BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS, THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL

Financial Statements

For the years ended June 30, 2019 and 2018

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL
Financial statements
June 30, 2019 and 2018

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Independent Auditors' Report

To the Board of Trustees of
Bronx Global Learning Institute for Girls,
The Shirley Rodriguez-Remeneski School
New York, New York

Report on the financial statements

We have audited the accompanying financial statements of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School as of June 30, 2019 and 2018, 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.

Other reporting required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 25, 2019, on our consideration of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's internal control over financial reporting and compliance.



New York, New York
October 25, 2019

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL
Statements of Financial Position
As of June 30,

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 11,909,893	$ 9,886,544
Grants and contracts receivable	91,790	270,824
Prepaid expenses	-	1,600
Total current assets	12,001,683	10,158,968
Property and equipment, net - Note 5	43,181	32,293
Other assets		
Restricted cash	75,572	75,478
Total assets	$ 12,120,436	$ 10,266,739
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 82,949	$ 66,049
Accrued salaries and other payroll-related expenses - Note 6	565,255	699,919
Refundable advances	31,233	27,575
Total current liabilities	679,437	793,543
Net assets without donor restrictions		
Undesignated	11,365,427	9,397,718
Reserve - contingency	75,572	75,478
Total net assets without donor restrictions	11,440,999	9,473,196
Total liabilities and net assets without donor restrictions	$ 12,120,436	$ 10,266,739

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

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL
Statements of Activities
For the years ended June 30,

Operating revenue and other support	2019	2018
State and local per pupil operating revenue		
General education	$ 6,622,196	$ 6,477,820
Special education	315,192	130,540
Total state and local per pupil operating revenue	6,937,388	6,608,360
Grants, contracts and other support		
Federal	399,542	374,754
State and local	44,852	33,503
Contributions	-	1,560
Interest income	4,185	4,144
Total operating revenue and other support	7,385,967	7,022,321
Expenses		
Program expenses		
Regular education	4,449,313	4,477,572
Special education	570,414	608,309
Total program expenses	5,019,727	5,085,881
Supporting Services		
Management and general	398,437	258,712
Total program and supporting services expenses	5,418,164	5,344,593
Change in net assets	1,967,803	1,677,728
Net assets without restrictions - beginning of year	9,473,196	7,795,468
Net assets without restrictions - end of year	$ 11,440,999	$ 9,473,196

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

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL
Statement of Functional Expenses
For the year ended June 30, 2019

	Program expenses			Supporting services	Total Program and Supporting services 2019
	Regular education	Special education	Total programs	Management/ general	
Salaries					
Instructional personnel	$ 2,570,672	$ 321,098	$ 2,891,770	$ -	$ 2,891,770
Administrative staff personnel	421,041	52,591	473,632	-	473,632
Non instructional personnel	1,649	10,068	11,717	163,788	175,505
Total salaries	2,993,362	383,757	3,377,119	163,788	3,540,907
Operating expenses					
Fringe benefits and payroll taxes	852,000	109,229	961,229	46,619	1,007,848
Retirement	50,939	6,530	57,469	2,787	60,256
Professional services	89,713	11,501	101,214	123,325	224,539
Office expenses	99,184	12,716	111,900	5,427	117,327
Marketing and recruitment	2,293	294	2,587	125	2,712
Insurance	38,336	4,915	43,251	38,670	81,921
Repairs and maintenance	5,436	697	6,133	297	6,430
Staff development	99,118	12,707	111,825	5,424	117,249
Student services	39,737	5,095	44,832	2,174	47,006
Supplies and materials	101,881	13,061	114,942	5,575	120,517
Equipment and furnishings	36,707	4,706	41,413	2,009	43,422
Technology	19,459	2,495	21,954	1,064	23,018
Depreciation expense	13,651	1,750	15,401	747	16,148
Other expenses	7,497	961	8,458	406	8,864
Total operating expense	1,455,951	186,657	1,642,608	234,649	1,877,257
Total expenses	$ 4,449,313	$ 570,414	$ 5,019,727	$ 398,437	$ 5,418,164

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

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL
Statement of Functional Expenses
For the year ended June 30, 2018

