



Libertas Academy Charter School

Finance Committee Meeting

Published on September 10, 2020 at 12:58 PM EDT

Date and Time

Thursday September 10, 2020 at 1:00 PM EDT

Location

Zoom Meeting

<https://us04web.zoom.us/j/5069946767?pwd=QXEybzlHb0tYZWE4VHI6MCtrVFIGUT09>

Meeting ID: 506 994 6767

Password: 12345

Agenda

	Purpose	Presenter	Time
I. Opening Items			1:00 PM
Opening Items			
A. Record Attendance and Guests			5 m
B. Call the Meeting to Order			5 m
C. Approve Minutes	Approve Minutes		5 m
Approve minutes for Finance Committee Meeting on June 9, 2020			
II. ED Update			
III. FY20 Audit Report			1:15 PM
A. Audit Report Finance Documents	Vote		30 m
IV. Finance			1:45 PM
Finance			
A. June FY20 Financials	Vote		10 m
B. FY21 July Financials	Vote	Anthony Surrette	10 m
C. FY21 August Financials	Vote		10 m
V. Other Business			

VI. Closing Items

A. Adjourn Meeting

Vote

Cover Sheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee Meeting on June 9, 2020



Libertas Academy Charter School

Minutes

Finance Committee Meeting

Date and Time

Tuesday June 9, 2020 at 1:00 PM

Location

Join Zoom Meeting

<https://us04web.zoom.us/j/5069946767?pwd=QXEvbzIHb0tYZWE4VHI6MCtrVFIGUT09>

Meeting ID: 506 994 6767

Password: 12345

Committee Members Present

A. Surrette (remote), H. Zavala (remote), M. Montero

Committee Members Absent

None

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

A. Surrette called a meeting of the Finance committee of Libertas Academy Charter School to order on Tuesday Jun 9, 2020 @ 1:00 PM.

C. Approve Minutes

A. Surrette made a motion to approve the minutes from Finance Committee Meeting on 05-12-20.

H. Zavala seconded the motion.

The committee **VOTED** unanimously to approve the motion.

II. Finance

A. FY21 Budget Presentation

Decided which budget to present for BOT approval at the annual retreat.

B. Discuss and Approve Monthly Financials

A. Surrette made a motion to approve the monthly financials.

M. Montero seconded the motion.

The committee **VOTED** unanimously to approve the motion.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 2:00 PM.

Respectfully Submitted,

A. Surrette

Cover Sheet

Audit Report Finance Documents

Section: III. FY20 Audit Report
Item: A. Audit Report Finance Documents
Purpose: Vote

Submitted by:

Related Material:

Libertas Academy Charter School AUP Report Draft 9-2-2020.pdf
Libertas Academy Charter School Board Report Draft 9-2-2020.pdf
Libertas Academy Charter School Financial Statements Draft 9-2-2020.pdf
Libertas Academy Charter School Management Letter Draft 9-2-2020.pdf
Libertas Academy Charter School Ratios Draft 9-2-2020.pdf



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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Trustees of Libertas Academy Charter School and
The Department of Elementary and Secondary Education:

We have performed the procedures enumerated below, which were agreed to by the management of Libertas Academy Charter School (the School) and the Commonwealth of Massachusetts Department of Elementary and Secondary Education (the Department) (the specified parties) solely to assist in evaluating the School's assertion to the Department that it has complied with the requirements of the Federal Charter Schools Program grant (CSP), inclusive of Federal and Department guidelines in managing the CSP grant for the year ended June 30, 2020. The School's management is responsible for compliance with the requirements of the CSP grant. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Procedure #1:

- Obtain a copy of the CSP grant award, inclusive of any amendments.

Result #1:

- We obtained copies of the CSP grant award, inclusive of amendments without exceptions.

Procedure #2:

- Obtain the detail of expenditures incurred for the period under review relating to the CSP grant and reconcile the total expenditures incurred to the CSP grant revenue recorded by the School in the general ledger and investigate the differences.

Result #2:

- We noted no differences in total expenditures relating to the CSP grant revenue incurred and what was recorded in the School's accounting system.

Procedure #3:

- Ascertain if the School exercised flexibilities allowed by the U.S. Department of Education under the Every Student Succeeds Act (ESSA) for minor facility repairs, necessary renovations, and one-time transportation cost and, if so, obtain evidence that guidelines and instructions were followed in accordance with Part III of the Request for Proposal (RFP).

Result #3:

- The School was not obligated to exercise flexibilities allowed by the U.S. Department of Education under ESSA for minor facility repairs, necessary renovations, and one-time transportation cost, and the guidelines and instructions were followed in accordance with Part III of the RFP.

The Board of Trustees of Libertas Academy Charter School and
The Department of Elementary and Secondary Education
Page II

Procedure #4:

- Compare the approved CSP budget to the actual expenditures incurred and investigate any differences greater than 10% of the total budget.

Result #4:

- We noted no difference between total actual expenditures incurred as compared to total budget. We noted that the expenditures for equipment rental exceeded the budget due to a change in estimate; however, the School spent less among the other line items accordingly.

Procedure #5:

- Select a sample of expenditures from the detail expenditures incurred during the period based on the criteria set forth below:
 - a. Payroll - Select 10 items or 10% of the total number of payroll items charged to the CSP grant, whichever is less.
 - b. Other expenses - Select 10 items or 10% of the total number of items charged to the CSP grant, whichever is less.

And determine the following:

- i. The expenditure is in accordance with the purpose of the grant and that pre-opening expenditures are charged to pre-opening periods. (See non-regulatory guidance on the CSP grant at <http://www2.ed.gov/programs/charter/nonregulatory-guidance.html>).
- ii. The expenditure was charged to the proper budget category.
- iii. The expenditure was charged to the appropriate fiscal period.

Result #5:

- We selected two transactions of other non-personnel related disbursements and noted that these transactions were in line with the intended purpose of the grant. We also noted that all non-personnel related disbursement transactions were charged to the proper budget category and that non-personnel related disbursement transactions were charged to the appropriate fiscal period. There were no payroll transactions and, as such, no payroll testing was deemed necessary.

Procedure #6:

- Obtain Request for Funds forms (RF1) submitted to the Department during the period under review.
 - a. Trace the amounts reported in the RF1 to the listing of expenditures and determine if any discrepancies exist.
 - b. If items have not yet been requested for reimbursement, inquire of responsible Charter School officials as to the plan for requesting reimbursement, and determine if a receivable is recorded within the general ledger, if appropriate.

The Board of Trustees of Libertas Academy Charter School and
The Department of Elementary and Secondary Education
Page III

Result #6:

- We noted no discrepancies between actual expenditures incurred and recorded as compared with amounts reported in the RF1.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance with the requirements of the CSP grant. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the School and the Department of Elementary and Secondary Education, and is not intended to be, and should not be, used by anyone other than those specified parties.

Westborough, Massachusetts
September 15, 2020

DRAFT



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September 15, 2020

To the Boards of Trustees and Management of
Libertas Academy Charter School and
Friends of Libertas Academy Charter School, Inc:

We have audited the combined general purpose financial statements of Libertas Academy Charter School and Friends of Libertas Academy Charter School, Inc. (collectively, the Organization) for the year ended June 30, 2020, and have issued our report thereon dated September 15, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Required Communications

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the combined general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the combined general purpose financial statements in the proper period.

Accounting estimates are an integral part of the combined general purpose financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combined general purpose financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the combined general purpose financial statements were:

- The estimated useful lives of capital assets, which are based on management's expectation of the period of time the class of asset will provide future economic benefit to the Organization.
- The value of in-kind revenues and expenses, which is based upon the estimated value assigned to them by the donating organizations.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the combined general purpose financial statements taken as a whole.

The combined general purpose financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties dealing with management in performing and completing our audit.

The Boards of Trustees and Management of
Libertas Academy Charter School and
Friends of Libertas Academy Charter School, Inc.
September 15, 2020
Page II

Required Communications (Continued)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management concurs with and has corrected the attached material misstatements detected as a result of audit procedures.

The attached schedule summarizes uncorrected misstatements of the combined general purpose financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the combined general purpose financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combined general purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 15, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's combined general purpose financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the combined general purpose financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the combined general purpose financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the combined general purpose financial statements or to the combined general purpose financial statements themselves.

The Boards of Trustees and Management of
Libertas Academy Charter School and
Friends of Libertas Academy Charter School, Inc.
September 15, 2020
Page III

Other Matters – Comments, Observations and Recommendations

Current Year Items

Outstanding Checks

There were seven checks to one vendor included as reconciling items on the bank reconciliations that had been outstanding for more than six months. The outstanding checklist should be reviewed monthly, the nature of old checks investigated, and corrective action should be taken. Consideration regarding compliance with the Massachusetts unclaimed property laws should also be analyzed.

Computer System Review

As we have seen in recent months with changes to a remote workforce, there continues to be increasing threats that the Organization's computer systems may be vulnerable to attacks from such cyber criminals. In addition, phishing schemes are getting more creative using social engineering. Management should implement as many procedures and safeguards as possible to offset these threats. A review of the Organization's Cyber Health, consistent employee training and a review of cyber insurance policies are prudent. All organizations must know where they have vulnerabilities and a regular annual review is encouraged. Cyber Health must be an annual review and process as hackers get more and more sophisticated each year. We can help the Organization reduce risk in this area and develop an annual cyber review.

Whistle-Blower Policy

The Sarbanes-Oxley Act (the Act) was designed to add new governance standards for the corporate sector to rebuild public trust in publicly held companies. While the majority of this act deals directly with for-profit corporations, two standards in the Act, whistle-blower protection, cover non-profit corporations. The Act also made it a criminal offense to punish whistle-blowers. The Organization should adopt a policy allowing for a venue for whistle-blowers, including a contact person to report to, a procedure to follow-up on any matters brought to the attention of the Organization, as well as a prohibition against punishing whistle-blowers.

Other Matters for Your Information

Coronavirus: Business Impacts and Planning

The Coronavirus pandemic (COVID-19) is impacting our lives and businesses in a way that none of us has experienced before. The global economy is certainly impacted, and businesses and individuals are reacting to an uncharted situation that continues to evolve rapidly. Certainly, health and safety are our primary concerns. Business leaders have been forced to make difficult decisions related to employees, customers, and planning.

Management should consider the following:

- Prepare a monthly financial forecast for the remainder of your fiscal year. The forecast should consider what impact this has on your revenues, cash flows, and financial performance. Your forecasts should also include contingency plans in case this situation extends out to identify what you should do and when.
- Make sure your management team and governance are engaged and in constant communication to strategize.

