FUTURE LEADERS INSTITUTE CHARTER SCHOOL

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2020 AND 2019

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

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LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP
551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176
212-697-2299 FAX: 212-949-1768

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Future Leaders Institute Charter School

We have audited the accompanying financial statements of Future Leaders Institute Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Future Leaders Institute 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, Future Leaders Institute Charter School has suspended some of its activities at the direction of the state and local governmental authorities. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated October 26, 2020, on our consideration of Future Leaders Institute Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the School's internal control over financial reporting and compliance.

Lutz + Carr, LLP

New York, New York
October 26, 2020

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents (Notes 1b and 8)	$3,025,668	$2,009,520
Investments (Notes 1c and 4)	1,229,909	1,582,553
Unconditional promises to give - without donor restrictions (Notes 1d and 3)	32,066	123,010
Resident student enrollment revenue receivable (Note 9)	114,689	6,346
Other receivables	16,506	-
Prepaid expenses and other current assets	35,936	10,787
Total Current Assets	4,454,774	3,732,216
Property and equipment (Notes 1e and 5)	51,928	57,605
Escrow deposit (Notes 1b and 7d)	70,000	70,000
Total Assets	$4,576,702	$3,859,821
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 383,774	$ 352,033
Salaries, payroll taxes and benefits payable	671,896	673,632
Accrued pension liability (Note 7b)	833,573	854,992
Deferred revenue	1,636	11,363
Loan payable (Note 6)	157,000	-
Total Liabilities	2,047,879	1,892,020
Commitments and Contingencies (Notes 7, 11 and 12)		
Net Assets	2,528,823	1,967,801
Total Liabilities and Net Assets	$4,576,702	$3,859,821

See notes to financial statements.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Revenues and Other Support		
Public School District - Resident student enrollment (Note 9)	$6,653,677	$5,931,075
Federal grants	272,650	302,310
New York State and City grants	102,627	695,723
Contributions	47,878	93,574
Donated services and materials (Note 10)	14,327	1,125
Interest and other income	71,491	64,288
Total Revenues and Other Support	7,162,650	7,088,095
Expenses		
Program Services		
Regular education services	4,619,706	4,707,968
Special education services	1,272,927	1,256,087
Other education services	377,088	489,601
Supporting Services		
Management and general	330,631	332,375
Fundraising and special events	1,276	993
Total Expenses	6,601,628	6,787,024
Increase in net assets	561,022	301,071
Net assets, beginning of year	1,967,801	1,666,730
Net Assets, End of Year	$2,528,823	$1,967,801

See notes to financial statements.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

		Program Services				Supporting Services			
	Number of Positions	Regular Education	Special Education	Other Education	Total	Management and General	Fundraising	Total	Total Expenses
Personnel Services Costs									
Administrative staff personnel	10	$ 734,117	$ 32,656	$ 34,650	$ 801,423	$ 113,502	$ -	$113,502	$ 914,925
Instructional personnel	34	2,060,113	834,434	135,549	3,030,096	9,680	-	9,680	3,039,776
Non-instructional personnel	3	110,047	110,047	-	220,094	-	-	-	220,094
Total Personnel Services Costs		2,904,277	977,137	170,199	4,051,613	123,182	-	123,182	4,174,795
Employee benefits and payroll taxes		802,595	135,474	1,250	939,319	114,239	-	114,239	1,053,558
Retirement		351,044	59,254	-	410,298	18,462	1,200	19,662	429,960
Professional development		72,377	12,217	-	84,594	9,400	-	9,400	93,994
Legal services		13,683	2,310	-	15,993	16,104	-	16,104	32,097
Accounting and audit services		28,886	4,876	-	33,762	3,751	-	3,751	37,513
Other purchased, professional and consulting services		115,637	19,968	197,748	333,353	15,018	-	15,018	348,371
Student and staff recruitment		38,102	6,431	-	44,533	4,948	-	4,948	49,481
Supplies and materials		72,315	13,184	7,244	92,743	-	21	21	92,764
Office expense		66,768	11,270	-	78,038	8,672	-	8,672	86,710
Technology		48,253	8,145	-	56,398	6,266	-	6,266	62,664
Student services		24,211	8,895	647	33,753	-	55	55	33,808
Insurance		49,545	8,363	-	57,908	6,434	-	6,434	64,342
Equipment and furnishings		1,611	272	-	1,883	209	-	209	2,092
Depreciation		27,705	4,676	-	32,381	3,598	-	3,598	35,979
Other		2,697	455	-	3,152	348	-	348	3,500
Total Expenses		$4,619,706	$1,272,927	$ 377,088	$6,269,721	$ 330,631	$ 1,276	$331,907	$6,601,628

