703,830
Instructional supplies and equipment	708,010	8,575	716,585	-	-	-	716,585	353,861
Professional fees and dues	21,299	4,199	25,498	233,539	536	234,075	259,573	99,392
Instructional support	109,058	5,521	114,579	-	-	-	114,579	81,148
Professional development	215,931	1,859	217,790	17,769	-	17,769	235,559	204,612
Business insurance	63,407	-	63,407	99,485	381	99,866	163,273	146,499
Telephone	19,320	471	19,791	8,800	512	9,312	29,103	90,244
Repairs and maintenance	224,172	262	224,434	6,204	-	6,204	230,638	120,947
Food services	39,078	-	39,078	-	-	-	39,078	16,420
Management fee (Note 9)	29,092	-	29,092	5,733	175	5,908	35,000	35,000
Printing and postage	42,526	1,128	43,654	10,262	1,007	11,269	54,923	41,089
Bank and payroll charges	124,157	22,935	147,092	47,075	3,753	50,828	197,920	219,152
Retreats, conferences and transportation	401,348	-	401,348	43,270	495	43,765	445,113	118,157
Marketing and recruitment	126,057	272	126,329	43,128	29,027	72,155	198,484	215,281
Technology supplies and services - non-classroom	129,382	2,115	131,497	43,294	669	43,963	175,460	214,497
Noncapitalized office furniture	421	-	421	3,083	-	3,083	3,504	1,418
Other administrative support	87,664	280	87,944	12,849	17,419	30,268	118,212	42,138
Office supplies	61,907	3,138	65,045	61,449	403	61,852	126,897	62,943
Rent (Note 8)	3,600	-	3,600	25,447	-	25,447	29,047	24,273
Other occupancy costs	208,901	-	208,901	3,631	-	3,631	212,532	152,383
Depreciation and amortization (Note 5)	510,473	22,305	532,778	47,166	1,037	48,203	580,981	496,012
Miscellaneous expenses	10,068	8	10,076	330	285	615	10,691	16,899
Bad debt expense	-	-	-	-	-	-	-	29,622
Interest expense (Notes 2J and 7)	<u>375,468</u>	<u>-</u>	<u>375,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,468</u>	<u>442,149</u>
TOTAL EXPENSES	<u>\$ 18,255,362</u>	<u>\$ 1,903,841</u>	<u>\$ 20,159,203</u>	<u>\$ 3,015,931</u>	<u>\$ 376,420</u>	<u>\$ 3,392,351</u>	<u>\$ 23,551,554</u>	<u>\$ 20,927,966</u>

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

**HYDE LEADERSHIP CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services			Supporting Services			Total 2021
	General Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and Related Costs							
Administrative staff personnel	\$ -	\$ -	\$ -	\$ 1,379,480	\$ 181,845	\$ 1,561,325	\$ 1,561,325
Instructional personnel	11,113,160	1,663,075	12,776,235	92,316	-	92,316	12,868,551
Fringe benefits and payroll taxes (Note 11)	<u>2,468,926</u>	<u>364,039</u>	<u>2,832,965</u>	<u>397,552</u>	<u>43,437</u>	<u>440,989</u>	<u>3,273,954</u>
Total Salaries and Related Costs	13,582,086	2,027,114	15,609,200	1,869,348	225,282	2,094,630	17,703,830
Instructional supplies and equipment	336,996	16,865	353,861	-	-	-	353,861
Professional fees and dues	15,054	130	15,184	83,655	553	84,208	99,392
Instructional support	45,990	35,158	81,148	-	-	-	81,148
Professional development	175,855	18,907	194,762	9,209	641	9,850	204,612
Business insurance	118,190	1,463	119,653	25,383	1,463	26,846	146,499
Telephone	72,345	1,824	74,169	14,172	1,903	16,075	90,244
Repairs and maintenance	119,197	108	119,305	1,601	41	1,642	120,947
Food services	16,420	-	16,420	-	-	-	16,420
Management fee (Note 9)	14,844	184	15,028	19,789	183	19,972	35,000
Printing and postage	33,195	412	33,607	6,797	685	7,482	41,089
Bank and payroll charges	158,122	24,321	182,443	33,850	2,859	36,709	219,152
Retreats, conferences and transportation	74,154	107	74,261	689	43,207	43,896	118,157
Marketing and recruitment	178,957	152	179,109	29,007	7,165	36,172	215,281
Technology supplies and services - non-classroom	167,039	2,868	169,907	42,393	2,197	44,590	214,497
Noncapitalized office furniture	1,418	-	1,418	-	-	-	1,418
Other administrative support	36,299	-	36,299	2,184	3,655	5,839	42,138
Office supplies	53,110	164	53,274	9,314	355	9,669	62,943
Rent (Note 8)	-	-	-	24,273	-	24,273	24,273
Other occupancy costs	152,383	-	152,383	-	-	-	152,383
Depreciation and amortization (Note 5)	446,472	11,433	457,905	36,809	1,298	38,107	496,012
Miscellaneous expenses	3,926	18	3,944	783	12,172	12,955	16,899
Bad debt expense	-	-	-	29,622	-	29,622	29,622
Interest expense (Notes 2J and 7)	<u>442,149</u>	<u>-</u>	<u>442,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,149</u>
TOTAL EXPENSES	<u>\$ 16,244,201</u>	<u>\$ 2,141,228</u>	<u>\$ 18,385,429</u>	<u>\$ 2,238,878</u>	<u>\$ 303,659</u>	<u>\$ 2,542,537</u>	<u>\$ 20,927,966</u>