The Boards of Trustees and Management of
Libertas Academy Charter School and
Friends of Libertas Academy Charter School, Inc.
September 15, 2020
Page IV

Other Matters for Your Information (Continued)

Coronavirus: Business Impacts and Planning (Continued)

- Consider obtaining financing to support sustainability. There are loans available through the U.S. Small Business Administration and through several states that offer economic support to help small businesses and nonprofits address emergency needs due to the disruption caused by COVID-19.
- Revisit your current and future investing strategy and liquidity needs.
- Track and monitor the impact this pandemic is having on your revenues and expenses. The Federal government's potential stimulus provisions could be beneficial to your business.
- Review insurance policies to evaluate whether there is any coverage that would apply to any of your losses.

In addition, management needs to consider the accounting and financial statement disclosure implications resulting from the Coronavirus outbreak, including, but not limited to, fair value measurement, assets impairment, revenue recognition, leases, accounting estimates, and loss contingency.

AAFCPAs is available to help you understand the economic impact the Coronavirus is having on current operations and finances as well as your long-term sustainability.

New Lease Accounting Standard

In June 2017, Governmental Accounting Standards Board (GASB) issued Statement 87, *Leases*. This guidance applies to most leases with a term of over twelve months. These leases will now be recognized on the statement of net position of both the lessee and the lessor at the present value of payments expected to be made during the lease term. For leases with a term of twelve months or less, lease payments will continue to be recorded as expenses.

In accordance with this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The lease liability decreases as lease payments are made, and the lessee also recognizes interest expense. The right-to-use lease asset is amortized over the lease term.

A lessor is required to recognize a lease receivable and a deferred inflow of resources. The lease receivable decreases as lease payments are made, and the lessee also recognizes interest revenue. The deferred inflow of resources is recognized as rental revenue, usually over the lease term. In addition, the lessor keeps the capital asset on their books and continues to amortize it and evaluate it for impairment.

For leases with related parties, the accounting under this standard is the same as third-party leases except in cases in which it is clear that the terms of the transaction have been significantly affected by the fact that the lessee and lessor are related.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, to defer the effective date of the lease guidance for organizations for an additional eighteen months. Therefore, the new lease standard is effective for fiscal years beginning after June 15, 2021. Early application is still allowed.

If you have any questions or need further assistance with these items, please contact a member of your audit service team.

The Boards of Trustees and Management of
Libertas Academy Charter School and
Friends of Libertas Academy Charter School, Inc.
September 15, 2020
Page V

This information is intended solely for the use of the Boards of Trustees and management of the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

AAFCPAs, Inc.
Certified Public Accountants

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Client: **11057 - Libertas Academy Charter School**
 Engagement: **11057 - Libertas Academy Charter School**
 Period Ending: **6/30/2020**
 Trial Balance: **TB-02 - Friends Trial Balance**
 Workpaper:

Account	Description	W/P Ref	Debit	Credit	P&L Effect
	Unadjusted changes in operating and invested in capital funds (unrestricted) net position				\$ 11,117
Adjusting Journal Entries JE # 1		SSTT-01			
To tie out beginning net assets and properly record a fiscal year 2020 restricted gift.					
43450	Individual Contributions		1,600.00		(1,600)
30390	Unrestricted Net Assets			1,600.00	
Total			<u>1,600.00</u>	<u>1,600.00</u>	
	Total Adjusting Journal Entries		<u>1,600.00</u>	<u>1,600.00</u>	
	Total All Journal Entries		<u>\$ 1,600.00</u>	<u>\$ 1,600.00</u>	
	Adjusted changes in operating and invested in capital funds (unrestricted) net position				\$ <u>9,517</u>

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Client: **11057 - Libertas Academy Charter School**
 Engagement: **11057 - Libertas Academy Charter School**
 Period Ending: **6/30/2020**
 Trial Balance: **TB-01 - Trial Balance**
 Workpaper: **AJE Report**

Account	Description	W/P Ref	Debit	Credit	P&L Effect
	Unadjusted changes in operating and invested in capital funds (unrestricted) net position				\$ 50,033
Adjusting Journal Entries JE # 1		12			
	To properly record in-kind meals provided by Sodexo at June 30, 2020.				
5350	Food Services		15,929.00		
4413b	Contributions in kind - other			15,929.00	
Total			<u>15,929.00</u>	<u>15,929.00</u>	-
Adjusting Journal Entries JE # 2		12			
	Client proposed entry to properly record in-kind transportation at June 30, 2020.				
5330	Student Transportation		6,750.00		
4413b	Contributions in kind - other			6,750.00	
Total			<u>6,750.00</u>	<u>6,750.00</u>	-
	Total Adjusting Journal Entries		<u>22,679.00</u>	<u>22,679.00</u>	
	Total All Journal Entries		<u>\$ 22,679.00</u>	<u>\$ 22,679.00</u>	
	Adjusted changes in operating and invested in capital funds (unrestricted) net position				\$ <u>50,033</u>

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LIBERTAS ACADEMY CHARTER SCHOOL

Uncorrected Misstatements Report
June 30, 2020

PAJE #	Adjustment Accounts	Journal Entry		Description of Audit Difference	Financial Statement Effect		
		Debit	Credit		Total Assets	Total Liabilities	Change in Net Position
1	Grants - Federal	\$ 2,632	\$ -	To properly record Title I MTRS funding and related receivable for the year ended June 30, 2020.	\$ -	\$ -	\$ (2,632)
1	Accounts Receivable	-	2,632		(2,632)	-	-
2	MTRS Liability	8,324	-	To properly state MTRS accrual and related expense as of and for the year ended June 30, 2020.	-	(8,324)	-
2	MTRS Expense	-	8,324		-	-	8,324
Net Unadjusted Audit Differences - Current Year					<u>\$ (2,632)</u>	<u>\$ (8,324)</u>	<u>\$ 5,692</u>

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LIBERTAS ACADEMY
CHARTER SCHOOL

AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.

COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

DRAFT

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Contents
June 30, 2020 and 2019

	<u>Pages</u>
Unmodified Opinion on Combined General Purpose Financial Statements Accompanied by Other Information – Governmental Entity	1 - 1A
Management’s Discussion and Analysis	2 - 4
Combined General Purpose Financial Statements:	
Combined Statements of Net Position	5
Combined Statements of Revenues, Expenses and Changes in Net Position	6 - 7
Combined Statements of Cash Flows	8 - 9
Notes to Combined General Purpose Financial Statements	10 - 16
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined General Purpose Financial Statements Performed in Accordance With Government Auditing Standards	17 - 18



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**Unmodified Opinion on Combined General Purpose Financial Statements
Accompanied by Other Information – Governmental Entity**

Independent Auditor's Report

To the Boards of Trustees of
Libertas Academy Charter School and
Friends of Libertas Academy Charter School, Inc.:

Report on the Combined General Purpose Financial Statements

We have audited the accompanying combined general purpose financial statements of Libertas Academy Charter School and Friends of Libertas Academy Charter School, Inc. (collectively, the Organization), which comprise the combined statements of net position as of June 30, 2020 and 2019, and the related combined statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the combined general purpose financial statements.

Management's Responsibility for the Combined General Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these combined general purpose 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 combined general purpose 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 combined general purpose 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 audits to obtain reasonable assurance about whether the combined general purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined general purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined general purpose 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 combined general purpose 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 combined general purpose 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 combined general purpose financial statements referred to on page one present fairly, in all material respects, the combined net position of Libertas Academy Charter School and Friends of Libertas Academy Charter School, Inc. as of June 30, 2020 and 2019, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America requires that the *Management's Discussion and Analysis* on pages 2 through 4 be presented to supplement the basic combined general purpose financial statements. Such information, although not a part of the basic combined general purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic combined general purpose financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined general purpose financial statements, and other knowledge we obtained during our audit of the basic combined general purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with the sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2020, on our consideration of the Organization'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 for the year ended June 30, 2020. 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 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 Organization's internal control over financial reporting and compliance.

Westborough, Massachusetts
September 15, 2020

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Management's Discussion and Analysis
June 30, 2020 and 2019

Our discussion and analysis of Libertas Academy Charter School's (the School) financial performance provides an overview of the School's financial activities for the fiscal years ended June 30, 2020 and 2019. Please read it in conjunction with the School's combined general purpose financial statements, which begin on page 5.

The School as a Whole

The School was established on June 2, 2016, after receiving its charter from the Commonwealth of Massachusetts under Chapter 71, Section 89 of the General Laws of Massachusetts. The charter is awarded in five-year increments and is subject to renewal at the discretion of the Commonwealth of Massachusetts Board of Elementary and Secondary Education (ESE). The School opened in August 2017, with a target enrollment of 90 sixth graders. Beginning again in fiscal year 2021, the School will continue to add one grade per year until the School reaches 630 students in grades six through twelve. During fiscal years 2020 and 2019, the School served 253 and 168 students, respectively.

Friends of Libertas Academy Charter School, Inc. (Friends) was formed in July 2016 to promote the financial well-being of the School by soliciting, receiving and administering funds for the operations of the School. Friends' activities consist of raising funds on behalf of the School. Friends is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. During fiscal years 2020 and 2019, Friends provided grants totaling \$140,000 and \$160,000, respectively, to the School.

Using This Annual Report

This annual report consists of combined general purpose financial statements. In accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB No. 34), the School is considered a special-purpose government entity that engages in only business-type activities. All of the financial activity of the School is recorded in an Enterprise Fund within the Proprietary Fund group. In accordance with GASB No. 34, the School issues a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. These statements provide information about the financial activities of the School, as a whole. This annual report also contains notes to the combined general purpose financial statements which provide additional information that is essential to a full understanding of the information provided in the basic combined general purpose financial statements.

Combined General Purpose Financial Statements

The combined statements of net position and the combined statements of revenues, expenses and changes in net position include all assets, liabilities, revenues and expenses of the School. The activity is recorded using the accrual basis of accounting; accordingly, all revenues and expenses are recognized when earned or incurred regardless of when the cash is received or disbursed. Additionally, these statements report the School's net position and the related changes in the balance. In the combined statements of revenues, expenses and changes in net position, we report all of the financial activity in the Enterprise Fund as business-type activity. Operating activities include all financial activities associated with the operation of the School and its related programs.

