

Audited Financial Statements In Accordance  
With Government Auditing Standards

June 30, 2018

# NEW YORK FRENCH AMERICAN CHARTER SCHOOL

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
New York French American Charter School

### **Report on the Financial Statements**

We have audited the accompanying financial statements of New York French American Charter School ("the School"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York French American Charter School as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the School's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018 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, 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.



Schall & Ashenfarb  
Certified Public Accountants, LLC

October 30, 2018

**NEW YORK FRENCH AMERICAN CHARTER SCHOOL**  
**STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2018**  
(With comparative totals at June 30, 2017)

	<u>6/30/18</u>	<u>6/30/17</u>
<b>Assets</b>		
Cash and cash equivalents	\$427,217	\$135,703
Government grants receivable	247,475	253,710
Accounts receivable - New York City Department of Education (Note 5)	12,514	0
Prepaid expenses and other receivables	65,747	17,168
Restricted cash (Note 3)	70,004	70,004
Security deposit	60,263	60,263
Fixed assets, net (Note 4)	<u>440,940</u>	<u>570,118</u>
 Total assets	 <u><u>\$1,324,160</u></u>	 <u><u>\$1,106,966</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$515,769	\$461,473
Advance payable - New York City Department of Education (Note 5)	0	16,381
Deferred grant revenue	7,736	0
Deferred rent	92,765	119,820
Total liabilities	<u>616,270</u>	<u>597,674</u>
Net assets:		
Unrestricted	688,760	490,162
Temporarily restricted (Note 7)	19,130	19,130
Total net assets	<u>707,890</u>	<u>509,292</u>
 Total liabilities and net assets	 <u><u>\$1,324,160</u></u>	 <u><u>\$1,106,966</u></u>

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

**NEW YORK FRENCH AMERICAN CHARTER SCHOOL**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
(With comparative totals for the year ended June 30, 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 6/30/18</u>	<u>Total 6/30/17</u>
Public support and revenue:				
Public school district (Note 5):				
Revenue - resident student enrollment - NYC	\$4,018,706		\$4,018,706	\$3,595,373
Revenue - students with special education services - NYC	218,105		218,105	230,391
	<u>4,236,811</u>		<u>4,236,811</u>	<u>3,825,764</u>
Revenue - nonresident student enrollment	15,023		15,023	14,524
Total public school district	<u>4,251,834</u>	0	<u>4,251,834</u>	<u>3,840,288</u>
Government grants	578,498		578,498	433,488
Contributions	11,045		11,045	23,654
Misc revenue	1,004		1,004	0
Fundraising income (net of expenses with a direct benefit to donors)	9,499		9,499	4,441
	<u>9,499</u>		<u>9,499</u>	<u>4,441</u>
Total public support and revenue	<u>4,851,880</u>	<u>0</u>	<u>4,851,880</u>	<u>4,301,871</u>
Expenses:				
Program services:				
Regular education	3,158,150		3,158,150	2,861,659
Special education	883,798		883,798	968,003
Total program services	<u>4,041,948</u>	<u>0</u>	<u>4,041,948</u>	<u>3,829,662</u>
Supporting services:				
Management and general	569,614		569,614	588,877
Fundraising	41,720		41,720	9,667
Total supporting services	<u>611,334</u>	<u>0</u>	<u>611,334</u>	<u>598,544</u>
Total expenses	<u>4,653,282</u>	<u>0</u>	<u>4,653,282</u>	<u>4,428,206</u>
Change in net assets	198,598	0	198,598	(126,335)
Net assets - beginning	<u>490,162</u>	<u>19,130</u>	<u>509,292</u>	<u>635,627</u>
Net assets - ending	<u>\$688,760</u>	<u>\$19,130</u>	<u>\$707,890</u>	<u>\$509,292</u>

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

**NEW YORK FRENCH AMERICAN CHARTER SCHOOL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
(With comparative totals for the year ended June 30, 2017)