**HYDE LEADERSHIP CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,275,026	\$ 1,202,882
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Bad debt expense	-	29,622
Depreciation and amortization expense	580,981	496,012
Noncash interest expenses	22,228	22,229
Paycheck Protection Program loan forgiveness	(3,130,640)	-
Gain on swap agreement	(951,682)	(519,933)
Subtotal	(2,204,087)	1,230,812
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Contributions and grants receivable	281,598	(368,435)
Prepaid expenses and other assets	(80,196)	41,361
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(628,882)	924,280
Refundable advances	823,822	-
Net Cash (Used in) Provided by Operating Activities	(1,807,745)	1,828,018
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(447,786)	(496,685)
Payment of swap settlement	15,451	-
Net Cash Used in Investing Activities	(432,335)	(496,685)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments of bond payable	(466,000)	(451,000)
Net Cash Used in Financing Activities	(466,000)	(451,000)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(2,706,080)	880,333
Cash, cash equivalents and restricted cash - beginning of year	11,795,279	10,914,946
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 9,089,199	\$ 11,795,279
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 353,240	\$ 419,920
NonCash Financing Activity:		
Forgiveness of Paycheck Protection Program loan	\$ 3,130,640	\$ -

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

**HYDE LEADERSHIP CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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.

The School reports amounts received with donor stipulations that limit the use of the assets for certain purposes as net asset without donor restrictions if the stipulated purpose restriction is accomplished in the same year. As of June 30, 2022 and 2021, the School had no net assets with donor restrictions.

- C. ***Cash, Cash Equivalents and Restricted Cash*** – 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 following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	2022	2021
Cash and cash equivalents	\$ 9,014,181	\$ 11,720,088
Restricted cash	75,018	75,191
Total	\$ 9,089,199	\$ 11,795,279

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 (Note 7).

**HYDE LEADERSHIP CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.
- 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, 2022 and 2021. 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, 2022 and 2021, the School was awarded conditional grants and contracts from government agencies in the aggregate amount of approximately \$824,000 and \$68,000 respectively, that have not been recorded in the accompanying financial statements as they have not been earned. These grants and contracts require the School to provide certain services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the School may be required to return the funds already remitted.

- H. **Contributions and Grants Receivable** – Contributions and grants receivable 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.

**HYDE LEADERSHIP CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 and amortization 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.
- K. **Functional Allocation of Expenses** – Expenses are categorized and summarized according to their functional classification as either program services or supporting services. Program services expenses are expenses directly associated with general education and special education those students requiring additional attention and guidance. Fundraising 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 fundraising.
- 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. There were no donated services for the years ended June 30, 2022 and 2021, 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.

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 cash as minimum unrestricted liquidity as part of its covenant in relation to the bonds financing.

The School's financial assets available within one year of the statements of financial position date for general expenditures are as follows as of June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 9,014,181	\$ 11,720,088
Contributions and grants receivable	<u>1,134,086</u>	<u>1,415,684</u>
	10,148,267	13,135,772
Less: Cash maintained as minimum unrestricted liquidity	(3,000,000)	(3,000,000)
Less: Board designated net assets	<u>(1,012,500)</u>	<u>(787,500)</u>
	<u>\$ 6,135,767</u>	<u>\$ 9,348,272</u>

**HYDE LEADERSHIP CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 4 – FAIR VALUE MEASUREMENTS

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.

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 Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820.

Financial assets and liabilities carried at fair value as of June 30, 2022 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
ASSETS CARRIED AT FAIR VALUE			
Interest rate swap agreement	<u>\$ -</u>	<u>\$ 140,329</u>	<u>\$ 140,329</u>

Financial assets and liabilities carried at fair value as of June 30, 2021 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
LIABILITIES CARRIED AT FAIR VALUE			
Interest rate swap agreement	<u>\$ -</u>	<u>\$ 795,902</u>	<u>\$ 795,902</u>

**HYDE LEADERSHIP CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 5 – PROPERTY AND EQUIPMENT

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

	<u>2022</u>	<u>2021</u>	<u>Estimated Useful Lives</u>
Land	\$ 1,750,000	\$ 1,750,000	
Building	9,110,280	9,110,280	45 years
Building improvements	412,509	305,725	10 years
Furniture and equipment	485,258	455,647	5 years
Computer and software	2,294,552	2,004,128	3 years
Office equipment	410,220	403,603	5 years
Instructional assets	<u>635,194</u>	<u>620,844</u>	3 years
	15,098,013	14,650,227	
Less: accumulated depreciation and amortization	<u>(4,483,463)</u>	<u>(3,902,482)</u>	
Total	<u>\$ 10,614,550</u>	<u>\$ 10,747,745</u>	

Depreciation and amortization expense amounted to \$580,981 and \$496,012 for the years ended June 30, 2022 and 2021, respectively.