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Management's Discussion and Analysis
June 30, 2020 and 2019

Financial Highlights

The following financial highlights are for the fiscal years ended June 30, 2020 and 2019:

- The School had total assets of \$802,298 and \$638,395 at June 30, 2020 and 2019, respectively. A decrease in tuition and grants receivable of approximately \$75,723 and a cash position increase of \$185,543 make up a large portion of the increase between years. The healthy cash position is a result of three years of operating at a surplus.
- The School had total liabilities of \$349,321 and \$235,448 at June 30, 2020 and 2019, respectively. All liabilities were current and were primarily accrued payroll expenses.
- The School had a net position of \$452,980 and \$402,947 at June 30, 2020 and 2019, respectively. As of June 30, 2020, the School had unrestricted net position of \$400,216 and invested in capital assets net position of \$52,764. As of June 30, 2019, the School had unrestricted net position of \$377,070 and invested in capital assets net position of \$25,877.
- The School earned total operating revenues of \$5,325,725 for the year ended June 30, 2020, of which 70% was from per-pupil tuition, 9% was from government grant funding, and 21% was from private sources, in-kind and component unit contributions. For the year ended June 30, 2020, the School had total general revenue of \$6,870. Contributions and grants - private represented approximately 88% of general revenue, while interest and other revenue represented approximately 12% of general revenue.
- The School earned total operating revenues of \$3,538,862 for the year ended June 30, 2019, of which 66% was from per-pupil tuition, 12% was from government grant funding, and 22% was from private sources, in-kind and component unit contributions. For the year ended June 30, 2019, the School had total general revenue of \$1,157. Contributions and grants - private represented approximately 2% of general revenue, while interest and other revenue represented approximately 98% of general revenue.
- The School had total operating expenses of \$5,282,562 for the year ended June 30, 2020, of which 67% was for personnel costs, 23% was for instructional/student services, 7% for facilities, and 3% for administration.
- The School had total operating expenses of \$3,379,934 for the year ended June 30, 2019, of which 60% was for personnel costs, 28% was for instructional/student services, 8% for facilities, and 4% for administration.
- The School had a change in unrestricted net position of \$50,033 and \$160,085 for the years ended June 30, 2020 and 2019, respectively.

Budgetary Highlights

For the fiscal year ended June 30, 2020, the School incurred \$4,306,714 in actual expenditures (excluding in-kind) compared to budgeted expenditures of \$4,306,713. Actual revenue for the School (excluding in-kind) was \$4,356,746 compared to the budgeted revenue of \$4,304,280. The reduction in revenue is mainly a consequence of lower than expected enrollment. Reduced enrollment also explains reduced personal costs, added to an unfulfilled teaching position during fiscal year 2020. Actual expenditures for the School were greater than budgeted due additional contracted expenses that were not budgeted for.

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Management's Discussion and Analysis
June 30, 2020 and 2019

Budgetary Highlights (Continued)

For the fiscal year ended June 30, 2019, the School incurred \$2,797,826 in actual expenditures (excluding in-kind) compared to budgeted expenditures of \$2,982,120. Actual revenue for the School (excluding in-kind) was \$2,957,911 compared to the budgeted revenue of \$3,064,495. The reduction in revenue is mainly a consequence of lower than expected enrollment. Reduced enrollment also explains reduced personal costs, added to an unfulfilled teaching position during fiscal year 2019.

School's Financial Activities

Most of the School's funding was received from the Commonwealth of Massachusetts Department of Elementary and Secondary Education (DESE) and Federal grant funding. The School received \$146,024 and \$160,019 from private donors in fiscal years 2020 and 2019, respectively.

Other Financial Factors

In April 2017, the School entered into an operating lease agreement with Chestnut Springfield, Inc. for a term of five years. The lease requires payments ranging from \$6,729 per month to \$51,332 per month. In accordance with the lease terms, the School is also liable for property taxes and common area maintenance, which are factored at 1.3 times and 1.85 times the square footage of the leased space per year, respectively. The property taxes and common area maintenance are both included in the monthly rent.

Contacting the School's Financial Management

This financial report is designed to provide the reader with a general overview of the School's finances and to show the accountability for the funds received. If you have questions about this report or need additional financial information, please contact the Business Office of the School.

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Combined Statements of Net Position
June 30, 2020 and 2019

	2020			2019		
	Enterprise Fund - School	Component Unit - Friends	(Memorandum Only) Total	Enterprise Fund - School	Component Unit - Friends	(Memorandum Only) Total
Assets						
Current Assets:						
Cash	\$ 606,605	\$ 165,994	\$ 772,599	\$ 421,062	\$ 154,877	\$ 575,939
Tuition and grants receivable	75,726	-	75,726	151,449	-	151,449
Prepaid expenses	67,204	-	67,204	40,007	-	40,007
Total current assets	749,535	165,994	915,529	612,518	154,877	767,395
Capital Assets, net	52,764	-	52,764	25,877	-	25,877
Total assets	<u>\$ 802,299</u>	<u>\$ 165,994</u>	<u>\$ 968,293</u>	<u>\$ 638,395</u>	<u>\$ 154,877</u>	<u>\$ 793,272</u>
Liabilities and Net Position						
Current Liabilities:						
Accounts payable and accrued expenses	<u>\$ 349,319</u>	<u>\$ -</u>	<u>\$ 349,319</u>	<u>\$ 235,448</u>	<u>\$ -</u>	<u>\$ 235,448</u>
Net Position:						
Unrestricted	400,216	164,394	564,610	377,070	154,877	531,947
Invested in capital assets, net	52,764	-	52,764	25,877	-	25,877
Program restricted funds - expendable	-	1,600	1,600	-	-	-
Total net position	452,980	165,994	618,974	402,947	154,877	557,824
Total liabilities and net position	<u>\$ 802,299</u>	<u>\$ 165,994</u>	<u>\$ 968,293</u>	<u>\$ 638,395</u>	<u>\$ 154,877</u>	<u>\$ 793,272</u>

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Combined Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	Enterprise	Component Unit - Friends			(Memorandum
	Fund - School	Operating and	Restricted	Total	Only) Total
	Operating and	Invested in	Program		Total
	Capital Funds	Capital Funds	Funds	Total	Total
Operating Revenue:					
Per-pupil tuition	\$ 3,722,729	\$ -	\$ -	\$ -	\$ 3,722,729
In-kind	975,849	-	-	-	975,849
Grants - government	467,053	-	-	-	467,053
Program specific grants - private	140,000	-	1,600	1,600	141,600
Program fees	20,094	-	-	-	20,094
Total operating revenue	<u>5,325,725</u>	<u>-</u>	<u>1,600</u>	<u>1,600</u>	<u>5,327,325</u>
Operating Expenses:					
Personnel and related:					
Salaries and wages	2,492,326	-	-	-	2,492,326
In-kind pension	581,530	-	-	-	581,530
Payroll tax and fringe benefits	356,953	-	-	-	356,953
Professional development	104,900	-	-	-	104,900
Total personnel and related	<u>3,535,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,535,709</u>
Direct student costs:					
Contracted services	352,702	-	-	-	352,702
Instructional equipment	333,367	-	-	-	333,367
Student transportation	327,391	-	-	-	327,391
Food services	74,269	-	-	-	74,269
Supplies	66,302	-	-	-	66,302
Other student costs	45,138	-	-	-	45,138
Total direct student costs	<u>1,199,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,199,169</u>
Occupancy:					
Rent	287,083	-	-	-	287,083
Repairs and maintenance	43,444	-	-	-	43,444
Utilities	26,627	-	-	-	26,627
Insurance	13,957	-	-	-	13,957
Other	2,820	-	-	-	2,820
Total occupancy	<u>373,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,931</u>
Other operating costs:					
Grants	-	140,000	-	140,000	140,000
Advertising	67,948	-	-	-	67,948
Travel and other	64,187	-	-	-	64,187
Rental equipment	19,822	-	-	-	19,822
Other	251	-	-	-	251
Total other operating costs	<u>152,208</u>	<u>140,000</u>	<u>-</u>	<u>140,000</u>	<u>292,208</u>
Depreciation	<u>21,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,545</u>
Total operating expenses	<u>5,282,562</u>	<u>140,000</u>	<u>-</u>	<u>140,000</u>	<u>5,422,562</u>
Changes in net position from operations	<u>43,163</u>	<u>(140,000)</u>	<u>1,600</u>	<u>(138,400)</u>	<u>(95,237)</u>
General Revenue:					
Contributions and grants - private	6,024	149,496	-	149,496	155,520
Interest and other	846	21	-	21	867
Total general revenue	<u>6,870</u>	<u>149,517</u>	<u>-</u>	<u>149,517</u>	<u>156,387</u>
Changes in net position	50,033	9,517	1,600	11,117	61,150
Net Position:					
Beginning of year	<u>402,947</u>	<u>154,877</u>	<u>-</u>	<u>154,877</u>	<u>557,824</u>
End of year	<u>\$ 452,980</u>	<u>\$ 164,394</u>	<u>\$ 1,600</u>	<u>\$ 165,994</u>	<u>\$ 618,974</u>

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Combined Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019

	Enterprise Fund - School	Component Unit - Friends	(Memorandum Only) Total
Operating Revenue:			
Per-pupil tuition	\$ 2,331,330	\$ -	\$ 2,331,330
In-kind	582,108	-	582,108
Grants - government	439,958	-	439,958
Program specific grants - private	160,000	-	160,000
Program fees	25,466	-	25,466
Total operating revenue	3,538,862	-	3,538,862
Operating Expenses:			
Personnel and related:			
Salaries and wages	1,574,237	-	1,574,237
In-kind pension	246,361	-	246,361
Payroll tax and fringe benefits	202,687	-	202,687
Professional development	3,335	-	3,335
Total personnel and related	2,026,620	-	2,026,620
Direct student costs:			
Contracted services	276,741	-	276,741
Instructional equipment	245,596	-	245,596
Student transportation	175,967	-	175,967
Food services	162,477	-	162,477
Supplies	60,295	-	60,295
Other student costs	32,219	-	32,219
Total direct student costs	953,295	-	953,295
Occupancy:			
Rent	177,617	-	177,617
Repairs and maintenance	30,387	-	30,387
Utilities	21,132	-	21,132
Insurance	11,566	-	11,566
Other	1,720	-	1,720
Total occupancy	242,422	-	242,422
Other operating costs:			
Grants	-	160,000	160,000
Advertising	60,455	-	60,455
Travel and other	65,651	-	65,651
Rental equipment	16,976	-	16,976
Other	1,265	-	1,265
Total other operating costs	144,347	160,000	304,347
Depreciation	13,250	-	13,250
Total operating expenses	3,379,934	160,000	3,539,934
Changes in net position from operations	158,928	(160,000)	(1,072)
General Revenue:			
Contributions and grants - private	19	224,377	224,396
Interest and other	1,138	-	1,138
Total general revenue	1,157	224,377	225,534
Changes in net position	160,085	64,377	224,462
Net Position:			
Beginning of year	242,862	90,500	333,362
End of year	\$ 402,947	\$ 154,877	\$ 557,824

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Combined Statement of Cash Flows
For the Year Ended June 30, 2020

