

Pennsylvania Coalition of Public Charter Schools

**Financial Statements
And
Independent Auditor's Report**

Year Ended June 30, 2019

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Independent Auditor's Report

Board of Directors
Pennsylvania Coalition of Public Charter Schools
King of Prussia, Pennsylvania

We have audited the accompanying financial statements of the Pennsylvania Coalition of Public Charter Schools (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

SD Associates P.C.

Elkins Park, Pennsylvania
January 10, 2020

Pennsylvania Coalition of Public Charter Schools
Statement of Financial Position
June 30, 2019

Assets	
Current assets	
Cash and cash equivalents	\$ 483,666
Prepaid expenses	10,000
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Total current assets	\$ 493,666
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Liabilities	
Current liabilities	
Accounts payable	\$ 18,481
Deferred revenue	162,617
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Total current liabilities	181,098
Net Assets	
Without donor restrictions	312,568
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	\$ 493,666

See accompanying notes to financial statements.

**Pennsylvania Coalition of Public Charter Schools
Statement of Activities
Year Ended June 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Membership dues	\$ 325,189	\$ -	\$ 325,189
Contributions	8,047	-	8,047
Sponsorships	120,682	-	120,682
Other	1,600	-	1,600
Interest income	1,547	-	1,547
Net assets released from restrictions			
Expiration of time restrictions	150,000	(150,000)	-
Total revenue and support	607,065	(150,000)	457,065
Expenses			
Program services	226,416	-	226,416
Management and general	197,783	-	197,783
Total expenses	424,198	-	424,198
Change in Net Assets	182,867	(150,000)	32,867
Net Assets - Beginning of Year	129,701	150,000	279,701
Net Assets - End of Year	\$ 312,568	\$ -	\$ 312,568

See accompanying notes to financial statements.

Pennsylvania Coalition of Public Charter Schools
Statement of Cash Flows
Year Ended June 30, 2019

Cash Flows From Operating Activities	
Change in net assets	\$ 32,867
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Grant receivable	150,000
Prepaid expenses	(2,007)
Accounts payable	(19,997)
Deferred revenue	34,613
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Net cash provided by operating activities	195,476
Cash and Cash Equivalents - Beginning of Year	288,190
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Cash and Cash Equivalents - End of Year	\$ 483,666

See accompanying notes to financial statements.

Pennsylvania Coalition of Public Charter Schools
Notes to Financial Statements
June 30, 2019

Note 1 Nature of Activities

The Pennsylvania Coalition of Public Charter Schools (the "Organization") was formed as a Pennsylvania nonprofit organization in October 2005. The Organization's mission is to advocate, communicate, engage in coalition building and support quality to create an environment conducive to the growth of Pennsylvania's charter movement and provide services to its charter school members aimed at increasing school quality, enhancing student performance and improving internal operations.

Note 2 Summary of Significant Accounting Policies

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the statement of financial position and the amounts of change in each of those classes of net assets be displayed in the statement of activities.

In accordance with U.S. generally accepted accounting principles (U.S. GAAP), the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions- net assets available for general use to support operations. The only limits on the use of net assets without donor restrictions are broad limits resulting from the nature of the Organization, the environment in which it operates, and the purpose specified in its corporate documents.

Net assets with donor restrictions- net assets subject to donor restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Income from investment gains and losses, including unrealized gains and losses, dividends and interest, are reported as increases (or decreases) in net assets without donor restrictions unless the use of the income received is limited by donor imposed restrictions.

Basis of Accounting

The Foundation maintains its records on the accrual basis for both financial statements and tax return purposes.

Pennsylvania Coalition of Public Charter Schools
Notes to Financial Statements
June 30, 2019

Note 2 Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Membership Dues

Membership dues are collected from member schools based on student enrollment.

Deferred Revenue

Income from sponsorships is deferred and recognized over the periods to which the sponsorships relate.

Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization received accounting services valued at \$6,000 during the year ended June 30, 2019. This amount has been reported as both in-kind contribution revenue and in-kind accounting expense on the statement of activities.

The Organization recognized the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization receives services from a number of volunteers who give significant amounts of their time to the Organizations programs but which do not meet the criteria for financial statement recognition.

Allocation of Expenses

The cost of providing service for the Organization's programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash equivalents whose use is limited are not considered cash and cash equivalents, for purposes of the statement of cash flows.

Pennsylvania Coalition of Public Charter Schools
Notes to Financial Statements
June 30, 2019

Note 2 Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The Organization adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Organization files a Return of Organizations Exempt from Income Tax annually. The Organization's returns for the years ended June 30, 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Concentration of Credit Risk

Cash deposits that potentially subject the Organization to concentrations of credit risk consist of cash accounts in excess of FDIC insurance limits. At June 30, 2019, cash and cash equivalents included \$483,666 held in commercial banks of which \$250,000 was insured by the FDIC.

Subsequent Events

The Organization has evaluated subsequent events through January 10, 2020, which is the date the financial statements were available to be issued.

Note 3 Liquidity and Availability of Resources

The Organization's financial assets available for use within one year of the statement of financial position date for general expenditures consist of the following as of June 30, 2019:

Cash and cash equivalents	\$ 483,666
Financial assets available to meet cash needs for general expenditures	\$ 483,666

Supplementary Information

Pennsylvania Coalition of Public Charter Schools
Schedule of Functional Expenses
Year Ended June 30, 2019

	Program Services	Management and General	Total
Government relations	\$ 74,448	\$ -	\$ 74,448
Insurance	-	5,048	5,048
Marketing	-	40,540	40,540
Meetings and events	39,008	-	39,008
Office expenses	-	20,744	20,744
Payroll taxes	8,400	8,400	16,799
Professional fees			
Accounting	-	19,500	19,500
Legal	12,054	-	12,054
Payroll processing	-	997	997
Salaries	92,506	92,506	185,012
Travel	-	10,048	10,048
	\$ 226,416	\$ 197,783	\$ 424,198

See accompanying notes to financial statements.