See notes to financial statements.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

		Program Services				Supporting Services			
	Number of Positions	Regular Education	Special Education	Other Education	Total	Management and General	Fundraising	Total	Total Expenses
Personnel Services Costs									
Administrative staff personnel	12	$ 804,256	$ 130,019	$ 29,200	$ 963,475	$ 121,465	$ -	$121,465	$1,084,940
Instructional personnel	33	1,944,676	803,174	205,592	2,953,442	7,010	-	7,010	2,960,452
Non-instructional personnel	2	124,702	20,159	-	144,861	-	-	-	144,861
Total Personnel Services Costs		2,873,634	953,352	234,792	4,061,778	128,475	-	128,475	4,190,253
Employee benefits and payroll taxes		794,123	128,380	-	922,503	109,660	-	109,660	1,032,163
Retirement		392,573	63,465	-	456,038	23,237	-	23,237	479,275
Professional development		89,058	14,807	-	103,865	11,495	-	11,495	115,360
Legal services		20,748	3,354	-	24,102	2,678	-	2,678	26,780
Accounting and audit services		25,159	4,067	-	29,226	3,247	6	3,253	32,479
Other purchased, professional and consulting services		108,439	17,531	242,325	368,295	13,996	-	13,996	382,291
Student and staff recruitment		41,276	6,673	-	47,949	5,328	-	5,328	53,277
Supplies and materials		49,493	8,783	10,711	68,987	-	-	-	68,987
Office expense		73,080	11,814	-	84,894	9,434	-	9,434	94,328
Technology		55,859	9,030	19	64,908	7,210	-	7,210	72,118
Student services		48,059	12,769	1,754	62,582	-	987	987	63,569
Insurance		45,695	7,387	-	53,082	5,898	-	5,898	58,980
Equipment and furnishings		1,761	285	-	2,046	227	-	227	2,273
Depreciation		87,137	14,087	-	101,224	11,246	-	11,246	112,470
Other		1,874	303	-	2,177	244	-	244	2,421
Total Expenses		$4,707,968	$1,256,087	$489,601	$6,453,656	$ 332,375	$ 993	$333,368	$6,787,024

See notes to financial statements.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities		
Increase in net assets	$ 561,022	$ 301,071
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	35,979	112,470
(Increase) decrease in:		
Unconditional promises to give	90,944	90,151
Resident student enrollment revenue receivable	(108,343)	(2,091)
Other receivables	(16,506)	-
Prepaid expenses and other current assets	(25,149)	(7,567)
Increase (decrease) in:		
Accounts payable and accrued expenses	31,741	44,760
Salaries, payroll taxes and benefits payable	(1,736)	23,401
Accrued pension liability	(21,419)	(17,035)
Deferred revenue	(9,727)	11,363
Net Cash Provided By Operating Activities	536,806	556,523
Cash Flows From Investing Activities		
Purchase of certificates of deposit	(1,221,925)	(1,579,085)
Maturity of certificates of deposit	1,574,569	1,599,471
Purchase of securities	-	(1,882)
Purchase of property and equipment	(30,302)	(64,267)
Net Cash Provided (Used) By Investing Activities	322,342	(45,763)
Cash Flows From Financing Activities		
Proceeds from loan payable	157,000	-
Net increase in cash, cash equivalents and restricted cash	1,016,148	510,760
Cash, cash equivalents and restricted cash, beginning of year	2,079,520	1,568,760
Cash, Cash Equivalents and Restricted Cash, End of Year	$3,095,668	$2,079,520

See notes to financial statements.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Future Leaders Institute Charter School ("FLICS") is an education corporation formed to operate a conversion charter school in accordance with an agreement with the Board of Regents of the University of the State of New York under a renewal charter valid for a term of three years expiring June 30, 2022.