	Enterprise Fund - School	Component Unit - Friends	(Memorandum Only) Total
Cash Flows from Operating Activities:			
Receipts from per-pupil tuition	\$ 3,799,796	\$ -	\$ 3,799,796
Receipts from grants - government	465,709	-	465,709
Receipts from other sources	166,964	151,117	318,081
Payments for personnel and related	(2,850,711)	-	(2,850,711)
Payments for supplies and services	(1,347,783)	(140,000)	(1,487,783)
	<u>233,975</u>	<u>11,117</u>	<u>245,092</u>
Cash Flows from Investing Activities:			
Acquisition of capital assets	(48,432)	-	(48,432)
	<u>185,543</u>	<u>11,117</u>	<u>196,660</u>
Net Change in Cash			
	185,543	11,117	196,660
Cash:			
Beginning of year	421,062	154,877	575,939
End of year	<u>\$ 606,605</u>	<u>\$ 165,994</u>	<u>\$ 772,599</u>
Reconciliation of Changes in Net Position to Net			
Cash Flows from Operating Activities:			
Changes in net position	\$ 50,033	\$ 11,117	\$ 61,150
Adjustments to reconcile changes in net position to net cash provided by operating activities:			
Depreciation	21,545	-	21,545
Changes in operating assets and liabilities:			
Tuition and grants receivable	75,723	-	75,723
Prepaid expenses	(27,197)	-	(27,197)
Accounts payable and accrued expenses	113,871	-	113,871
	<u>233,975</u>	<u>11,117</u>	<u>245,092</u>
Net cash provided by operating activities	<u>\$ 233,975</u>	<u>\$ 11,117</u>	<u>\$ 245,092</u>

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Combined Statement of Cash Flows
For the Year Ended June 30, 2019

	Enterprise Fund - School	Component Unit - Friends	(Memorandum Only) Total
Cash Flows from Operating Activities:			
Receipts from per-pupil tuition	\$ 2,254,263	\$ -	\$ 2,254,263
Receipts from grants - government	415,117	-	415,117
Receipts from other sources	186,623	294,877	481,500
Payments for personnel and related	(1,692,717)	-	(1,692,717)
Payments for supplies and services	<u>(955,235)</u>	<u>(160,000)</u>	<u>(1,115,235)</u>
Net cash provided by operating activities	208,051	134,877	342,928
Cash Flows from Investing Activities:			
Cash paid for construction in process	<u>(7,125)</u>	-	<u>(7,125)</u>
Net Change in Cash	200,926	134,877	335,803
Cash:			
Beginning of year	<u>220,136</u>	<u>20,000</u>	<u>240,136</u>
End of year	<u><u>\$ 421,062</u></u>	<u><u>\$ 154,877</u></u>	<u><u>\$ 575,939</u></u>
Reconciliation of Changes in Net Position to Net			
Cash Flows from Operating Activities:			
Changes in net position	\$ 160,085	\$ 64,377	\$ 224,462
Adjustments to reconcile changes in net position to net cash provided by operating activities:			
Depreciation	13,250	-	13,250
Changes in operating assets and liabilities:			
Tuition and grants receivable	(101,908)	70,500	(31,408)
Prepaid expenses	9,263	-	9,263
Accounts payable and accrued expenses	<u>127,361</u>	<u>-</u>	<u>127,361</u>
Net cash provided by operating activities	<u><u>\$ 208,051</u></u>	<u><u>\$ 134,877</u></u>	<u><u>\$ 342,928</u></u>

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Notes to Combined General Purpose Financial Statements
June 30, 2020 and 2019

1. OPERATIONS, TAX STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS AND TAX STATUS

Libertas Academy Charter School (the School) operates under a charter granted by the Commonwealth of Massachusetts (the Commonwealth) under Chapter 71, Section 89 of the General Laws of Massachusetts. The School's charter is subject to renewal every five years. The School's initial charter was granted on June 2, 2016. The School is authorized to operate a public charter school through June 30, 2022. In fiscal year 2020, the School operated with approximately 260 students in sixth, seventh, and eighth grade. In fiscal year 2019, the School operated with approximately 168 students in sixth and seventh grade. Beginning again in fiscal year 2022, the School will continue to add one grade per year until school year 2023-2024, when the School will serve approximately 630 students in grades six through twelve.

As a state chartered organization, the School is not subject to Federal or state income taxes. Donors may deduct contributions made to the School within Internal Revenue Code (IRC) regulations.

Friends of Libertas Academy Charter School, Inc. (Friends) was formed in July 2016 to promote the financial well-being of the School by soliciting, receiving and administering funds for the operations of the School. Friends is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the IRC. Donors may deduct contributions made to Friends within the requirements of the IRC. Friends is also exempt from state income taxes.

Friends' activities consist of raising funds on behalf of the School. The School and Friends have common management and common Board members. Because of these factors, the combined general purpose financial statements of the School and Friends are presented on a combined basis (see below).

The School and Friends are collectively referred to as the Organization throughout these combined general purpose financial statements.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – GASB Standards

The accompanying combined general purpose financial statements were prepared on the accrual basis. Since the School is a quasi-public organization, its accounting policies and financial statement presentation are governed by standards issued by the Governmental Accounting Standards Board (GASB). The School follows GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 outlines financial reporting requirements for state and local governments. The School is considered a special-purpose government organization that conducts only business-type activities within the meaning of GASB Statement No. 34 and, therefore, only has enterprise funds within its proprietary fund.

Consistent with the provisions of GASB Statement Nos. 14 and 39, as clarified by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, Friends is presented in these combined general purpose financial statements as a component unit of the School. The "memorandum only total" is presented in accordance with GASB Statement No. 14. This represents the combined totals of the School and Friends without the eliminations of inter-company balances and transactions.

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Notes to Combined General Purpose Financial Statements
June 30, 2020 and 2019

1. OPERATIONS, TAX STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Organization has elected to apply the provisions of all relevant pronouncements of Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements.

Classification of Net Position

Unrestricted - Represents the portion of expendable funds that are used to support operations, including funds for which donor-imposed restrictions have been met in accordance with funding agreements.

Invested in Capital Assets, net - Represent the net book value of capital assets.

Program Restricted Funds - Expendable includes all funds contributed by donors to fund specific programs which have yet to be expended. Restricted net position at June 30, 2020, is restricted for education supplies.

Revenue Recognition

Per-pupil tuition and grant revenue are recorded as services are provided and costs are incurred. The Commonwealth of Massachusetts, Executive Office of Administration and Finance calculates the per-pupil tuition reimbursement, which is paid to the School by the Commonwealth of Massachusetts Department of Elementary and Secondary Education (DESE). Program fees are recognized as services are provided.

The Organization records unrestricted grants and contributions when they are received or unconditionally committed. Gifts of cash and other assets are recorded as restricted program funds if they are received with donor stipulations that limit the use of the donated assets. When a stipulated purpose restriction is accomplished, donor restricted funds are reported in the combined statements of revenues, expenses and changes in net position as a transfer between funds. Program restricted support received and satisfied in the same period is included in unrestricted net position. All other income is recorded when earned.

Tuition and Grants Receivable and Allowance for Doubtful Accounts

Tuition and grants receivable is recorded at the pledged amount and does not bear interest. At June 30, 2020 and 2019, 100% and 93%, respectively, of the School's tuition and grants receivable is due from DESE. The allowance for doubtful accounts is based on management's best estimate of the amount of uncollectible accounts, if any. There was no allowance deemed necessary as of June 30, 2020 and 2019.

Advertising

Advertising costs are expensed as incurred.

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Notes to Combined General Purpose Financial Statements
June 30, 2020 and 2019

1. OPERATIONS, TAX STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The Organization follows the accounting and disclosure standards pertaining to GASB Statement No. 72, *Fair Value Measurement and Application*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants at the measurement date.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability. Unobservable inputs are inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

Capital Assets and Depreciation

The School has a capitalization policy of \$5,000. Capital assets are recorded at cost, if purchased, or at fair value at the time of donation (see Note 4). Renewals and betterments are capitalized as additions to the related asset account, while repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the following useful lives:

Furniture and equipment	5 years
Computer equipment	3 years
Leasehold improvements	Lesser of useful life or lease term

The School purchases classroom supplies, which include textbooks, literature and other materials to carry on educational activities. These purchases are expensed in the year of acquisition.

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Notes to Combined General Purpose Financial Statements
June 30, 2020 and 2019

1. OPERATIONS, TAX STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind

The School receives donated transportation from the City of Springfield for certain students, as required by DESE. The School also receives in-kind nutrition which was valued based upon the estimated value assigned to them by the donor.

The Commonwealth provides pension payments on behalf of the School (see Note 5).

In-kind consist of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Pension (see Note 5)	\$ 581,530	\$ 246,361
Transportation	320,250	173,470
Nutrition	<u>74,069</u>	<u>162,277</u>
	<u>\$ 975,849</u>	<u>\$ 582,108</u>

Estimates

The preparation of the combined general purpose financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the combined general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Taxes

Friends accounts for uncertainty in income taxes in accordance with FASB ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the combined general purpose financial statements regarding a tax position taken or expected to be taken in a tax return. Friends has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the combined general purpose financial statements at June 30, 2020 and 2019. Friends' information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through September 15, 2020, which is the date the combined general purpose financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure.

LIBERTAS ACADEMY CHARTER SCHOOL AND FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.

Notes to Combined General Purpose Financial Statements
June 30, 2020 and 2019

2. FUNDING AND CONCENTRATION OF CREDIT RISK

Funding

The School receives significant funding from the Commonwealth for its tuition and grant revenue. This funding is subject to audit by the appropriate governmental agency. In the opinion of management, the results of such audits, if any, will not have a material effect on the net position of the School as of June 30, 2020 and 2019, or on the changes in net position for the years then ended. The School received approximately 96% and 94% of its operating revenue (net of in-kind) through tuition and grants from the Commonwealth for the years ended June 30, 2020 and 2019, respectively.

Friends also receives funding from various private donors. During fiscal years 2020 and 2019, Friends received 90% of its revenue from three donors and 66% of its revenue from two donors, respectively.

Concentration of Credit Risk

The Organization maintains its cash balance in one Massachusetts bank, which is insured within the limits of the Federal Deposit Insurance Corporation (FDIC) as well as additional insurance through the Depositors Insurance Fund. The Organization has not experienced any losses in the account. The Organization’s management believes it is not exposed to any significant credit risk on cash.

GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, requires disclosure of the potential risks of the Organization’s deposits. As of June 30, 2020 and 2019, all of the Organization’s cash deposits are fully insured.

3. LEASE OBLIGATIONS

The School has a lease agreement for a building through June 2022. Effective August 2018, the monthly lease payments are \$15,047 and then increased to \$25,131 in August 2019. Subsequent monthly payments are expected to increase based on additional square footage and lease escalation of 3%, as outlined in the agreement. The School must also pay its proportionate share of real estate and common area costs. Rent expense under this agreement was \$287,083 and \$177,617 for fiscal years 2020 and 2019, respectively.

The School leases office equipment under two operating lease agreements expiring in September 2022 and September 2023, with monthly payments of \$325 and \$341, respectively, plus additional quarterly costs. Office equipment lease expense for fiscal years 2020 and 2019 was \$19,822 and \$16,976, respectively, and is reflected as rental equipment in the accompanying combined statements of revenues, expenses and changes in net position.

