PAVE Academy Charter School

Financial Statements

June 30, 2019 and 2018

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Trustees
PAVE Academy Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of PAVE Academy Charter School (the "School"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PAVE Academy Charter School as of June 30, 2019 and 2018, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended June 30, 2019, PAVE Academy Charter School adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2019, 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.

PKF O'Connor Davies, LLP

Harrison, New York
October 10, 2019

PAVE Academy Charter School

Statements of Financial Position

	June 30,	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 2,564,205	$ 1,973,511
Grants and contracts receivable	197,963	288,311
Prepaid expenses and other current assets	22,665	117,644
Total Current Assets	2,784,833	2,379,466
Property and equipment, net	314,385	187,090
Restricted cash	76,442	76,396
	$ 3,175,660	$ 2,642,952
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 177,422	$ 307,175
Accrued payroll and payroll taxes	277,213	289,648
Due to related party	237,826	184,967
Refundable advances	-	15,704
Total Current Liabilities	692,461	797,494
Net assets, without donor restrictions	2,483,199	1,845,458
	$ 3,175,660	$ 2,642,952

See notes to financial statements

PAVE Academy Charter School

Statements of Activities

	Year Ended June 30,	
	2019	2018
REVENUE AND SUPPORT		
State and local per pupil operating revenue	$ 8,910,290	$ 8,208,241
Federal grants	616,994	593,687
State grants	62,247	42,118
Contributions and grants	-	37,188
Donated services	-	17,688
Rental income	28,800	34,120
Interest and other income	46	787
Total Revenue and Support	9,618,377	8,933,829
EXPENSES		
Program Services		
Regular education	6,373,545	6,507,081
Special education	1,870,701	1,794,786
Total Program Services	8,244,246	8,301,867
Supporting Services		
Management and general	736,390	490,288
Total Expenses	8,980,636	8,792,155
Change in Net Assets	637,741	141,674
NET ASSETS		
Beginning of year	1,845,458	1,703,784
End of year	$ 2,483,199	$ 1,845,458

See notes to financial statements

PAVE Academy Charter School

Statement of Functional Expenses
Year Ended June 30, 2019

	No. of Positions	Program Services: Regular Education	Program Services: Special Education	Program Services: Total	Management and General	Total
Personnel Services Costs						
Administrative staff personnel	8	$ 444,009	$ 43,091	$ 487,100	$ 428,142	$ 915,242
Instructional personnel	52	2,896,718	956,611	3,853,329	6,778	3,860,107
Total Salaries and Staff	60	3,340,727	999,702	4,340,429	434,920	4,775,349
Fringe benefits and payroll taxes		724,526	216,812	941,338	94,324	1,035,662
Retirement		31,905	9,548	41,453	4,154	45,607
Management company fees		623,344	186,534	809,878	81,151	891,029
Legal service		930	278	1,208	121	1,329
Accounting / audit services		26,329	7,879	34,208	3,428	37,636
Other purchased / professional / consulting services		147,718	43,824	191,542	18,261	209,803
Repairs and maintenance		343,045	102,655	445,700	44,660	490,360
Insurance		69,225	20,715	89,940	9,012	98,952
Utilities		66,845	20,003	86,848	8,702	95,550
Supplies / materials		300,486	74,600	375,086	-	375,086
Equipment / furnishings		3,436	1,028	4,464	447	4,911
Staff development		59,782	14,853	74,635	27	74,662
Marketing / recruitment		36,686	10,269	46,955	2,965	49,920
Technology		65,410	19,574	84,984	8,516	93,500
Food service		320,044	79,455	399,499	-	399,499
Student services		7,346	1,824	9,170	-	9,170
Office expense		89,778	26,866	116,644	11,688	128,332
Depreciation and amortization		74,274	22,226	96,500	9,670	106,170
Other		41,709	12,056	53,765	4,344	58,109
Total Expenses		$ 6,373,545	$ 1,870,701	$ 8,244,246	$ 736,390	$ 8,980,636

