

**Merrick Academy Queens Public Charter School**

June 30, 2020 and 2019





# BKD

CPAs & Advisors  
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### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Merrick Academy Queens Public Charter School as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Supplemental Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information within the statements of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 also have issued our report dated October 27, 2020, on our consideration of Merrick Academy 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 Merrick Academy Queens Public Charter Sch That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Merrick Academy financial reporting and compliance.



New York, New York  
October 27, 2020

**Merrick Academy Queens Public Charter School**  
**Statements of Financial Position**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,487,033	\$ 953,473
Grants and contracts receivable	173,156	239,556
Prepaid expenses	101,440	83,356
Total current assets	2,761,629	1,276,385
Security deposits	127,770	127,770
eserve	75,829	75,591
	715,954	800,922
Total assets	\$ 3,681,182	\$ 2,280,668
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 157,012	\$ 202,559
Accrued salaries and related liabilities	752,002	777,261
Deferred revenue	25,223	-
Loan payable	459,518	-
Total current liabilities	1,393,755	979,820
Deferred rent	184,877	221,575
Loan payable	737,015	-
Total long term liabilities	921,892	221,575
Total liabilities	2,315,647	1,201,395
<b>Net Assets, Without Donor Restrictions</b>	1,365,535	1,079,273
Total liabilities and net assets	\$ 3,681,182	\$ 2,280,668

**Merrick Academy Queens Public Charter School**  
**Statements of Activities**



**Merrick Academy Queens Public Charter School**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2019**

	** No. of Positions	Education	Special Education	Total	Supporting Services Management and General	Total
Personnel service costs						
Administrative staff personnel	15	\$ 579,216	\$ 362,010	\$ 941,226	\$ 506,814	\$ 1,448,040
Instructional personnel	64	3,014,798	1,403,826	4,418,624	-	4,418,624
Noninstructional personnel	7	-	-	-	419,751	419,751
Salaries		3,594,014	1,765,836	5,359,850	926,565	6,286,415
Payroll taxes and employee benefits		867,056	426,008	1,293,064	122,269	1,415,333
Retirement		78,694				



**Merrick Academy Queens Public Charter School**  
**Statements of Cash Flows**  
**Years Ended June 30, 2020 and 2019**





**Merrick Academy Queens Public Charter School**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

At June 30, 2020 and 2019, all net assets are without donor restrictions and are available to be used for operations.

**Merrick Academy Queens Public Charter School**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

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

As of June 30, 2020, \$25,223 of proceeds received from conditional contributions were recorded as a liability as the conditions had not been met.

***Leases***

Leases are classified as operating or capital leases in accordance with the terms of the underlying agreements. Operating lease



**Merrick Academy Queens Public Charter School**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

Annual maturities as of June 30, 2020 are:

2021	\$ 459,518
2022	<u>737,015</u>
	<u>\$ 1,196,533</u>

**Note 5: Lease Commitments**

The School has a lease on the school building which will expire on December 31, 2022. Rent expense for the years ended June 30, 2020 and 2019 was \$830,277 and \$832,092, respectively.

The lease for the building is being straight-lined over the life of the lease. The deferred rent liability as of June 30, 2020 and 2019 was \$184,877 and \$221,575, respectively.

The School entered into noncancelable lease agreements for office equipment expiring at various dates through June 2024. Rent expense for the years ended June 30, 2020 and 2019 was \$105,926 and \$112,534, respectively.

**Merrick Academy Queens Public Charter School**  
**Notes to Financial Statements**  
**June 30, 2020 and 2019**

**Note 7: Retirement Plan**

The School sponsors a 401(k) retirement plan for its employees. All employees are immediately eligible to participate in the plan. Employees can make pretax contributions up to a maximum of 100 percent of the annual compensation, subject to IRS restrictions. The School matches the employee contribution up to 4 percent . Pension expense under this plan for the years ended June 30, 2020 and 2019 was \$138,439 and \$128,456, respectively.

**Note 8: Liquidity and Availability**

financial assets available within one year of the balance sheet date for general expenditures as of June 30, 2020 and 2019 are:

	<b>2020</b>	<b>2019</b>
Financial assets at year-end		
Cash	\$ 2,487,033	\$ 953,473
Grants and contracts receivable	173,156	239,556
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,660,189	\$ 1,193,029

The financial assets of the School without donor restrictions or restricted by state laws, are available for general expenditures. As part of liquidity management, the School invests cash in



# Merrick Academy

**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***

Board of Trustees  
Merrick Academy – Queens Public Charter School  
Laurelton, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in

## ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Merrick Academy Queens Public Charter School, 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is intended solely for the information of the recipient. Accordingly, this communication is not suitable for any other purpose.



**Merrick Academy Queens Public Charter School**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2020**

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

No matters are reportable.