Expected future minimum lease payments are as follows for the years ending June 30:

	<u>Building</u>	<u>Equipment</u>
2021	\$ 314,826	\$ 7,988
2022	321,863	7,988
2023	-	5,066
2024	-	682
	<u>\$ 636,689</u>	<u>\$ 21,724</u>

**LIBERTAS ACADEMY CHARTER SCHOOL AND
FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.**

Notes to Combined General Purpose Financial Statements
June 30, 2020 and 2019

4. CAPITAL ASSETS

Capital assets of the School consisted of the following:

	<u>Balance June 30, 2018</u>	<u>2019 Additions</u>	<u>Balance June 30, 2019</u>	<u>2020 Additions/ CIP Transfer</u>	<u>Balance June 30, 2020</u>
Cost:					
Furniture and equipment	\$ -	\$ -	\$ -	\$ 48,432	\$ 48,432
Computer equipment	39,749	-	39,749	-	39,749
Leasehold improvements	-	-	-	7,125	7,125
Construction in process	-	<u>7,125</u>	<u>7,125</u>	<u>(7,125)</u>	-
	<u>39,749</u>	<u>7,125</u>	<u>46,874</u>	<u>48,432</u>	<u>95,306</u>
Less - accumulated depreciation	<u>7,747</u>	<u>13,250</u>	<u>20,997</u>	<u>21,545</u>	<u>42,542</u>
Total capital assets, net	<u>\$ 32,002</u>	<u>\$ (6,125)</u>	<u>\$ 25,877</u>	<u>\$ 26,887</u>	<u>\$ 52,764</u>

5. RETIREMENT PLAN

The School's teaching staff and certain administrators participate individually in the Massachusetts Teachers' Retirement System (MTRS). MTRS is managed by the Commonwealth. The School is not legally required to contribute to MTRS. All qualified teaching staff and administrators are covered by and must participate in MTRS. These qualified employees and the School are exempt from Federal social security taxes. Benefits vest fully after ten years of full-time employment. An employee may receive retirement benefits after twenty years of service or ten years of service having attained the age of 55. Covered employees are required by state statute to contribute 11% of their salaries to the plan. The School is not legally obligated to contribute to the plan.

The School follows GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions an Amendment of GASB Statement No. 27* (GASB 27), which requires the School to recognize its proportionate share of pension expense and in-kind revenue, "on behalf of payments", related to MTRS, as reported by the Commonwealth. In accordance with GASB 68, the School's arrangement meets the definition of a special funding situation, whereby the School does not contribute to MTRS and the Commonwealth is required to make actuarially determined contributions to maintain the financial integrity of the retirement system. The School's proportionate share of MTRS pension expense, as calculated under GASB 68, was \$581,530 and \$246,361 for the years ended June 30, 2020 and 2019, respectively, which is included in in-kind revenue and in-kind pension expense in the accompanying combined statements of revenues, expenses and changes in net position. The School's proportionate share of MTRS's net pension liability was \$4,795,436 and \$2,431,146 at the measurement date selected by the Commonwealth of June 30, 2019 and 2018, respectively. In accordance with the special funding situation under GASB 68, this amount has not been recorded in the accompanying combined general purpose financial statements.

In accordance with certain contract requirements, the School was required to make payments of \$15,885 and \$17,148 to MTRS for the years ended June 30, 2020 and 2019, respectively, which are included in payroll tax and fringe benefits in the accompanying combined statements of revenues, expenses and changes in net position.

LIBERTAS ACADEMY CHARTER SCHOOL AND FRIENDS OF LIBERTAS ACADEMY CHARTER SCHOOL, INC.

Notes to Combined General Purpose Financial Statements
June 30, 2020 and 2019

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are comprised of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Accrued salaries and benefits	80%	76%
Payable to vendors	<u>20</u>	<u>24</u>
	<u>100%</u>	<u>100%</u>

7. LINE OF CREDIT

The School maintains a line of credit agreement with a bank for borrowings up to \$150,000. Interest on the line of credit is calculated at the *Wall Street Journal's* prime rate (3.25% and 5.50% at June 30, 2020 and 2019, respectively), plus 1%, with a minimum rate of 5.25% per annum. The line of credit is guaranteed by Friends. There were no amounts outstanding under this agreement as of June 30, 2020 and 2019.

8. CUMULATIVE SURPLUS REVENUE

Effective July 1, 2010, any cumulative surplus revenue generated by the School must comply with M.G.L.c.71, Section 89 (as amended by Chapter 12 of the Acts of 2010 under Section 8 (hh)). In accordance with this legislation and subsequent DESE regulations, if the School's cumulative surplus revenue, as defined, exceeds 20% of its operating budget and its budgeted capital costs for the succeeding fiscal year, the amount in excess of said 20% shall be returned by the School to the sending district or districts and the state in proportion to their share of tuition paid during the fiscal year.

As of June 30, 2020, the School's cumulative surplus revenue was less than 20%; however, the calculation is subject to DESE review and approval. Management does not anticipate any material change in the calculation.

9. PROFESSIONAL DEVELOPMENT

The School incurred expenditures for the purpose of providing professional development to staff and teachers. The School expended \$104,900 and \$3,335 for the years ended June 30, 2020 and 2019, respectively, which are reflected as professional development in the accompanying combined statements of revenues, expenses and changes in net position.

10. CONTINGENCY

During fiscal year 2020, COVID-19 was recognized as a global pandemic. Federal, state and local governments in the United States have imposed restrictions on travel and business operations. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Organization's operations and financial position. As a result, the adverse impact COVID-19 will have on the Organization's businesses, operating results, cash flows and financial condition is uncertain. The financial impact to the Organization, if any, cannot be reasonably estimated at this time.

11. RECLASSIFICATION

Certain amounts in the fiscal year 2019 combined general purpose financial statements were reclassified to conform with the fiscal year 2020 presentation.



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**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Combined General Purpose Financial Statements
Performed in Accordance With Government Auditing Standards**

Independent Auditor's Report

To the Boards of Trustees of
Libertas Academy Charter School and
Friends of Libertas Academy Charter School, Inc.:

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 combined general purpose financial statements of Libertas Academy Charter School and Friends of Libertas Academy Charter School, Inc. (collectively, the Organization), which comprise the combined statement of net position as of June 30, 2020, and the related combined statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the combined general purpose financial statements, and have issued our report thereon dated September 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined general purpose financial statements, we considered the Organization'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 combined general purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's combined general purpose 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 the Organization's combined general purpose 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 combined general purpose 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.

Westborough, Massachusetts
September 15, 2020

DRAFT



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To the Boards of Trustees and Management of
Libertas Academy Charter School and
Friends of Libertas Academy Charter School, Inc.:

In planning and performing our audit of the combined general purpose financial statements of Libertas Academy Charter School and Friends of Libertas Academy Charter School, Inc. (collectively, the Organization) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined general purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's combined general purpose financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

This communication is intended solely for the information and use of management, the Boards of Trustees, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Westborough, Massachusetts
September 15, 2020

LIBERTAS ACADEMY CHARTER SCHOOL

Key Financial Ratios
For the Years Ended June 30, 2020 and 2019

	2020	2019	2019	2019	2019	2019	2019
SCHOOL	Libertas Academy Charter School	Libertas Academy Charter School	Charter School A	Charter School B	Charter School C	Charter School D	AVERAGE - ALL *
GRADES	6 - 8	6 - 7	K - 3	5 - 8	K - 4	K - 8	
FIRST ACADEMIC YEAR	2018	2018	2015	2012	2018	1995	
LOCATION	City	City	City	City	Suburb	Suburb	
OWN/LEASE	Lease	Lease	Lease	Own	Lease	Lease	
SQUARE FEET OF FACILITY	18,900	13,700	24,000	50,000	19,056	37,488	84,208
FOUNDATION	Yes	Yes	Yes	Yes	No	Yes	
AVERAGE NUMBER OF EMPLOYEES	42	29	45	74	27	74	125
NUMBER OF STUDENTS	260	168	270	348	200	458	719
1.) CURRENT RATIO:							
Current assets	915,529	767,395	1,517,547	915,995	572,154	3,857,530	4,848,908
Current liabilities	349,319	235,448	227,991	546,175	411,314	3,808,733	1,576,501
	2.62	3.26	6.66	1.68	1.39	1.01	3.08
2.) DEBT TO EQUITY:							
Total liabilities	349,319	235,448	227,991	3,714,101	411,314	32,084,870	12,252,857
Total net position	618,974	557,824	1,364,556	1,277,801	165,000	1,426,748	9,816,577
	0.56	0.42	0.17	2.91	2.49	22.49	1.25
3.) UNRESTRICTED OPERATING REVENUE:							
Per-pupil tuition	\$ 3,722,729 85.3%	\$ 2,331,330 77.0%	\$ 3,614,081 83.3%	\$ 4,495,968 81.4%	\$ 2,536,081 80.8%	\$ 6,057,402 93.5%	\$ 10,804,879 86.2%
Grants - government	467,053 10.7%	439,958 14.6%	571,080 13.2%	407,400 7.4%	542,917 17.3%	186,711 3.0%	837,999 6.7%
Grants and contributions	157,120 3.6%	224,396 7.4%	149,103 3.4%	203,672 3.7%	11,525 0.4%	7,499 0.1%	421,412 3.4%
Program fees	20,094 0.5%	25,466 0.8%	- 0.0%	321,124 5.8%	52,838 1.7%	13,465 0.2%	270,682 2.2%
Interest and other	867 0.0%	1,138 0.0%	6,150 0.1%	94,890 1.7%	- 0.0%	211,266 3.3%	195,302 1.6%
*Revenues above are net of all in-kind, inter-agency and non-operating activity	\$ 4,367,863 100.0%	\$ 3,022,288 100.0%	\$ 4,340,414 100.0%	\$ 5,523,054 100.0%	\$ 3,143,361 100.0%	\$ 6,476,343 100.0%	\$ 12,530,274 100.0%
4.) OPERATING EXPENSES:							
Personnel and related	\$ 2,954,179 68.5%	\$ 1,780,259 63.6%	\$ 2,498,302 64.4%	\$ 3,878,749 70.0%	\$ 1,447,884 48.2%	\$ 5,053,890 80.8%	\$ 8,110,232 66.0%
Student costs	804,850 18.7%	617,548 22.1%	579,604 14.9%	416,338 7.5%	788,804 26.2%	352,785 5.6%	1,408,626 11.5%
Occupancy	373,931 8.7%	259,398 9.3%	560,470 14.4%	719,782 13.0%	456,962 15.2%	557,180 8.9%	1,448,976 11.8%
Other	152,208 3.5%	127,371 4.6%	243,284 6.3%	418,475 7.6%	308,345 10.3%	235,144 3.8%	706,056 5.7%
Depreciation	21,545 0.5%	13,250 0.5%	- 0.0%	106,122 1.9%	1,280 0.0%	57,704 0.9%	622,323 5.1%
	\$ 4,306,713 100.0%	\$ 2,797,826 100.0%	\$ 3,881,660 100.0%	\$ 5,539,466 100.0%	\$ 3,003,275 100.0%	\$ 6,256,703 100.0%	\$ 12,296,213 100.0%
Expenses covered by tuition revenue	86.4%	83.3%	93.1%	81.2%	84.4%	96.8%	87.9%
*Expenses above are net of all in-kind, inter-agency and non-operating activity							
5.) Changes in net position from operations	\$ 61,150	\$ 224,462	\$ 458,754	\$ (16,412)	\$ 140,086	\$ 219,640	\$ 234,061
6.) Changes in net position	\$ 61,150	\$ 224,462	\$ 460,135	\$ (10,245)	\$ 140,086	\$ (1,295,473)	\$ 358,702