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 Security 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 Topic ASC 470 until the loan is, in part or wholly, forgiven and the School has been legally released.

The School received notice from the lender that the PPP loan was fully forgiven on August 18, 2021. During the year ended June 30, 2022, the School recognized \$3,130,640 of gain resulting from the forgiveness upon legal release of its obligation from the SBA.

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%. Full phase out of LIBOR is scheduled to be June 30, 2023 and will be replaced with The Secured Overnight Financing Rate (“SOFR”). The bonds are secured by the high school facility included in the statements of financial position under property and equipment. As of June 30, 2022 and 2021, the School was in compliance with all financial covenants.

**HYDE LEADERSHIP CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 7 – BONDS PAYABLE (Continued)

Future minimum debt service payments are as follows:

2023	\$	479,000	
2024		492,000	
2025		507,000	
2026		523,000	
2027		538,000	
Thereafter		<u>10,742,000</u>	
Total		13,281,000	
Less:			
Financing costs		<u>(454,761)</u>	
		<u>\$ 12,826,239</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 for the years ended June 30, 2022 and 2021 amounted to approximately \$29,000 and \$24,000, respectively.

NOTE 9 – LICENSING AND SERVICES AGREEMENT

The Hyde Institute, a not-for-profit organization dedicated to helping start and support certain aspects of the 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 Institute 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, 2019, a new five-year licensing and services agreement was entered into with the annual fee of \$35,000 for use of licensed educational models, program materials, training of new faculty and accreditation services. As of June 30, 2022, services have been terminated with the Hyde Institute.

NOTE 10 – CONTINGENCIES

- A. The School believes it had no uncertain tax positions as of June 30, 2022 and 2021, in accordance with FASB 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.

**HYDE LEADERSHIP CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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 \$516,594 and \$507,977 for the years ended June 30, 2022 and 2021, respectively, and are included in fringe benefits and payroll taxes in the accompanying statements of functional expenses.

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 \$18,942,930 and \$19,425,768, respectively, for the years ended June 30, 2022 and 2021.

- 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, per insured institution. As of June 30, 2022 and 2021, there was approximately \$8,449,000 and \$11,301,000, respectively, of cash and cash equivalents held by a bank that exceeded FDIC limits.

NOTE 13 – SUBSEQUENT EVENTS

Effective July 1, 2022, the School changed its name to LION Charter School – Leaders In Our Neighborhood.

Management has evaluated, for potential accrual or disclosure, events subsequent to the date of the statement of financial position through October 31, 2022, 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, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Education				
Passed through the New York State Education Department				
Title I - Grants to Local Educational Agencies (LEAs)	84.010		\$ 662,964	\$ -
Title II - Supporting Effective Instruction State Grants	84.367		87,391	-
Title III - English Language Learner (ELL)	84.031		24,624	-
Title IV - Student Support and Academic Enrichment Program	84.424		43,351	-
Special Education Cluster (IDEA):				
Passed through the New York State Education Department				
Special Education Cluster (IDEA), Individuals with Disabilities Education Act	84.027		<u>257,644</u>	<u>-</u>
Total U.S. Department of Education			<u>1,075,974</u>	<u>-</u>
U.S. Department of Agriculture				
Child Nutrition Cluster:				
Passed through the New York State Education Department				
School Breakfast Program	10.553		2,330	-
National School Lunch Program	10.555		<u>27,740</u>	<u>-</u>
Total Child Nutrition Cluster			<u>30,070</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>30,070</u>	<u>-</u>
AMOUNTS PROVIDED TO SUBRECIPIENTS				<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,106,044</u>	

**HYDE LEADERSHIP CHARTER SCHOOL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022**

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, 2022. 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, 2022, 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 31, 2022.

Report on 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 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 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Mayer Hoffman McCann CPAs

New York, NY
October 31, 2022



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

Opinion on Major Federal Program

We have audited Hyde Leadership Charter School's (the "School") compliance with the types of compliance requirements described in the Office of Management and Budget Compliance Supplement that could have a direct and material effect on the School's major federal program for the year ended June 30, 2022. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America; 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* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School's federal programs.





Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether to do with fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the major program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mayer Hoffman McCann CPAs

New York, NY
October 31, 2022

**HYDE LEADERSHIP CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I—Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued: _____ Unmodified _____

Internal control over financial reporting:

Material weaknesses identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported	
Noncompliance material to financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No	

Federal Awards

Internal control over major program:

Material weaknesses identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported	

Type of auditors' report issued on compliance for major program: _____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? _____ Yes _____ No

Identification of major program:

U.S. Department of Education:
Assistance Listing Number 84.010 – Title I - Grants to Local Educational Agencies (LEAs)

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$750,000 _____

Auditee qualified as low-risk auditee? _____ Yes _____ No

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, 2022**

Prior Year Findings:

No matters were reported.