FLICS believes that strong teaching in a caring environment, combined with an intensive and extensive school day, empowers today's children to be the leaders of tomorrow. The mission is to expand opportunities for students who historically have had limited access to rigorous academic instruction, and to empower them to make informed, deliberate decisions so that they may lead socially responsible, productive lives. FLICS fulfills this mission by offering an innovative, academically rigorous learning community where students of all ability levels can meet academic success.

b - Cash and, Cash Equivalents and Restricted Cash

For purposes of the statement of cash flows, FLICS considers all highly liquid debt instruments, including money market funds, to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same such amounts in the statement of cash flows.

	2020	2019
Cash and cash equivalents	$3,025,668	$2,009,520
Escrow deposit	70,000	70,000
Total Cash, Cash Equivalents and Restricted Cash Shown in the Statement of Cash Flows	$3,095,668	$2,079,520

c - Investments

At June 30, 2020, investments consist of certificates of deposit and at June 30, 2019, investments consist of certificates of deposit and mutual funds stated at cost, which approximates fair value. All the investments held by FLICS are classified within Level 1 (prices in active markets for identical assets or liabilities) of the fair value hierarchy.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Contributions and Unconditional Promises to Give
Contributions are recognized when the donor makes a promise to give FLICS, that is, in substance, unconditional. Conditional promises to give - that is, those with (1) a measurable performance-related barrier or other barrier and (2) right of return of assets transferred or a release of a promisor's obligation to transfer the assets in the future - are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

e - Property and Equipment
Property and equipment are stated at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets.

f - Financial Statement Presentation
The FLICS' financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), which require FLICS 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 objective of FLICS. These net assets may be used at the discretion of FLICS' management and Board of Directors.

Net Assets With Donor Restrictions
Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of FLICS or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

g - Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

h - Tax Status

FLICS is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

i - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Certain expenses are applied directly to programs where applicable. Personnel services costs and employee benefits and payroll taxes are allocated based on employee time and effort. Other categories of expenses may be allocated based on student enrollment, or an estimate of the amount of resources expended.

j - Subsequent Events

FLICS has evaluated subsequent events through October 26, 2020, the date that the financial statements are considered available to be issued.

k - Recent Accounting Pronouncement

During 2020, FLICS adopted Accounting Standards Update ("ASU") No. 2018-08, Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves the current guidance about whether a transfer of assets is a contribution or exchange transaction. In addition, the update requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a measurable, performance-related barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The amendments in the ASU were applied on a modified retrospective basis. The adoption of the ASU resulted in no significant changes in the way FLICS recognizes revenue.

In 2020, FLICS also adopted ASU No. 2016-18, *Statement of Cash Flows (Topic 230).* The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, restricted cash and restricted cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 2 - Information Regarding Liquidity and Availability

FLICS operates with a budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. FLICS considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those activities.

FLICS regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs, and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit.

FLICS' financial assets as of June 30, 2020 and 2019 available within one year to meet cash needs for general expenditures are summarized as follows:

	2020	2019
Cash and cash equivalents	$3,025,668	$2,009,520
Investments	1,229,909	1,582,553
Unconditional promises to give	32,066	123,010
Resident student enrollment revenue receivable	114,689	6,346
Other receivables	16,506	-
Financial Assets Available to Meet General Expenditures Within One Year	$4,418,838	$3,721,429

Note 3 - Unconditional Promises to Give

Unconditional promises to give are due within one year. Uncollectible promises are expected to be insignificant.

