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**FORTE PREPARATORY ACADEMY
CHARTER SCHOOL**

Audited Financial Statements In Accordance
With Government Auditing Standards

June 30, 2021

FORTE PREPARATORY ACADEMY CHARTER SCHOOL

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Independent Auditor's Report

To the Board of Trustees of
Forte Preparatory Academy Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Forte Preparatory Academy Charter School (the "School"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

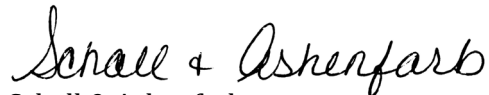
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forte Preparatory Academy Charter School as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the School's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 26, 2020. In our opinion, the summarized comparative information presented herein and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.


Schall & Ashenfarb
Certified Public Accountants, LLC

October 13, 2021

FORTE PREPARATORY ACADEMY CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2021
(With comparative totals at June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Assets		
Cash and cash equivalents	\$2,543,774	\$1,793,054
Government grants receivable	170,277	111,292
Prepaid expenses and other assets	173,676	173,067
Restricted cash (Note 3)	75,110	75,008
Fixed assets (Note 4)	343,170	380,212
Security deposit	807,630	700,302
	<u> </u>	<u> </u>
Total assets	<u><u>\$4,113,637</u></u>	<u><u>\$3,232,935</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$501,839	\$342,773
Grant advance - per pupil funding (Note 5)	11,206	11,986
Government grant advances	0	148,875
Paycheck Protection Program loan (Note 6)	0	525,777
Deferred rent	196,983	0
	<u> </u>	<u> </u>
Total liabilities	<u>710,028</u>	<u>1,029,411</u>
Net assets:		
Without donor restrictions	3,387,109	2,158,524
With donor restrictions (Note 7)	16,500	45,000
	<u> </u>	<u> </u>
Total net assets	<u>3,403,609</u>	<u>2,203,524</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u><u>\$4,113,637</u></u>	<u><u>\$3,232,935</u></u>

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

FORTE PREPARATORY ACADEMY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/21	Total 6/30/20
Revenue and public support:				
Public school district revenue: (Note 5)				
Revenue - resident student enrollment	\$5,765,182		\$5,765,182	\$4,319,317
Revenue - students with disabilities	1,031,501		1,031,501	835,387
Total public school district	6,796,683	0	6,796,683	5,154,704
Government grants - other	1,568,114		1,568,114	1,159,982
Government grant - Paycheck				
Protection Program (Note 6)	525,777		525,777	0
Contributions	136,497		136,497	108,026
Other income	21,974		21,974	20,370
Net assets released from restrictions	28,500	(28,500)	0	0
Total revenue and public support	9,077,545	(28,500)	9,049,045	6,443,082
Expenses:				
Program services:				
Regular education	5,049,766		5,049,766	3,771,822
Special education	1,728,082		1,728,082	1,236,348
Total program services	6,777,848	0	6,777,848	5,008,170
Supporting services:				
Management and general	1,041,705		1,041,705	807,370
Fundraising	29,407		29,407	18,978
Total supporting services	1,071,112	0	1,071,112	826,348
Total expenses	7,848,960	0	7,848,960	5,834,518
Change in net assets	1,228,585	(28,500)	1,200,085	608,564
Net assets - beginning of year	2,158,524	45,000	2,203,524	1,594,960
Net assets - end of year	\$3,387,109	\$16,500	\$3,403,609	\$2,203,524

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

FORTE PREPARATORY ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	Program Services			Supporting Services		Total Expenses 6/30/21	Total Expenses 6/30/20
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising		
Salaries	\$2,654,155	\$1,023,808	\$3,677,963	\$396,596	\$23,126	\$419,722	\$3,037,314
Payroll taxes and benefits	583,075	224,914	807,989	87,126	5,080	92,206	604,083
Total personnel costs	3,237,230	1,248,722	4,485,952	483,722	28,206	511,928	3,641,397
Curriculum and classroom expenses	83,340	21,413	104,753			0	133,504
Professional fees	84,591	17,639	102,230	373,041		373,041	392,196
Office expenses	141,622	47,539	189,161	20,552	754	21,306	247,433
Equipment	23,000	5,909	28,909	20,704		20,704	75,484
Facilities expense	1,248,647	320,823	1,569,470	48,540		48,540	1,089,336
Recruitment	27,283	7,010	34,293			0	25,697
Professional development	31,562	8,109	39,671			0	15,718
Insurance	51,235	19,763	70,998	7,656	447	8,103	53,890
Other expenses			0	82,776		82,776	31,601
Depreciation	121,256	31,155	152,411	4,714		4,714	128,262
Total expenses	<u>\$5,049,766</u>	<u>\$1,728,082</u>	<u>\$6,777,848</u>	<u>\$1,041,705</u>	<u>\$29,407</u>	<u>\$1,071,112</u>	<u>\$5,834,518</u>