See notes to financial statements

PAVE Academy Charter School

Statement of Functional Expenses
Year Ended June 30, 2018

	No. of Positions	Program Services: Regular Education	Program Services: Special Education	Program Services: Total	Management and General	Total
Personnel Services Costs						
Administrative staff personnel	7	$ 418,338	$ 95,818	$ 514,156	$ 257,076	$ 771,232
Instructional personnel	51	3,059,647	700,792	3,760,439	-	3,760,439
Total Salaries and Staff	58	3,477,985	796,610	4,274,595	257,076	4,531,671
Fringe benefits and payroll taxes		765,470	252,244	1,017,714	58,933	1,076,647
Retirement		30,294	9,983	40,277	2,333	42,610
Management company fees		583,585	192,308	775,893	44,931	820,824
Legal service		17,404	5,735	23,139	1,340	24,479
Accounting / audit services		21,451	7,069	28,520	1,652	30,172
Other purchased / professional / consulting services		311,993	102,811	414,804	24,021	438,825
Repairs and maintenance		293,328	96,660	389,988	22,584	412,572
Insurance		71,074	23,421	94,495	5,472	99,967
Utilities		72,431	23,868	96,299	5,577	101,876
Supplies / materials		148,351	48,886	197,237	11,422	208,659
Equipment / furnishings		582	192	774	45	819
Staff development		63,320	20,866	84,186	4,875	89,061
Marketing / recruitment		27,402	9,030	36,432	2,110	38,542
Technology		100,115	32,991	133,106	7,708	140,814
Food service		273,419	90,099	363,518	21,051	384,569
Student services		82,399	27,153	109,552	6,343	115,895
Office expense		71,624	23,602	95,226	5,514	100,740
Depreciation and amortization		42,088	13,870	55,958	3,240	59,198
Other		52,766	17,388	70,154	4,061	74,215
Total Expenses		$ 6,507,081	$ 1,794,786	$ 8,301,867	$ 490,288	$ 8,792,155

See notes to financial statements

PAVE Academy Charter School

Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 637,741	$ 141,674
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	106,170	59,198
Changes in operating assets and liabilities		
Grants and contracts receivable	90,348	260,568
Prepaid expenses and other current assets	94,979	21,000
Accounts payable and accrued expenses	(129,753)	245,637
Accrued payroll and payroll taxes	(12,435)	(22,224)
Due to related party	52,859	(20,033)
Refundable advances	(15,704)	(5,990)
Net Cash from Operating Activities	824,205	679,830
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(233,465)	(103,409)
Restricted cash	(46)	(183)
Net Cash from Investing Activities	(233,511)	(103,592)
Net Change in Cash and Cash Equivalents	590,694	576,238
CASH AND CASH EQUIVALENTS		
Beginning of year	1,973,511	1,397,273
End of year	$ 2,564,205	$ 1,973,511

See notes to financial statements

1. Organization and Tax Status

PAVE Academy Charter School (the "School") is a New York State, not-for-profit educational corporation that was incorporated on January 15, 2008 to operate a charter school pursuant to Article 56 of the Education Law of the State of New York. The School was granted a provisional charter on January 15, 2008 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The Board of regents approved and issued several renewals to the School's charter expiring on June 30, 2023. During March of 2017, the School applied to change their authorizer and transfer its charter from the New York City Department of Education to the State University of New York ("SUNY"). On October 11, 2017, SUNY approved the transfer of the School's charter effective for the 2017-2018 school year. The School's mission is to prepare kindergarten through eighth grade students to thrive in competitive high schools and four year colleges and provide the children of Brooklyn with a rigorous academic program and a school community built on the School's core values of Perseverance, Achievement, Vibrance, and Excellent character ("PAVE"). Classes commenced in Red Hook, Brooklyn, New York, in August 2008 and the School provided education to approximately 481 students in kindergarten through eighth grade in the 2018-2019 academic year.

The New York City Department of Education provides free transportation directly to some of the School's students. Such costs are not included in these financial statements.

