



LUTZ AND COMPANY

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

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Hyde Leadership Charter School - Brooklyn

We have audited the accompanying financial statements of Hyde Leadership Charter School - Brooklyn (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

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

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

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



## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hyde Leadership Charter School - Brooklyn as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2017, on our consideration of Hyde Leadership Charter School - Brooklyn's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hyde Leadership Charter School - Brooklyn's internal control over financial reporting and compliance.

*Lutz + Carr, LLP*

New York, New York  
September 30, 2017



September 30, 2017

Lutz and Carr, LLP  
551 Fifth Avenue - Suite 400  
New York, NY 10176

This representation letter is provided in connection with your audits of the financial statements of Hyde Leadership Charter School – Brooklyn,, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 30 ,2017 the following representations made to you during your audits.

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 23, 2017, including our responsibility for the preparation and fair presentation of the financial statements.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

**Information Provided**

11. We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

**BE THE BEST POSSIBLE YOU**

330 ALABAMA AVENUE • BROOKLYN, NY 11207 • P: 718-495-5620 • F: 718-495-5827

**HYDEBROOKLYN.ORG**

14. We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
16. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
19. The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
20. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
21. Hyde Leadership Charter School – Brooklyn, is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
22. We acknowledge our responsibility for presenting the Schedule of Functional Expenses in accordance with U.S. GAAP, and we believe the Schedule of Functional Expenses, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the Schedule of Functional Expenses have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

**BE THE BEST POSSIBLE YOU**

330 ALABAMA AVENUE • BROOKLYN, NY 11207 • P: 718-495-5620 • F: 718-495-5827

**HYDEBROOKLYN.ORG**

Signature: ~~James Grant, Secretary (to: 31, 2017)~~

Title: Board Chair

Signature: 

Title: Executive Director

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

**{The representation letter should be signed by the current Chief Executive and Chief Financial Officers of the Organization; e.g., the Executive Director or President, the Controller or equivalent, and the Chairman of the Governing Board.}**

**BE THE BEST POSSIBLE YOU**

330 ALABAMA AVENUE • BROOKLYN, NY 11207 • P: 718-495-5620 • F: 718-495-5827

**HYDEBROOKLYN.ORG**

---