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

FORTE PREPARATORY ACADEMY CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Cash flows from operating activities:		
Change in net assets	\$1,200,085	\$608,564
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	157,125	128,262
Changes in assets and liabilities:		
Government grants receivable	(58,985)	291,375
Prepaid expenses and other assets	(609)	13,889
Security deposit	(107,328)	(215,635)
Accounts payable and accrued expenses	159,066	77,198
Grants receivable/advance - per pupil funding	(780)	27,183
Government grant advances	(148,875)	148,875
Paycheck Protection Program loan	(525,777)	525,777
Deferred rent	196,983	0
Total adjustments	<u>(329,180)</u>	<u>996,924</u>
Net cash flows provided by operating activities	<u>870,905</u>	<u>1,605,488</u>
Cash flows from investing activities:		
Purchases of furniture and equipment	<u>(120,083)</u>	<u>(232,480)</u>
Net cash used for investing activities	<u>(120,083)</u>	<u>(232,480)</u>
Net increase in cash, cash equivalents and restricted cash	750,822	1,373,008
Cash, cash equivalents and restricted cash - beginning of year	<u>1,868,062</u>	<u>495,054</u>
Cash, cash equivalents and restricted cash - end of year	<u><u>\$2,618,884</u></u>	<u><u>\$1,868,062</u></u>
Reconciliation to Statement of Financial Position:		
Cash and cash equivalents	\$2,543,774	\$1,793,054
Restricted cash	<u>75,110</u>	<u>75,008</u>
Total cash, cash equivalent and restricted cash	<u><u>\$2,618,884</u></u>	<u><u>\$1,868,062</u></u>
No taxes or interest were paid.		

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

FORTE PREPARATORY ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1 - Organization

Forte Preparatory Academy Charter School (the "School") located in Queens, New York, is a not-for-profit education corporation chartered by The State University of New York Charter Schools Institute. Through rigorous academics, quality instruction, and a positive culture of individual and collective responsibility, the School equips all students in grades 5 through 8 to excel in college preparatory high schools and use their leadership and voice to change the world. The School completed the 2020-2021 fiscal year with an average enrollment of approximately 357 students. The School is a publicly funded, privately managed school, which is independent of the New York City Department of Education ("NYCDOE"). On October 11, 2016, the School was granted a provisional charter for a term up to and including June 30, 2022.

The School has been notified by the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. They have not been designated as a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

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

b. Basis of Presentation

The School reports information regarding their financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors for a specific purpose or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. Donor restricted contributions, the requirements of which are met in the year of donation, are reported as net assets without donor restrictions. See Note 7.

c. Revenue Recognition

The School follows ASU 2018-08 (“Topic 605”) for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met

The School’s public-school district revenue and other government grants are primarily conditional, non-exchange transactions and fall under Topic 605. Revenue from these transactions is recognized when performance related outcomes are achieved and other conditions under the agreements are met.

The School records grants as revenue in the period they become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using an interest-free discount rate, when deemed material. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions and grants that are due within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Pledges are reviewed for collectability. Based on knowledge of specific donors and funders and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2021 and 2020. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

d. Cash and Cash Equivalents

The School considers all liquid investments purchased with a maturity of three months or less to be cash and cash equivalents. Restricted cash has been classified separately.

The School follows ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This requires that restricted cash and cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows.

e. Concentration of Credit

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts, which have been placed with financial institutions that management deems to be creditworthy. At year end and at various times throughout the year, balances were in excess of insured amounts. However, the School has not experienced any losses due to bank failure.

f. Capitalization Policy

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

Computers and equipment – *3 years*

Furniture and fixtures – *5 years*

Leasehold improvements – *Life of lease*

g. Donated Services

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

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

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Salaries were allocated using time and effort as the basis. The following costs were allocated using salary allocation as the basis:

- Payroll taxes and benefits
- Office expenses
- Insurance

Certain program expenses have been allocated between Regular Education and Special Education based on student FTE rates. Depreciation and facilities expenses are allocated according to usage by square foot. All other expenses have been charged directly to the applicable program or supporting services.

i. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

j. Contingencies

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified.

k. Accounting for Uncertainty in Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2018, the School's initial filing, and later are subject to examination by applicable taxing authorities.

l. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

m. New Accounting Pronouncements

The Financial Accounting Standards Board's ("FASB") issued Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

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

Note 3 - Restricted Cash

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

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/21</u>	<u>6/30/20</u>
Furniture and equipment	\$684,640	\$564,557
Leasehold improvements	<u>37,550</u>	<u>37,550</u>
	722,190	602,107
Less: accumulated depreciation	<u>(379,020)</u>	<u>(221,895)</u>
Total fixed assets, net	<u>\$343,170</u>	<u>\$380,212</u>