Except for taxes that may be due for unrelated business income, the School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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. Accordingly actual results could differ from those estimates.

Change in Accounting Principle

On July 1, 2018, the School adopted new guidance regarding the Presentation of Financial Statements for Not-for Profit Entities. This guidance requires the School to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the School to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses both by their natural and functional classification in one location in the financial statements. As a result of implementing this standard, prior year amounts for unrestricted net assets were reclassified to net assets without donor restrictions.

2. Summary of Significant Accounting Policies *(continued)*

Net Assets Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Net assets without donor restrictions - consist of resources available for the general support of the School's operations. Net assets without donor restrictions may be used at the discretion of the School's management and/or the Board of Trustees.

Net assets with donor restrictions – represents amounts restricted by donors for specific activities of the School or to be used at a future date. The School records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The School had no net assets with donor restrictions as of June 30, 2019 and 2018.

Cash and Cash Equivalents

Cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

Restricted Cash

Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution, should it occur.

Property and Equipment

The School follows the practice of capitalizing all expenditures for property and equipment with costs in excess of $1,000 and a useful life in excess of one year. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods, which are reasonably assured, or the estimated useful life of the asset ranging from two to three years. Purchased property and equipment are recorded at cost at the date of acquisition.

Minor costs of maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding is capitalized, unless the government agency retains legal title to such assets, in which case it is expensed as incurred.

Depreciation and amortization is recognized on the straight line method over the estimated useful lives of such assets as follows:

Computers and equipment	3 and 5 years
Furniture and fixtures	7 years
Software	3 years

2. Summary of Significant Accounting Policies *(continued)*

Property and Equipment (continued)

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to its fair value. There were no asset impairments for the years ended June 30, 2019 and 2018.

Refundable Advances

The School records certain government operating revenue as refundable advances until related services are performed, at which time they are recognized as revenue.

Revenue and support

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agency.

Contribution revenue is recognized when a donor makes a gift to the School or a promise to make a gift to the School which is, in substance, unconditional. Grants and other contributions of cash are reported as net assets with donor restrictions if they are received with donor stipulations. Contributions and grants that are made to support the School's current year activities are recorded as net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting services classifications on the basis of periodic time and expense studies and other basis as determined by management of the School to be appropriate.

Marketing and Recruitment

Marketing and recruitment costs are expensed as incurred for staff and student recruitment. Marketing and recruitment expense for the years ended June 30, 2019 and 2018 was $49,920 and $38,542.

Accounting for Uncertainty in Income Taxes

The School recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the School had no uncertain tax positions that would require financial statement recognition or disclosure. The School is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2016.

2. Summary of Significant Accounting Policies *(continued)*

Reclassifications

Certain 2018 accounts have been reclassified to conform to the 2019 financial statement presentation. The reclassification had no effect on the 2018 net assets and changes in net assets.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 10, 2019.

3. Grants and Contracts Receivable

Grants and contracts receivable consist of federal, state, and city entitlements and grants. The School expects to collect these receivables within one year.

4. Property and Equipment

Property and equipment consists of the following as of June 30,

	2019	2018
Computers and equipment	$ 647,512	$ 493,525
Furniture and fixtures	81,866	78,651
Software	100,163	90,358
Leasehold improvements	90,433	23,975
	919,974	686,509
Accumulated depreciation and amortization	(605,589)	(499,419)
	$ 314,385	$ 187,090

5. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the statement of financial position date, are comprised of the following at June 30, 2019:

Cash and cash equivalents	$ 2,564,205
Grants and contracts receivable	197,963
	$ 2,762,168

As part of the School's liquidity management plan, the status of grants and contracts receivable is monitored regularly and any excess cash is invested in highly liquid securities.