	Program Services			Supporting Services			Total Expenses 6/30/18	Total Expenses 6/30/17
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries	\$1,632,923	\$481,368	\$2,114,291	\$240,274	\$3,246	\$243,520	\$2,357,811	\$2,155,740
Fringe benefits and payroll taxes	418,426	123,348	541,774	61,568	832	62,400	604,174	549,721
Retirement	33,365	9,836	43,201	4,909	66	4,975	48,176	32,542
<b>Total personnel costs</b>	<b>2,084,714</b>	<b>614,552</b>	<b>2,699,266</b>	<b>306,751</b>	<b>4,144</b>	<b>310,895</b>	<b>3,010,161</b>	<b>2,738,003</b>
Legal fees			0	39,437		39,437	39,437	28,382
Professional fees - other	115,006	14,330	129,336	79,534	19	79,553	208,889	258,690
Marketing and recruitment	7,297	2,151	9,448	1,074	15	1,089	10,537	18,256
Supplies and materials	73,574	8,009	81,583			0	81,583	72,749
Office expenses	15,641	1,943	17,584	22,134	1,362	23,496	41,080	36,225
Student services	52,005	5,661	57,666		34,588	34,588	92,254	109,290
Travel and conferences	1,610	474	2,084	237	3	240	2,324	3,283
Insurance	22,844	6,735	29,579	3,361	45	3,406	32,985	35,986
Technology	49,284	14,528	63,812	7,252	98	7,350	71,162	72,568
Equipment and furnishings	8,610	937	9,547	2,777		2,777	12,324	4,061
Repairs and maintenance	143,597	42,331	185,928	21,129	285	21,414	207,342	216,921
Building rent	335,949	99,034	434,983	49,433	668	50,101	485,084	485,084
Utilities	108,845	32,086	140,931	16,016	216	16,232	157,163	160,111
Depreciation	120,547	35,536	156,083	17,738	240	17,978	174,061	169,574
Other	18,627	5,491	24,118	2,741	37	2,778	26,896	19,023
<b>Total other than personnel costs</b>	<b>1,073,436</b>	<b>269,246</b>	<b>1,342,682</b>	<b>262,863</b>	<b>37,576</b>	<b>300,439</b>	<b>1,643,121</b>	<b>1,690,203</b>
<b>Total expenses</b>	<b>\$3,158,150</b>	<b>\$883,798</b>	<b>\$4,041,948</b>	<b>\$569,614</b>	<b>\$41,720</b>	<b>\$611,334</b>	<b>\$4,653,282</b>	<b>\$4,428,206</b>

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

**NEW YORK FRENCH AMERICAN CHARTER SCHOOL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
(With comparative totals for the year ended June 30, 2017)

	6/30/18	6/30/17
Cash flows from operating activities:		
Change in net assets	\$198,598	(\$126,335)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	174,061	169,574
Changes in assets and liabilities:		
Government grants receivable	6,235	(41,950)
Accounts receivable - New York City Department of Education	(12,514)	0
Prepaid expenses and other receivables	(48,579)	11,166
Accounts payable and accrued expenses	54,296	34,189
Advance payable - New York City Department of Education	(16,381)	6,932
Rent payable	0	0
Deferred grant	7,736	
Deferred rent	(27,055)	(27,055)
Total adjustments	137,799	152,856
Net cash provided by operating activities	336,397	26,521
 Cash flows from investing activities:		
Purchase of fixed assets	(44,883)	(168,071)
Net cash used for investing activities	(44,883)	(168,071)
 Net increase/(decrease) in cash and cash equivalents	291,514	(141,550)
 Cash and cash equivalents - beginning	135,703	277,253
 Cash and cash equivalents - ending	\$427,217	\$135,703
 Supplemental disclosures:		
Interest and taxes paid	\$0	\$0

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

**NEW YORK FRENCH AMERICAN CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 1 - Organization and Nature of Activities**

New York French American Charter School (“the School”), located in Manhattan, New York, is a not-for-profit education corporation chartered by the University of the State of New York. The School provides a full range of educational services appropriate for kindergarten, first, second, third, fourth and fifth grade levels. The School completed the 2017-2018 fiscal year, with an average enrollment of approximately 277 students. The School is a publicly funded, privately managed school, which is independent of the New York City Department of Education (“NYCDOE”).