Note 4 - Investments

Investments consist of certificates of deposit of $1,229,909 as of June 30, 2020, and certificates of deposit of $1,580,671 and mutual funds of $1,882 as of June 30, 2019.

Note 5 - Property and Equipment

A summary of property and equipment at June 30, 2020 and 2019 is as follows:

	Life	2020	2019
Computer equipment	3 years	$100,567	$201,290
Furniture and other office equipment	5-7 years	6,012	11,367
		106,579	212,657
Less: Accumulated depreciation		(54,651)	(155,052)
		$ 51,928	$ 57,605

Note 6 - Loan Payable

On June 24, 2020, FLICS received a loan totaling $157,000 under the Paycheck Protection Program administered by the U.S. Small Business Administration. The loan bears interest at 1% per annum, is due on June 24, 2025, and may be forgiven if FLICS meets certain employee retention requirements and the funds are used for eligible expenses.

Note 7 - Commitments and Contingencies

a - The school is co-located with P.S. 242 in a New York City Department of Education facility at no charge. The school also receives custodial services, school safety services, and utilities at no charge. The school is unable to determine a value for the space.

b - FLICS is obligated to make employer contributions into the Teachers Retirement System (“TRS”) of the City of New York. This accrued pension expense for 2020 and 2019 is an estimate subject to adjustment by the TRS.

c - Government supported projects are subject to audit by the applicable granting agency.

d - As part of an agreement with the DOE, FLICS has established an escrow account of $70,000 mandated to pay for legal and audit expenses that would be associated with a dissolution, should it occur.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 7 - Commitments and Contingencies (continued)

e - As a conversion charter school, FLICS is a unionized school and as such is required to follow the union contract agreed upon between the United Federation of Teachers union ("UFT"), the Council of School Supervisors and Administrators ("CSA") and the City of New York.

Note 8 - Concentration of Credit Risk

FLICS maintains cash balances at several banks in New York City insured by the Federal Deposit Insurance Corporation.

Note 9 - Resident Student Enrollment

FLICS' per pupil allocation is determined by the New York State Department of Education using New York State's charter school funding formula.

Note 10 - Donated Services and Materials

FLICS received donated program services and materials with a value of $14,327 and $1,125 for the years ended June 30, 2020 and 2019, respectively.

Note 11 - Union Salaries

As a result of the UFT and CSA collective bargaining agreements that were ratified in 2014 after the expiration of the previous agreements in 2009, FLICS is subject to retroactive salary increases and related payments due to all eligible UFT and CSA members. These payments began in 2015 and will continue through 2021. During the year ended June 30, 2020, FLICS recognized liabilities totaling $159,653, which relate to the retroactive payments due to UFT and CSA that are scheduled to be paid in fiscal year 2021.

FUTURE LEADERS INSTITUTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Note 11 - Union Salaries (continued)

As a result of the CSA collective bargaining agreements that were ratified in 2020 after the expiration of the previous agreements in 2019, FLICS is subject to retroactive salary increases and related payments due to all eligible CSA members. During the year ended June 30, 2020, FLICS recognized liabilities totaling $3,892 related to this new agreement. These payments are scheduled to be paid in fiscal year 2021.

Note 12 - Subsequent Event

In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, FLICS has suspended some of its activities at the direction of state and local governmental authorities. While management is currently evaluating the potential impact that the resulting economic uncertainties may have on FLICS, it believes that its current financial assets are sufficient to support FLICS' operations on an ongoing basis.

SUPPLEMENTARY INFORMATION

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP
551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176
212-697-2299 FAX: 212-949-1768

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
Future Leaders Institute 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 Future Leaders Institute Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Future Leaders Institute Charter 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 Future Leaders Institute Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Future Leaders Institute Charter 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 Organization'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.

Lutz + Carr, LLP

New York, New York
October 26, 2020