6. Related Party Transactions (not disclosed elsewhere)

The School is an affiliate of PAVE Schools, Inc. ("PAVE Schools"), a New York State not-for-profit corporation. PAVE Schools supported the School through financial, fundraising and facility development efforts. Effective July 1, 2015, PAVE Schools acted as a Charter Management Organization. For the years ended June 30, 2019 and 2018, the School paid PAVE Schools for shared expenses in the amount of $9,794 and $27,931. The net balance due to PAVE Schools at June 30, 2019 and 2018 was $237,826 and $184,967.

Facility Lease

On March 13, 2014, the School entered into a sub-sublease agreement with PACS 732 Henry LLC ("PACS 732") (a single member LLC under PAVE Schools Inc., a related party) to occupy a new facility located at 732 Henry Street in Brooklyn, New York. The School pays for all facility expenses, upkeep, and insurance. The sub-sublease agreement will terminate on March 13, 2034. PACS 732's sublease with Civic Builders, a non-profit charter school developer, expires on March 13, 2113 and it is envisioned that the School will continue to periodically renew its sub-sublease agreement with PACS 732.

Rent is payable at $1 per year, pursuant to the Ultimate Prime Lease that PACS 732 has with Civic Builders and the New York City School Construction Authority. On May 21, 2014, the School paid $20 to PACS 732 as prepayment of its 20 year lease. The School did not record an amount for donated use of facilities.

Management Agreement

On June 15, 2015, the School entered into a management agreement with PAVE Schools to provide the School with educational management services and designs that expired June 30, 2018. The management agreement was renewed in September 2018 and expires June 30, 2023. Pursuant to the agreement, PAVE Schools selected and implemented educational programs, coaching and professional development to school-based leadership, manage the School's business administration and support the Board in all governance issues. As compensation to PAVE Schools for these services, the School paid an annual fee of 10% of the School's funding provided by the State of New York and the New York City Department of Education. Management fee expense for the years ended June 30, 2019 and 2018 was $891,029 and $820,824.

7. Employee Benefit Plan

The School maintains a pension plan qualified under Internal Revenue Code 401(k) for the benefit of its eligible employees. Under the plan, the School provided matching contributions of 2% to the plan. The amount charged to operations for fees and matching contributions to this plan amounted to $45,607 and $42,610 for the years ended June 30, 2019 and 2018.

8. Concentration of Credit Risk

Financial instruments that potentially subject the School to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The School does not believe that a significant risk of loss due to the failure of a financial institution presently exists. As of June 30, 2019 and 2018, approximately $2,366,000 and $1,733,000 of cash was maintained with institutions in excess of FDIC limits.

9. Concentration of Revenue and Support

The School receives a substantial portion of its support and revenue from the New York City Department of Education. For the years ended June 30, 2019 and 2018, the School received approximately 93% and 92% of its total revenue and support from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

10. Donated Services

Donated services are recognized as contributions in accordance with U.S. GAAP, if the services create or enhance non-financial assets, require specialized skills, are performed by people with those skills, would otherwise be purchased by the School, and are measurable. One entity has provided legal services to the School at no charge.

The value of these services meets the criteria for recognition in the financial statements and is recorded at fair value. For the years ended June 30, 2019 and 2018, the value of such donated services amounted to $0 and $17,688.

The value of these donated services is allocated accordingly between program, management and general services in the accompanying statements of activities and statement of functional expenses.

11. Contingency

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

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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 Auditors' Report

Board of Trustees
PAVE 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 PAVE Academy Charter School (the "School"), which comprise the statement of financial position as of June 30, 2019, 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 10, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Harrison, New York
October 10, 2019

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Board of Trustees
PAVE Academy Charter School

Auditors' Communication on Internal Control

In planning and performing our audit of the financial statements of PAVE Academy Charter School (the "School") as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, 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 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.

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 deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above.

This communication is intended solely for the information and use of the management, the Board of Trustees, federal and local awarding agencies, The Charter School Institute of the State University of New York, The State Education Department of the State University of New York, and others within the School, and is not intended to be used by anyone other than these specified parties.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the School during the course of our audit.

PKF O'Connor Davies, LLP

Harrison, New York
October 10, 2019

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