LIBERTAS ACADEMY CHARTER SCHOOL

Key Financial Ratios
For the Years Ended June 30, 2020 and 2019

	2020	2019	2019	2019	2019	2019	
SCHOOL	Libertas Academy Charter School	Libertas Academy Charter School	Charter School A	Charter School B	Charter School C	Charter School D	AVERAGE - ALL *
GRADES	6 - 8	6 - 7	K - 3	5 - 8	K - 4	K - 8	
FIRST ACADEMIC YEAR	2018	2018	2015	2012	2018	1995	
LOCATION	City	City	City	City	Suburb	Suburb	
OWN/LEASE	Lease	Lease	Lease	Own	Lease	Lease	
SQUARE FEET OF FACILITY	18,900	13,700	24,000	50,000	19,056	37,488	84,208
FOUNDATION	Yes	Yes	Yes	Yes	No	Yes	
AVERAGE NUMBER OF EMPLOYEES	42	29	45	74	27	74	125
NUMBER OF STUDENTS	260	168	270	348	200	458	719
7.)							
Number of students	260	168	270	348	200	458	719
Tuition per student	\$ 14,318	\$ 13,877	\$ 13,385	\$ 12,919	\$ 12,680	\$ 13,226	\$ 15,028
Government funding per student	\$ 16,115	\$ 16,496	\$ 15,501	\$ 14,090	\$ 15,395	\$ 13,633	\$ 16,193
Total expense per student	\$ 16,564	\$ 16,654	\$ 14,377	\$ 15,918	\$ 15,016	\$ 13,661	\$ 17,102
Total personnel and student cost per student	\$ 14,458	\$ 14,273	\$ 11,400	\$ 12,342	\$ 11,183	\$ 11,805	\$ 13,239
Square feet per student	73	82	89	144	95	82	117
Occupancy cost per square foot	\$ 20	\$ 19	\$ 23	\$ 14	\$ 24	\$ 15	\$ 17
Occupancy cost per square foot with depreciation	\$ 21	\$ 20	\$ 23	\$ 17	\$ 24	\$ 16	\$ 25
Personnel costs to number of employees	\$ 70,338	\$ 61,388	\$ 55,518	\$ 52,416	\$ 53,625	\$ 68,296	\$ 64,882
8.)							
NUMBER OF MONTH OPERATING EXPENSES IN UNRESTRICTED NET POSITION:							
Total operating expenses	\$ 4,306,713	\$ 2,797,826	\$ 3,881,660	\$ 5,539,466	\$ 3,003,275	\$ 6,256,703	\$ 12,296,213
Less - depreciation	21,545	13,250	-	106,122	1,280	57,704	622,323
	4,285,168	2,784,576	3,881,660	5,433,344	3,001,995	6,198,999	11,673,890
Divided by 12 months	12	12	12	12	12	12	12
Monthly operating expenses	357,097	232,048	323,472	452,779	250,166	516,583	972,824
Unrestricted operating net position	564,610	531,947	1,317,454	573,454	160,840	73,162	4,196,767
Months operating expenses in unrestricted operating net position	1.58	2.29	4.07	1.27	0.64	0.14	4.31
Months in FY 20 budgeted operating expenses in unrestricted operating net position	1.59	1.50					

* Industry average is compiled from approximately 32 Commonwealth Charter Schools that AAFCPAs audited during fiscal year 2019.

LIBERTAS ACADEMY CHARTER SCHOOL

Benchmarking Ratios

For the Years Ended June 30, 2020 and 2019

Ratios	2020	2019	Low Risk	Moderate Risk	High Risk
Current Ratio (current assets divided by current liabilities)	2.15	2.60	>1.5	Between 1.0 and 1.5	< 1.0
Unrestricted Days Cash (cash divided by (expenses - depreciation)/365)	42	46	>= 60 days	Between 30 and 60 days	< 30 days
Unrestricted Days Cash including Tuition Receivable ((cash + tuition receivable) divided by (expenses - depreciation) /365)	42	54	>= 60 days	Between 30 and 60 days	< 30 days
Percentage of Program Paid by Tuition (tuition + in-kind divided by total expenses)	88.9%	86.2%	>= 90%	Between 75% and 90%	< 75%
Percentage of Program Paid by Tuition & Federal Grants ((tuition + federal grants + in-kind) divided by total expenses))	97.8%	99.2%	>= 90%	Between 75% and 90%	< 75%
Percentage of Total Revenue Expended on Facilities (operating and maintenance + financing expenses (includes interest and depreciation) divided by total revenues)	7.4%	7.7%	<=15%	Between 15% and 30%	> 30%
Change in Net Position Percentage (change in net position divided by total revenue)	0.9%	4.5%	Positive %	Between -2% and 0%	< -2%
Debt to Asset (total liabilities divided by total assets)	0.44	0.37	<=.9	Between .9 and 1	> 1

LIBERTAS ACADEMY CHARTER SCHOOL

Schedule of 20% Excess Carryover Calculation

June 30, 2020

(Unaudited)

1	Cumulative surplus beginning of year	\$ 40,995	
2	Change in net position	50,033	
	Less:		
3	Contributions	146,024	
4	Interest income	833	
5	Principal payments on debt	-	
6	Capital expenses, less related debt/reserve funds	48,432	
7	Current deposits to reserve funds for capital projects	-	
8	Current deposits to reserve funds held as security for debt	-	
9	Other	13	
	Subtotal	(104,274)	(104,274)
	Plus:		
10	Fundraising expense	251	
11	Depreciation	21,545	
12	Other	-	
	Subtotal	21,796	21,796
	Total Surplus (Deficit)		(82,478)
13	25% of actual tuition payment for current year	(930,682)	
14	20% of projected tuition for the following year	(808,981)	
15	20% of budgeted expenditures from capital projects reserve fund for the following year	-	
		-	
16	Allowable Carryover		(1,739,663)
17	Excess Surplus (Deficit)		\$ (1,822,141)

Cover Sheet

June FY20 Financials

Section: IV. Finance
Item: A. June FY20 Financials
Purpose: Vote
Submitted by:
Related Material: June FY20.xlsx - DESE Dashboard.pdf
June FY20.xlsx - SNP.pdf
June FY20.xlsx - Summary.pdf

**Libertas Academy Charter School
Summary based on FY20 Projections
June 30, 2020**

		DESE Measure of Risk			
		Low	Medium	High	
		<u>Unaudited</u>			
Current Ratio	2.15	1	>= 1.5	1.0 to 1.5	< 1.0
Current Assets divided by Current Liabilities					
Unrestricted Days Cash	63	1	>= 60 days	30 to 60 Days	< 30 days
Number of days expenses can be paid without another inflow of cash. Cash & Cash Equivalents divided by (Total Expenses less Depreciation/365)					
Percentage of Program Paid by Tuition	86%	2	>= 90%	75% to 90%	< 75%
Percentage of total expense funded by tuition. Tuition plus In-Kind Contributions divided by Total Expenses					
Percentage of Program Paid by Tuition & Federal Grants	96%	1	>= 90%	75% to 90%	< 75%
Percentage of total expense funded by tuition and Federal Grants. Tuition plus In-Kind Contributions plus Federal Grants, divided by Total Expenses					
Percentage of Total Revenue Expended on Facilities	11%	1	≤ 15%	15% to 30%	> 30%
Operation & Maintenance plus Non-Operating Financing Expenses of Plant divided by Total Revenue					
Change in Net Assets Percentage	0.26%	1	Positive %	-2% to 0%	< -2%
Change in Net Assets divided by Total Revenue					
Debt to Asset Ratio	0.44	1	≤ .9	.9 to 1	> 1

Areas of concern:

The unrestricted days cash is expected to be at medium risk for the remainder of the year, typical for a new charter school.

**Libertas Academy Charter School and Friends of LACS
Statements of Net Position**

	School			Friends		
	Unaudited 6/30/20	Audited at 6/30/19	Change	6/30/2020	Audited at 6/30/19	Change
ASSETS						
Current Assets						
1000 · Cash and Cash Equivalents	606,605	421,062	185,542	165,994	154,877	11,117
1102 · Accounts Receivable	75,726	151,449	(75,723)	-	-	-
1207 - Due from Related Parties (School)	-	-	-	-	-	-
1308 · Prepaid Expenses	56,027	28,830	27,197	-	-	-
1510 - Deposit (Security, Other)	11,177	11,177	-	-	-	-
Total Current Assets	<u>749,534</u>	<u>612,518</u>	<u>137,016</u>	<u>165,994</u>	<u>154,877</u>	<u>11,117</u>
Fixed Assets						
1514 · Building/Leasehold Improvement	7,125	7,125	-	-	-	-
1515 · Furniture and Equipment	88,181	39,749	48,432	-	-	-
1616 · Less Accumulated Depreciation	(42,542)	(20,997)	(21,545)	-	-	-
Total Fixed Assets	<u>52,764</u>	<u>25,877</u>	<u>26,887</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>802,298</u>	<u>638,395</u>	<u>163,903</u>	<u>165,994</u>	<u>154,877</u>	<u>11,117</u>
LIABILITIES						
Accounts Payable						
2024 · Accounts Payable	68,364	57,578	10,786	-	-	-
Total Accounts Payable	<u>68,364</u>	<u>57,578</u>	<u>10,786</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Current Liabilities						
2125 · Accrued Expenses/Accrued Payroll	280,956	177,488	103,469	-	-	-
2226 · Current Deferred Revenue	-	383	(383)	-	-	-
2327 - Due to related party (Friends)	-	-	-	-	-	-
2428 - Current Debt Payable - Line of Credit	-	-	-	-	-	-
Total Other Current Liabilities	<u>280,956</u>	<u>177,871</u>	<u>103,086</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>349,321</u>	<u>235,449</u>	<u>113,872</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Temporarily Restricted	-	-	-	1,600	1,600	-
Unrestricted	452,977	402,946	50,031	164,394	154,877	9,517
TOTAL NET POSITION	<u>452,977</u>	<u>402,946</u>	<u>50,031</u>	<u>165,994</u>	<u>156,477</u>	<u>9,517</u>
TOTAL LIABILITIES & NET POSITION	<u>802,298</u>	<u>638,395</u>	<u>163,903</u>	<u>165,994</u>	<u>156,477</u>	<u>9,517</u>