	Program expenses			Supporting services	Total Program and Supporting services 2018
	Regular education	Special education	Total programs	Management/ general	
Salaries					
Instructional personnel	$ 2,467,566	$ 323,837	$ 2,791,403	$ -	$ 2,791,403
Administrative staff personnel	479,032	62,400	541,432	-	541,432
Non instructional personnel	2,673	13,871	16,544	98,852	115,396
Total salaries	2,949,271	400,108	3,349,379	98,852	3,448,231
Operating expenses					
Fringe benefits and payroll taxes	809,649	110,307	919,956	30,699	950,655
Retirement	63,005	8,585	71,590	2,399	73,989
Professional services	174,997	22,765	197,762	103,345	301,107
Office expenses	94,751	12,908	107,659	5,429	113,088
Marketing and recruitment	6,372	904	7,276	252	7,528
Insurance	77,095	10,504	87,599	2,923	90,522
Repairs and maintenance	2,650	362	3,012	146	3,158
Food services	3,432	468	3,900	130	4,030
Staff development	89,749	12,228	101,977	3,403	105,380
Student services	34,714	4,729	39,443	2,033	41,476
Supplies and materials	110,904	15,123	126,027	4,305	130,332
Equipment and furnishings	25,975	3,887	29,862	1,082	30,944
Technology	15,242	2,057	17,299	433	17,732
Depreciation expense	12,582	1,714	14,296	477	14,773
Other expenses	7,184	1,660	8,844	2,804	11,648
Total operating expense	1,528,301	208,201	1,736,502	159,860	1,896,362
Total expenses	$ 4,477,572	$ 608,309	$ 5,085,881	$ 258,712	$ 5,344,593

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

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL
Statements of Cash Flows
For the years ended June 30,

	2019	2018
Cash flows from operating activities		
Change in net assets	$ 1,967,803	$ 1,677,728
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	16,148	14,773
Changes in operating assets and liabilities		
Grants and contracts receivable	179,035	(45,698)
Prepaid expenses	1,600	(1,600)
Accounts payable and accrued expenses	16,900	(8,165)
Accrued salaries and other payroll-related expenses	(134,664)	275,991
Refundable advances	3,658	(212,636)
Net cash provided by operating activities	2,050,480	1,700,393
Cash flows used in investing activities		
Restricted cash	(94)	(56)
Acquisition of fixed assets	(27,036)	(1,949)
Net cash used in investing activities	(27,130)	(2,005)
Net increase in cash and cash equivalents	2,023,350	1,698,388
Cash and cash equivalents - beginning of year	9,886,543	8,188,156
Cash and cash equivalents - end of year	$ 11,909,893	$ 9,886,544

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

Note 1 Organization

Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School (the "School"), a 501(c) (3) tax-exempt organization, is a Kindergarten through eighth grade charter school, located in Bronx, New York. The School was first chartered in February 2008, and was renewed in 2018 for another 3 years term through June 30, 2021. The School educates children in a completely nondiscriminatory and secular basis. The founders and supporters of the School believe that access to a public education of high quality for all children is the foremost issue.

Note 2 Summary of significant accounting policies

Basis of presentation and use of estimates. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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.

Basis of presentation. The financial statements of the School have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and cash equivalents. The School considers all short-term, highly liquid investments, such as money market funds to be cash equivalents.

Note 2 Summary of significant accounting policies (continued)

Grants receivable. Grants receivable are recorded at net realizable value. The allowance for doubtful accounts is the School's best estimate of the amount of probable credit losses in existing receivables. Management determines the allowance based on historical write-off experience and reviews its allowance for doubtful accounts periodically. Past due balances are reviewed individually for collectability, Grant receivables are $91,970 and $270,824 as of June 30, 2019 and 2018, respectively. No allowance was recorded at June 30, 2019 as in management believes all amounts are collectible.

Donated goods and services. The School is located in a New York City Department of Education facility. The School utilizes approximately 19,000 square feet of classrooms and approximately 8,700 square feet of common areas at no charge. In addition, the School received donated maintenance/security, utilities, and food services from the local school district. For the year ended June 30, 2019, the School was unable to determine a value for these services.

Restricted cash and escrow reserves. 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 such event occur.

Revenue recognition. The School recognizes revenue from the state and local governments based on the School's charter status and the number of students enrolled. Such revenue is recorded when services are performed, in accordance with the charter agreement. The New York State Department of Education mandates the rate per pupil. Such revenue is recognized ratably over the related school year in which it is earned.

Grants and contracts revenue is recognized when qualifying expenditures are incurred and/or services are provided to the students during the applicable school year. Funds received in advance or any unspent funds for which qualifying expenditures have not been incurred are recorded as refundable advances. Any unspent amounts might be returned to the granting agency or the granting agency can approve that those amounts be applied to a future grant period.

Functional allocation of expenses. Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using bases determined by management to be reasonable. Management and general expense includes expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the School.