The School has been operating under a provisional charter granted by the University of the State of New York, Education Department that expires on June 30, 2022.

The School has been notified by the Internal Revenue Service that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. The School has not been designated as a private foundation.

**Note 2 - Significant Accounting Policies**

a. Basis of Presentation

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

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

- *Unrestricted* – represent those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.
- *Permanently restricted* – represents activity restricted by donors that must remain intact in perpetuity. The School did not have any permanently restricted net assets at June 30, 2018 or 2017.

b. Revenue Recognition

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

All government grants have been recognized as income when earned, either based on performance of certain milestones or by incurring expenses that can be reimbursed under the terms of the grant agreement. The difference between cash received and revenue recognized is reflected as government grants receivable or refundable advances.

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

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

c. Cash and Cash Equivalents

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

d. Concentration of Credit Risk

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash and money market accounts, which have been placed with a financial institution that management deems to be creditworthy. At times, and at year end, balances may exceed federally insured limits. A significant portion of the funds is not insured by the FDIC or related entity; however, the School has not experienced any losses from these accounts.

e. Allowance for Uncollectible Receivables

Management has not established a reserve for bad debt because they deem all receivables to be fully collected based on specific identification and analysis. Write-offs will be recorded as an expense in the year they are deemed to be uncollectible.

f. Fixed Assets and Capitalization Policy

Furniture, equipment and leasehold improvements are stated at cost or at fair value on the date of the gift, if donated. The School capitalizes fixed assets in excess of pre-defined amounts that have a useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets as follows:

Office equipment – 5 years

Computer equipment – 3 years

Furniture and fixtures – 7 years

Leasehold improvements – Life of lease

g. Deferred Rent

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

h. Donated Services

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

Board members and other individuals volunteer their time and perform a variety of tasks that assist the School. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

i. Functional Allocation of Expenses

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

j. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

k. Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

l. Accounting for Uncertainty in Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax returns for periods ending June 30, 2015 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 year, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. In addition, under the ASU, not-for-profits will no longer be able to imply a time restriction over donor-restricted contributions of fixed assets.

FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU, which becomes effective for the June 30, 2020 year, with early implementation permitted, provides guidance on whether a receipt from a third-party resource provider should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions.

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the June 30, 2020 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the June 30, 2021 year, requires all leases to be reflected as assets and liabilities on the statement of financial position.

The School is in the process of evaluating the impact these standards will have on future financial statements.

n. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through October 30, 2018, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, through our evaluation date that would require adjustment to or disclosure in the financial statements.

**Note 3 - Restricted Cash**

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

**Note 4 - Fixed Assets**

At year end, fixed assets consist of the following:

	<u>6/30/18</u>	<u>6/30/17</u>
Leasehold improvements	\$926,731	\$890,031
Furniture and equipment	<u>238,917</u>	<u>230,734</u>
	1,165,648	1,120,765
Less: accumulated depreciation	<u>(724,708)</u>	<u>(550,647)</u>
Fixed assets, net	<u>\$440,940</u>	<u>\$570,118</u>

**Note 5 - Accounts Receivable/Advance Payable – New York City Department of Education**

	<u>6/30/18</u>	<u>6/30/17</u>
Beginning advance payable	(\$16,381)	(\$9,449)
Payments recovered	16,381	9,449
Funding based on allowable FTE's	4,236,811	3,825,764
Advances received	<u>(4,224,297)</u>	<u>(3,842,145)</u>
Ending receivable/(payable)	<u>\$12,514</u>	<u>(\$16,381)</u>

**Note 6 - Significant Concentrations**

The School is dependent upon grants from NYDOE to carry out its operations. Approximately 87% and 89% of the School's total support and revenue was from NYCDOE for the years ended June 30, 2018 and 2017, respectively.

**Note 7- Temporarily Restricted Net Assets**

At year end, temporarily restricted net assets consist of the following:

	<u>6/30/18</u>
Purchase of smartboards	\$9,868
School leadership	2,700
Music	3,126
Italian Language Tutoring	2,888
Gardening	<u>548</u>
Total	<u>\$19,130</u>

**Note 8 - Line of Credit**

The School has a \$50,000 revolving line of credit with a financial institution. At June 30, 2018 and 2017, the entire line was available.