Notes:

Libertas Academy Charter School
Statement of Revenues, Expenses and Change in Net Position Summary
 6/30/2020
 Unaudited

	YTD Actual	% of Revenue	% of YTD Actual to Annual Budget	Annual Budget	Annual Projection	Projections vs Annual Budget
Revenues						
4001 · Tuition	3,722,729	70%	98%	3,797,280	3,722,729	(74,551)
4100 · Government Grants & Funding	467,053	9%	142%	330,000	467,053	137,053
4400 · Private Support Funding	1,099,194	21%	733%	150,000	1,099,194	949,194
4500 · Student Programs & Misc Fees	20,107	0%	74%	27,000	20,107	(6,893)
4716 · Interest / Investment Income	833	0%	0%		833	833
Total Revenues	5,309,915	100%	123%	4,304,280	5,309,915	1,005,635
Expenses						
5000 · Personnel Costs	3,430,809	65%	122%	2,811,672	3,430,809	619,137
5100 · Administrative Costs	327,197	6%	132%	246,963	327,197	80,234
5200 · Instructional Services	635,929	12%	95%	671,340	635,929	(35,411)
5300 · Other Student Services	424,117	8%	589%	72,000	424,117	352,117
5400 · Facility & Other Fixed Costs	441,832	8%	94%	470,560	441,832	(28,728)
9999 · Contingency		0%			-	-
Total Expenses	5,259,884	99%	123%	4,272,535	5,259,884	987,350
Change in Net Position	50,031	1%		31,745	50,030	18,285

Financial Highlights

Cover Sheet

FY21 July Financials

Section: IV. Finance
Item: B. FY21 July Financials
Purpose: Vote
Submitted by:
Related Material: July FY21.xlsx - DESE Dashboard.pdf
July FY21.xlsx - SNP.pdf
July FY21.xlsx - Summary.pdf

**Libertas Academy Charter School
Summary based on FY20 Projections
July 31, 2020**

		DESE Measure of Risk			
		Low	Medium	High	
		<u>Unaudited</u>			
Current Ratio	1.60	1	≥ 1.5	1.0 to 1.5	< 1.0
Current Assets divided by Current Liabilities					
Unrestricted Days Cash	56	2	≥ 60 days	30 to 60 Days	< 30 days
Number of days expenses can be paid without another inflow of cash. Cash & Cash Equivalents divided by (Total Expenses less Depreciation/365)					
Percentage of Program Paid by Tuition	86%	2	≥ 90%	75% to 90%	< 75%
Percentage of total expense funded by tuition. Tuition plus In-Kind Contributions divided by Total Expenses					
Percentage of Program Paid by Tuition & Federal Grants	96%	1	≥ 90%	75% to 90%	< 75%
Percentage of total expense funded by tuition and Federal Grants. Tuition plus In-Kind Contributions plus Federal Grants, divided by Total Expenses					
Percentage of Total Revenue Expended on Facilities	11%	1	≤ 15%	15% to 30%	> 30%
Operation & Maintenance plus Non-Operating Financing Expenses of Plant divided by Total Revenue					
Change in Net Assets Percentage	0.26%	1	Positive %	-2% to 0%	< -2%
Change in Net Assets divided by Total Revenue					
Debt to Asset Ratio	0.57	1	≤ .9	.9 to 1	> 1

Areas of concern:

The unrestricted days cash is expected to be at medium risk for the remainder of the year, typical for a new charter school.

**Libertas Academy Charter School and Friends of LACS
Statements of Net Position**

	School			Friends		
	Unaudited 7/31/20	Audited at 6/30/20	Change	6/30/2020	Audited at 6/30/20	Change
ASSETS						
Current Assets						
1000 · Cash and Cash Equivalents	525,717	606,605	(80,887)	166,041	165,994	47
1102 · Accounts Receivable	1,343	75,726	(74,383)	-	-	-
1207 - Due from Related Parties (School)	-	-	-	-	-	-
1308 · Prepaid Expenses	25,131	56,027	(30,896)	-	-	-
1510 - Deposit (Security, Other)	11,177	11,177	-	-	-	-
Total Current Assets	<u>563,368</u>	<u>749,534</u>	<u>(186,166)</u>	<u>166,041</u>	<u>165,994</u>	<u>47</u>
Fixed Assets						
1514 · Building/Leasehold Improvement	7,125	7,125	-	-	-	-
1515 · Furniture and Equipment	88,181	88,181	-	-	-	-
1616 · Less Accumulated Depreciation	(42,542)	(42,542)	-	-	-	-
Total Fixed Assets	<u>52,764</u>	<u>52,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>616,132</u>	<u>802,298</u>	<u>(186,166)</u>	<u>166,041</u>	<u>165,994</u>	<u>47</u>
LIABILITIES						
Accounts Payable						
2024 · Accounts Payable	61,947	68,364	(6,417)	-	-	-
Total Accounts Payable	<u>61,947</u>	<u>68,364</u>	<u>(6,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Current Liabilities						
2125 · Accrued Expenses/Accrued Payroll	290,359	280,956	9,402	-	-	-
2226 · Current Deferred Revenue	-	-	-	-	-	-
2327 - Due to related party (Friends)	-	-	-	-	-	-
2428 - Current Debt Payable - Line of Credit	-	-	-	-	-	-
Total Other Current Liabilities	<u>290,359</u>	<u>280,956</u>	<u>9,402</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>352,306</u>	<u>349,321</u>	<u>2,985</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Temporarily Restricted	-	-	-	1,600	1,600	-
Unrestricted	263,826	452,977	(189,151)	164,441	164,394	47
TOTAL NET POSITION	<u>263,826</u>	<u>452,977</u>	<u>(189,151)</u>	<u>166,041</u>	<u>165,994</u>	<u>47</u>
TOTAL LIABILITIES & NET POSITION	<u>616,132</u>	<u>802,298</u>	<u>(186,166)</u>	<u>166,041</u>	<u>165,994</u>	<u>47</u>

Notes:

Libertas Academy Charter School
Statement of Revenues, Expenses and Change in Net Position Summary
 7/31/2020
 Unaudited

	YTD Actual	% of Revenue	% of YTD Actual to Annual Budget	Annual Budget	Annual Projection	Projections vs Annual Budget
Revenues						
4001 · Tuition	310,227	94%	8%	3,797,280	3,697,595	(99,685)
4100 · Government Grants & Funding	19,912	6%	6%	330,000	445,098	115,098
4400 · Private Support Funding	10	0%	0%	150,000	150,000	-
4500 · Student Programs & Misc Fees	-	0%	0%	27,000	27,000	-
4716 · Interest / Investment Income	98	0%	0%	-	-	-
Total Revenues	330,247	100%	8%	4,304,280	4,319,693	15,413
Expenses						
5000 · Personnel Costs	335,366	102%	12%	2,811,672	2,794,976	(16,696)
5100 · Administrative Costs	88,976	27%	36%	246,963	331,841	84,878
5200 · Instructional Services	57,093	17%	9%	671,340	646,636	(24,704)
5300 · Other Student Services	4,165	1%	6%	72,000	65,000	(7,000)
5400 · Facility & Other Fixed Costs	33,799	10%	7%	470,560	470,184	(376)
9999 · Contingency	-	0%	-	-	-	-
Total Expenses	519,399	157%	12%	4,272,535	4,308,637	36,103
Change in Net Position	(189,151)	-57%		31,745	11,055	(20,690)

Financial Highlights

Cover Sheet

FY21 August Financials

Section: IV. Finance
Item: C. FY21 August Financials
Purpose: Vote
Submitted by:
Related Material: Aug FY21.xlsx - Cash Flow.pdf
Aug FY21.xlsx - DESE Dashboard.pdf
Aug FY21.xlsx - Details.pdf
Aug FY21.xlsx - SNP.pdf
Aug FY21.xlsx - School AP. August.pdf
Aug FY21.xlsx - Summary.pdf

**Libertas Academy Charter School
Cash Flow Report as of August 31, 2020**

	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	July	August	September	October	November	December
Beginning Bank Balance (operating accounts only)	606,605	525,717	463,982	472,072	455,266	435,195
Inflows						
Tuition Revenue	310,227	310,227	310,227	300,000	300,000	300,000
Government Grant Revenue	94,602	1,036	25,574		33,828	
Private Revenue						
Interest and Miscellaneous Revenue	108	78		44		
Outflows						
Personnel Costs	299,897	244,165	244,165	244,165	244,165	244,165
Expenses and Liabilities	185,927	128,911	83,546	72,685	109,734	117,981
Capital Purchases						
Inflows less Outflows	(80,887)	(61,735)	8,090	(16,806)	(20,071)	(62,146)
Draw on Line of Credit						
Private Lending						
Ending Bank Balance	525,717	463,982	472,072	455,266	435,195	373,049

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	January	February	March	April	May	June
Beginning Bank Balance (operating accounts only)	373,049	325,243	305,646	258,230	286,357	273,813
Inflows						
Tuition Revenue	300,000	300,000	300,000	300,000	300,000	300,000
Government Grant Revenue	111,193	21,238	14,651	75,283	26,289	36,136
Private Revenue						146,024
Interest and Miscellaneous Revenue	5,513	50	51	66	75	103
Outflows						
Personnel Costs	244,165	244,165	244,165	244,165	244,165	244,165
Expenditures and Liabilities	220,347	96,720	117,953	103,057	94,743	78,080
Capital Purchases						
Inflows less Outflows	(47,806)	(19,597)	(47,416)	28,127	(12,544)	160,018
Draw on Line of Credit						
Private Lending						
Ending Bank Balance	325,243	305,646	258,230	286,357	273,813	433,832

Notes:

Private & Miscellaneous revenue is only recognized when received - it is not forecasted in this cash flow.

**Libertas Academy Charter School
Summary based on FY20 Projections
August 31, 2020**

		DESE Measure of Risk			
		Low	Medium	High	
		<u>Unaudited</u>			
Current Ratio	1.29	2	>= 1.5	1.0 to 1.5	< 1.0
Current Assets divided by Current Liabilities					
Unrestricted Days Cash	51	2	>= 60 days	30 to 60 Days	< 30 days
Number of days expenses can be paid without another inflow of cash. Cash & Cash Equivalents divided by (Total Expenses less Depreciation/365)					
Percentage of Program Paid by Tuition	86%	2	>= 90%	75% to 90%	< 75%
Percentage of total expense funded by tuition. Tuition plus In-Kind Contributions divided by Total Expenses					
Percentage of Program Paid by Tuition & Federal Grants	96%	1	>= 90%	75% to 90%	< 75%
Percentage of total expense funded by tuition and Federal Grants. Tuition plus In-Kind Contributions plus Federal Grants, divided by Total Expenses					
Percentage of Total Revenue Expended on Facilities	11%	1	<= 15%	15% to 30%	> 30%
Operation & Maintenance plus Non-Operating Financing Expenses of Plant divided by Total Revenue					
Change in Net Assets Percentage	0.26%	1	Positive %	-2% to 0%	< -2%
Change in Net Assets divided by Total Revenue					
Debt to Asset Ratio	0.70	1	<= .9	.9 to 1	> 1

Areas of concern:

The unrestricted days cash is expected to be at medium risk for the remainder of the year, typical for a new charter school.