Note 2 Summary of significant accounting policies (continued)

Property and equipment. Donated assets are capitalized at the estimated fair value at date of receipt. The cost of maintenance and repairs is charged to expense as incurred; significant improvements are capitalized. The School capitalizes additions and significant improvements in excess of $1,000. Depreciation is computed using the straight-line method over estimated useful lives of the respective asset. The estimated depreciable lives of the different classes of property are as follows:

Asset	Useful life
Furniture and fixtures	7 years
Computer, Software and office equipment	3 years

Income taxes. The School filed and received approval of its application for tax exempt status from the Internal Revenue Service under section 501(c)(3) of the Internal Revenue code to be classified as a publicly supported organization as described in Internal Revenue Code section 509 (A)(1) and 170(B)(1)(A)(II).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability (or asset) if the School has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2019, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the financial statements.

The School is no longer subject to income tax examination by tax authorities for years before June 30, 2016.

Functional expenses. The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services, administrative and fund raising. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Salaries	Time and effort
Fringe benefits and payroll taxes	Time and effort
Professional services	Time and effort
Insurance	Square footage

Note 2 Summary of significant accounting policies (continued)

Change in accounting principle. On August 18, 2016, FABS issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entitles (Topic 958) – Presentation of Financial Statements of Not-for Profit Entities. The update addresses the complexity and understandability of net asset classification, efficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

Note 3 Retirement plan

The School offers a 401(k) plan (the "Plan") for all employees. Employees are eligible for the Plan immediately following their first payroll and participation in the Plan is voluntary. Employees can make pretax contributions up to 100% of their annual compensation, up to IRS limits for each calendar year. The School matches the employee contribution up to 4% of the employee's annual compensation. For the years ended June 30, 2019 and 2018, the School's matching contribution was $60,256 and $73,989. The Plan assets are held in a separate trust and are not included in the accompanying financial statements. All Plan assets are held for the exclusive benefit of the Plan's participants and beneficiaries.

Note 4 Liquidity and availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of June 30, are:

Financial assets:	**2019**	**2018**
Cash and cash equivalents	$ 11,909,893	$ 9,886,544
Grants and other receivables	91,790	270,824
Prepaid expenses	-	1,600
Amount available for general expenditures within one year	$ 12,001,683	$ 10,158,968

Note 5 Property and equipment

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

	2019	2018
Furniture and fixtures	$ 66,136	$ 59,151
Computer equipment	397,304	377,253
Computer software	25,107	25,107
Office equipment	26,901	26,901
	515,448	488,412
Less: accumulated depreciation	(472,267)	(456,119)
	$ 43,181	$ 32,293

Note 6 Accrued salaries and other payroll-related expenses

Accrued payroll and benefits consist of amounts due to staff for payroll earned during the school year but paid over the summer months. As of June 30, 2019 and 2018, total accrued salaries and other payroll-related expenses amounted to $565,255 and $699,919, respectively.

Note 7 Concentration of risk

The School maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The School has not experienced any losses in such accounts. The School believes it is not exposed to significant credit risk on cash and cash equivalents.

The School received approximately 94% and 94% of its operating revenue, which is subject to specific requirements, from per pupil funding from the New York City Department of Education during the year ended June 30, 2019 and 2018, respectively. Additionally, the School's grants receivable consists of approximately 100% from the New York State Department of Education and the Federal Title I grants.

Note 8 Support services

Subject to annual renewal, the School entered into an agreement (the "Agreement") with a third party to provide assistance with accounting and bookkeeping, financial reporting and budgeting and grant financial management. As of June 30, 2019 and 2018, fees under the agreement amounted to $62,963 and $61,985 respectively.

Note 9 Contingency

The School participates in a number of federal and state programs. These programs require that the School comply with certain laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government grants and contracts by government agencies is presently not determinable, it should not, in the opinion of the management, have a material effect on the financial position or results of operations. Accordingly, no provision for any such liability that may result has been made in the accompanying financial statements.

Note 10 Subsequent events

Subsequent Events. Management has evaluated its June 30, 2019 financial statements for subsequent events through October 25, 2019, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that no subsequent events have occurred which require disclosure in the financial statements.

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Trustees of
Bronx Global Learning Institute for Girls,
The Shirley Rodriguez-Remeneski School
New York, New York

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 Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 25, 2019.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's internal control. Accordingly, we do not express an opinion on the effectiveness of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's internal control.

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

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

Compliance and other matters

As part of obtaining reasonable assurance about whether Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



New York, New York
October 25, 2019