**Note 9 - Retirement Plan**

The School sponsors a 401(k) profit sharing plan. Employees that were employed on January 1, 2011 or who have completed at least 1,000 hours of work and are employed on the last day of the plan year are eligible to participate. Eligible employees may designate a percentage of their salaries, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. The plan provides for discretionary employer matching contributions on an annual basis for eligible employees. In September 2013, the School reached an agreement with the United Federation of Teachers ("UFT"), and agreed to match up to 4% of eligible employees' salaries to the 401(k), effective November 1, 2013, and up to 5% effective September 1, 2014. Employer contributions were \$48,176 and \$32,542 for the years ended June 30, 2018 and 2017, respectively.

**Note 10 - Commitments and Contingencies**

- a. Government contracts are subject to audit by the grantor. Management does not anticipate any material disallowances to result from those audits and has not established any reserves. Any disallowances will be expensed when a liability becomes probable of requiring a payout.
- b. In the normal course of business, the School is involved in proceedings, lawsuits and other claims. These matters are subject to many uncertainties, and outcomes are not predictable with a high degree of assurance. Consequently, the ultimate aggregate amount of monetary liability or financial impact with respect to these matters, as of June 30, 2017, cannot be ascertained. Management believes that the final outcome of these matters will not have a material impact on the financial statements.
- c. Under the agreement referred to earlier with UFT, the School recognizes UFT as the exclusive collective bargaining representative of the school faculty. The agreement, expired September 30, 2018. A new agreement was entered into subsequent to year end.
- d. The School has an operating lease for classroom space and administrative offices that expires in June 2020, with an option to extend the lease for an additional five years.

Future minimum lease payments are as follows:

Year ending:	June 30, 2019	\$531,465
	June 30, 2020	<u>531,465</u>
		<u>\$1,062,930</u>

**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  
New York French American Charter School

**Report on the Financial Statements**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New York French American Charter School (the "School"), which comprise the statement of financial position as of June 30, 2018, 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 30, 2018.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2018-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

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

## **Management's Responses to Findings**

The School's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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Schall & Ashenfarb  
Certified Public Accountants, LLC

October 30, 2018

**NEW YORK FRENCH AMERICAN CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018**

Current Year:

**2018-001 – NYCDOE Per Pupil Funding – Proof of Residency**

Criteria: The School is required to document proof of residency of students who attend the school.

Condition: Although the proof of residency was provided subsequently, at the time of testing, five student files out of twenty-five student files tested did not contain documentation of proof of residency.

Cause: Student files are not reviewed by anyone other than the person who maintains those files.

Effect: District rates used for billing of services are at risk of being incorrect.

Recommendation: Someone other than the person who maintains the student files should review the student files to ensure that the proof of residency is documented.

Management response: See management corrective action plan attached.

Prior Year:

None

October 30<sup>th</sup>, 2018

Schall & Ashenfarb, CPA's, LLC  
Attn: David Ashenfarb  
307 Fifth Avenue, 15<sup>th</sup> Floor  
New York, NY 10016

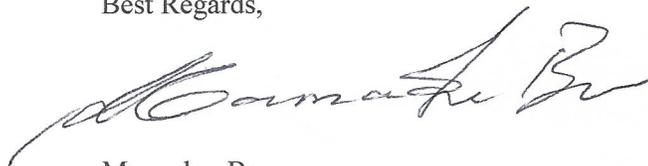
Re: 2018-001-NYCDOE Per Pupil Funding-Proof of Residency

Dear Mr. Ashenfarb,

In response to 2018-001-NYCDOE Per Pupil Funding-Proof of Residency Finding, the New York French American Charter School will ensure that more than 1 person will be involved in the intake and review of all student files. Each student file will include a checklist of DOE-required documents, and a member of the Office Staff will place their initials on the checklist upon review. All student files will be reviewed prior to the audit.

Should you require more information, please contact Marc Maurice or Mamadou Ba: 212-666-4134.

Best Regards,



Mamadou Ba  
Pupil Accountant/Dean of Students

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