Note 5 - Grants Receivable/(Advances) - Per Pupil Funding

	<u>6/30/21</u>	<u>6/30/20</u>
Beginning grant (advance)/receivable	(11,986)	\$15,197
Prior year FTE adjustment	0	(15,197)
Per pupil funding:		
Funding based on allowable FTE's	6,796,683	5,154,704
Advances received	<u>(6,795,903)</u>	<u>(5,166,690)</u>
Prior year FTE adjustment		
Ending grant (advance)/receivable	<u><u>(11,206)</u></u>	<u><u>(11,986)</u></u>

Note 6 - Paycheck Protection Program Loan

During the year ended June 30, 2020, the School obtained a loan from the Small Business Administration ("SBA") in the amount of \$525,777 through the Paycheck Protection Program ("PPP"). Terms of the loan indicated that if certain conditions were met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. The School accounts for the PPP loan in accordance with Topic 605 as a conditional grant. The conditions for forgiveness on this loan were met during the year ended June 30, 2021 and the full amount has been recognized as revenue during the year then ended.

Note 7 - Net Assets With Donor Restrictions

During the year ended June 30, 2021, there were no additional donor restricted contributions received. The balance from the period ending June 30, 2020 totaled \$45,000, which is for emergency assistance for program participants due to the pandemic. During the year ended June 30, 2021, assistance distributed to participants totaled \$28,500. As of June 30, 2021, the amount of assistance to be distributed in future periods totaled \$16,500.

Note 8 - Significant Concentrations

The School is dependent upon grants from the NYCDOE to carry out its operations. Approximately 90% and 96% of the School's total public support and revenue was from the NYCDOE for the years ended June 30, 2021 and 2020, respectively. If the NYCDOE were to discontinue funding, it would have a severe economic impact on the School's ability to operate.

Note 9 - Commitments

In the year ended June 30, 2020, the School occupied space in Queens, New York under a lease agreement that expired on June 30, 2020. During the year ended June 30, 2019, the School entered into a lease agreement for a new School facility that expires on June 30, 2030. The lease commenced on July 1, 2020. In May 2021, the School amended the new lease to add more instructional space within the building, which commences upon completion of renovation and delivery for occupancy by the School, which is expected to be October 1, 2021. The lease amendment is reflected in the future minimum payments below.

Future minimum payments under this lease agreements are as follows:

Year ending:	June 30, 2022	\$1,539,902
	June 30, 2023	1,639,892
	June 30, 2024	1,670,105
	June 30, 2025	1,718,392
	June 30, 2026	1,768,102
	Thereafter	<u>7,600,364</u>
Total		<u>\$15,936,757</u>

Note 10 - Retirement Plan

The School has a retirement plan under Section 403(b) of the Internal Revenue Code. All employees are immediately eligible to participate and may elect to defer a portion of their salary and contribute to this plan up to statutory amounts. Full time employees receive an employer base contribution equal to 100% of the salary reduction contributions made by the employee for the calendar year, not to exceed 3% of the employee’s salary.

The School contributed \$35,271 and \$21,950 for the years ended June 30, 2021 and June 30, 2020, respectively. The following vesting periods apply:

<u>Period</u>	<u>Vesting Percentage</u>
Less than 2 years	0%
3 years or more	100%

Note 11 - Availability and Liquidity

Financial assets are available within one year of the date of the statement of financial position for general expenditures as follows:

Cash and cash equivalents	\$2,543,774	
Government grants receivable	<u>\$170,277</u>	
Total financial assets		\$2,714,051

Less amounts not available for general expenditures:

Amounts included as financial assets that are restricted for future programs and periods		<u>(16,500)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$2,697,551</u>

There are no external or internal limits imposed on the remaining balance of financial assets available to meet cash needs for general expenditures within one year. As part of its liquidity management, the School operates its programs within a board approved budget and relies on grants and contributions to fund its operations and program activities.

Note 12 - Subsequent Events

Management has evaluated the impact of all subsequent events through October 13, 2021, which is the date that the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.

Subsequent to year end, the School entered into a lease agreement at an additional location for a planned expansion, however the lease was terminated in September 2021 based on the terms of the agreement. The School will incur an early termination fee of \$150,000 that will be recognized as an expense in the year ended June 30, 2022.

Note 13 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which the School operates. As of the date of the financial statements, many of the travel restrictions and stay at home orders have been lifted, however supply chains remain impacted. Management continues to monitor the outbreak, however as of the date of these financial statements, the potential impact cannot be quantified.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

To the Board of Trustees of
Forte Preparatory Academy Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Forte Preparatory Academy Charter School (the "School"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 13, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

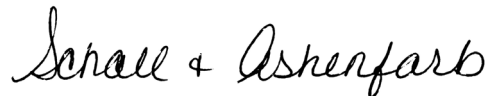
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Schall & Ashenfarb
Certified Public Accountants, LLC

October 13, 2021

**FORTE PREPARATORY ACADEMY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021**

Current Year:

None

Prior Year:

None – There were no findings in the prior year.