**Libertas Academy Charter School
Statement of Revenues, Expenses and Change in Net Position
as of August 31,2020**

	YTD Actual	% of Revenue	% of YTD Actual to Annual Budget	Annual Budget	Annual Projection	Projections vs Annual Budget
Revenues						
4001 · Tuition	620,454	97%	16%	3,797,280	3,697,595	(99,685)
4100 · Government Grants & Funding	19,912	3%	6%	330,000	445,098	115,098
4400 · Private Support Funding	10	0%	0%	150,000	150,000	-
4500 · Student Programs & Misc Fees	-	0%	0%	27,000	27,000	-
4716 · Interest / Investment Income	176	0%	0%	-	-	-
Total Revenues	640,552	100%	15%	4,304,280	4,319,693	15,413
Expenses						
5000 · Personnel Costs						
5000 - Personnel Salaries	516,987		21%	2,434,348	2,400,694	(33,654)
5520f · Fringe Benefits	54,498		19%	292,122	288,083	(4,039)
5520m · MTRS Expense	-		0%	12,172	12,003	(169)
5520t · Payroll Taxes	17,469		24%	73,030	94,196	21,166
Total 5000 · Personnel Costs	588,953	92%	21%	2,811,672	2,794,976	(16,696)
5100 · Administrative Costs						
5112 · Board Travel & Other Exp	11,400		76%	15,000	23,400	8,400
5122 · Contr Serv - School Leader	-		0%	7,211	-	(7,211)
5132 · Contr Serv - Business & Finance	37,086		74%	50,000	75,000	25,000
5142 · Contr Serv - Human Resources	8,280		28%	30,000	39,456	9,456
5152 · Contr Serv - Legal	-		0%	5,151	5,151	-
5162 · Contr Serv - IT	30,547		424%	7,211	34,121	26,910
5163 · Supplies & Materials - IT	1,908		6%	31,553	10,415	(21,138)
5173 · Fundraising	-		0%	7,071	5,000	(2,071)
5182 · Staff Recruitment and Advertising	1,336		7%	20,200	30,000	9,800
5182s · Student Recruitment and Advertising	12,642		61%	20,604	36,798	16,194
5183 · Travel, Dues & Other Exp -Admin	15,223		66%	22,962	27,500	4,538
5184 · Supplies & Materials - Admin	29,449		98%	30,000	45,000	15,000
Total 5100 · Administrative Costs	147,871	23%	60%	246,963	331,841	84,878
5200 · Instructional Services						
5234 · Contr Serv - Other Teaching	8,276		4%	185,000	185,000	-
5242 · Contr Serv - Prof Development	11,700		20%	60,000	97,400	37,400
5244 · Travel & Other Exp -Prof Develop	1,511		8%	20,000	20,000	-
5261 · Books and Libraries	1,042		2%	46,821	20,000	(26,821)
5263 · Instructional Equipment	-		0%	95,000	117,175	22,175
5264 · General Supplies -Instructional	18,705		17%	109,519	60,000	(49,519)
5266 · Classroom Instructional Tech	74,982		88%	85,000	79,061	(5,939)
5268 · Instructional Software	6,150		9%	70,000	68,000	(2,000)
Total 5200 · Instructional Services	122,367	19%	18%	671,340	646,636	(24,704)
5300 · Other Student Services						
5320 · Health Services	3,665		31%	12,000	5,000	(7,000)
5330 · Student Transportation	-		0%	20,000	10,000	(10,000)
5370 · Other Student Activities	500		1%	40,000	50,000	10,000
Total 5300 · Other Student Services	4,165	1%	6%	72,000	65,000	(7,000)
5400 · Facility & Other Fixed Costs						
5420 · Utilities	3,470		14%	25,504	25,999	495
5430 · Maint of Buildings & Grounds	3,379		5%	65,342	57,667	(7,675)
5450 · Networking & Communications	4,968		15%	33,354	25,500	(7,854)
5730 · Other costs rel. Cap. Facility	-		0%	6,050	2,820	(3,230)
5740 · Rental/Lease of Building & Ground	50,817		17%	300,288	300,288	-
5530 · Insurance (non-employee)	3,236		21%	15,453	15,453	-
5550 · Rental / Lease of Equipment	1,140		8%	13,794	21,003	7,209
5750 Depreciation	-		0%	10,775	21,454	10,679
Total 5400 · Facility & Other Fixed Costs	67,009	10%	14%	470,560	470,184	(376)
Total Expenses	930,366	145%	22%	4,272,535	4,308,637	36,103
Change in Net Position	(289,814)	-45%		31,745	11,055	(20,690)

**Libertas Academy Charter School and Friends of LACS
Statements of Net Position**

	School			Friends		
	Unaudited 8/31/20	Audited at 6/30/20	Change	6/30/2020	Audited at 6/30/20	Change
ASSETS						
Current Assets						
1000 · Cash and Cash Equivalents	463,982	606,605	(142,623)	165,994	165,994	-
1102 · Accounts Receivable	-	75,726	(75,726)	-	-	-
1207 - Due from Related Parties (School)	-	-	-	-	-	-
1308 · Prepaid Expenses	25,131	56,027	(30,896)	-	-	-
1510 - Deposit (Security, Other)	11,177	11,177	-	-	-	-
Total Current Assets	<u>500,290</u>	<u>749,534</u>	<u>(249,245)</u>	<u>165,994</u>	<u>165,994</u>	<u>-</u>
Fixed Assets						
1514 · Building/Leasehold Improvement	7,125	7,125	-	-	-	-
1515 · Furniture and Equipment	88,181	88,181	-	-	-	-
1616 · Less Accumulated Depreciation	<u>(42,542)</u>	<u>(42,542)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fixed Assets	<u>52,764</u>	<u>52,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>553,053</u>	<u>802,298</u>	<u>(249,245)</u>	<u>165,994</u>	<u>165,994</u>	<u>-</u>
LIABILITIES						
Accounts Payable						
2024 · Accounts Payable	105,727	68,364	37,363	-	-	-
Total Accounts Payable	<u>105,727</u>	<u>68,364</u>	<u>37,363</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Current Liabilities						
2125 · Accrued Expenses/Accrued Payroll	244,263	280,956	(36,693)	-	-	-
2226 · Current Deferred Revenue	-	-	-	-	-	-
2327 - Due to related party (Friends)	-	-	-	-	-	-
2428 - Current Debt Payable - Line of Credit	-	-	-	-	-	-
Total Other Current Liabilities	<u>283,581</u>	<u>280,956</u>	<u>2,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>389,308</u>	<u>349,321</u>	<u>39,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Temporarily Restricted	-	-	-	1,600	1,600	-
Unrestricted	163,745	452,977	(289,232)	164,394	164,394	-
TOTAL NET POSITION	<u>163,745</u>	<u>452,977</u>	<u>(289,232)</u>	<u>165,994</u>	<u>165,994</u>	<u>-</u>
TOTAL LIABILITIES & NET POSITION	<u>553,053</u>	<u>802,298</u>	<u>(249,245)</u>	<u>165,994</u>	<u>165,994</u>	<u>-</u>

Notes:

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
AAF	9,150.00	0.00	0.00	0.00	0.00	9,150.00
Central Source	6,582.99	0.00	0.00	0.00	0.00	6,582.99
Cenveo Worldwide Limited	0.00	6,218.83	0.00	0.00	0.00	6,218.83
City of Springfield	0.00	200.00	0.00	0.00	0.00	200.00
Comcast Business	1,400.00	0.00	0.00	0.00	0.00	1,400.00
deRenzy Business Technologies, Inc.	665.69	0.00	0.00	0.00	0.00	665.69
Desai Communications, Inc	8,727.11	0.00	0.00	0.00	0.00	8,727.11
EdLight, PBC	1,000.00	0.00	0.00	0.00	0.00	1,000.00
HiQ	1,600.00	0.00	0.00	0.00	0.00	1,600.00
MA Charter School Association	7,445.00	0.00	0.00	0.00	0.00	7,445.00
Mass Surgical Supply	3,664.52	0.00	0.00	0.00	0.00	3,664.52
NEPM	2,647.11	0.00	0.00	0.00	0.00	2,647.11
One Call Now	600.30	0.00	0.00	0.00	0.00	600.30
S.J. Services	0.00	1,812.00	0.00	0.00	0.00	1,812.00
Swivl	1,308.00	0.00	0.00	0.00	0.00	1,308.00
W.B.Mason	5,325.49	0.00	0.00	0.00	0.00	5,325.49
Zoom	3,600.00	0.00	0.00	0.00	0.00	3,600.00
TOTAL	53,716.21	8,230.83	0.00	0.00	0.00	61,947.04

Libertas Academy Charter School
Statement of Revenues, Expenses and Change in Net Position Summary
 8/31/2020
 Unaudited

	YTD Actual	% of Revenue	% of YTD Actual to Annual Budget	Annual Budget	Annual Projection	Projections vs Annual Budget
Revenues						
4001 · Tuition	620,454	97%	16%	3,797,280	3,697,595	(99,685)
4100 · Government Grants & Funding	19,912	3%	6%	330,000	445,098	115,098
4400 · Private Support Funding	10	0%	0%	150,000	150,000	-
4500 · Student Programs & Misc Fees	-	0%	0%	27,000	27,000	-
4716 · Interest / Investment Income	176	0%	0%	-	-	-
Total Revenues	640,552	100%	15%	4,304,280	4,319,693	15,413
Expenses						
5000 · Personnel Costs	588,953	92%	21%	2,811,672	2,794,976	(16,696)
5100 · Administrative Costs	147,871	23%	60%	246,963	331,841	84,878
5200 · Instructional Services	122,367	19%	18%	671,340	646,636	(24,704)
5300 · Other Student Services	4,165	1%	6%	72,000	65,000	(7,000)
5400 · Facility & Other Fixed Costs	67,009	10%	14%	470,560	470,184	(376)
9999 · Contingency		0%			-	-
Total Expenses	930,366	145%	22%	4,272,535	4,308,637	36,103
Change in Net Position	(289,814)	-45%		31,745	11,055	(20,690)

Financial Highlights