Sisulu-Walker Charter School of Harlem, Inc.

Financial Statements
and
Independent Auditors' Report

June 30, 2019

Sisulu-Walker Charter School of Harlem, Inc.

Financial Statements

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Independent Auditors' Report

To the Board of Trustees of
Sisulu-Walker Charter School of Harlem, Inc.
New York, New York

Report on the Financial Statements
We have audited the accompanying financial statements of Sisulu-Walker Charter School of Harlem, Inc. (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 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 Sisulu-Walker Charter School of Harlem, Inc. 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 11 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.

Report on Summarized Comparative Information

We have previously audited Sisulu-Walker Charter School of Harlem, Inc.'s 2018 financial statements, and our report dated October 25, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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 25, 2019, on our consideration of Sisulu-Walker Charter School of Harlem, Inc.'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 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 Sisulu-Walker Charter School of Harlem, Inc.'s internal control over financial reporting and compliance.

Vargas & Rivera, LLP

New City, New York
October 25, 2019

Sisulu-Walker Charter School of Harlem, Inc.
Statement of Financial Position
June 30, 2019
(With Summarized Comparative Information For June 30, 2018)

ASSETS	**2019**	**2018**
Current Assets		
Cash	$ 913,014	$ 728,120
Due from Government Agencies (Note 3)	111,761	181,326
Accounts Receivable	3,481	-
Total Current Assets	1,028,256	909,446
Fixed Assets		
Leasehold Improvements	120,427	118,077
Equipment, Furniture and Fixtures	720,002	715,782
	840,429	833,859
Less: Accumulated Depreciation	(759,294)	(720,819)
Total Fixed Assets	81,135	113,040
Other Assets		
Security Deposits	37,500	37,500
Total Other Assets	37,500	37,500
Total Assets	$ 1,146,891	$ 1,059,986
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Expenses	$ 77,220	$ 73,157
Accrued Payroll and Related Expenses	253,996	236,838
Total Current Liabilities / Total Liabilities	331,216	309,995
Net Assets		
Net Assets Without Donor Restrictions	815,675	749,991
Total Liabilities and Net Assets	$ 1,146,891	$ 1,059,986

See accompanying notes and independent auditors' report.

Sisulu-Walker Charter School of Harlem, Inc.
Statement of Activities
For the year ended June 30, 2019
(With Summarized Comparative Information For The Year Ended June 30, 2018)

	2019			
PUBLIC SUPPORT AND REVENUE	Without Donor Restrictions	With Donor Restrictions	**Total**	**2018**
Resident Student Enrollment	$ 3,783,767	$ -	$ 3,783,767	$ 3,507,441
Federal Funding	-	152,103	152,103	155,592
State Funding	-	101,485	101,485	77,834
Corporate Contributions	29,660	-	29,660	36,209
Interest Income	847	-	847	2,266
Total Public Support and Revenue	3,814,274	253,588	4,067,862	3,779,342
Net Assets Released From Restrictions	253,588	(253,588)	-	-
Total Support and Revenue	4,067,862	-	4,067,862	3,779,342
EXPENSES				
Program Services				
Regular Education	2,266,983	-	2,266,983	2,094,550
Special Education	1,073,577	-	1,073,577	957,364
	3,340,560	-	3,340,560	3,051,914
Supporting Services				
Management and General	661,618	-	661,618	555,913
Total Expenses	4,002,178	-	4,002,178	3,607,827
Change in Net Assets	65,684	-	65,684	171,515
Net Assets, Beginning of Year	749,991	-	749,991	578,476
Net Assets, End of Year	$ 815,675	$ -	$ 815,675	$ 749,991

See accompanying notes and independent auditors' report.

Sisulu-Walker Charter School of Harlem, Inc.
Statement of Cash Flows
For the year ended June 30, 2019
(With Summarized Comparative Information For The Year Ended June 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Resident Student Enrollment	$ 3,846,868	$ 3,375,126
Receipts from Grants and Contributions	286,232	273,492
Receipts from Other Revenue	847	2,266
Payments to Employees	(2,813,393)	(2,455,000)
Payments to Vendors and Suppliers	(1,129,090)	(1,078,852)
Net Cash Provided by Operating Activities	191,464	117,032
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Leasehold Improvements	(2,350)	(3,690)
Purchases of Equipment, Furniture and Fixtures	(4,220)	(12,034)
Net Cash Used In Investing Activities	(6,570)	(15,724)
NET INCREASE IN CASH	184,894	101,308
CASH AT BEGINNING OF YEAR	728,120	626,812
CASH AT END OF YEAR	$ 913,014	$ 728,120

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Change in Unrestricted Net Assets	$ 65,684	$ 171,515
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	38,475	38,758
Changes in Assets and Liabilities		
(Increase) / Decrease in:		
Due from Government Agencies	69,565	(128,458)
Accounts Receivable	(3,481)	-
Prepaid Expenses	-	39,784
Increase / (Decrease) in:		
Accounts Payable and Accrued Expenses	4,063	(25,401)
Accrued Payroll and Related Expenses	17,158	20,834
Total Adjustments	125,780	(54,483)
Net Cash Provided by Operating Activities	$ 191,464	$ 117,032

See accompanying notes and independent auditors' report.

NOTE 1 - ORGANIZATION

Sisulu-Walker Charter School of Harlem, Inc. (the "School") is a charter school for children located in Harlem, New York. In fiscal year 2014, the School operated grades kindergarten through fifth. It educates children in a completely nondiscriminatory and secular basis. The founders and supporters of the School believe that access to a public education of high quality for all children is the foremost issue. The School was chartered during August 1999 and the first classes were offered during the 1999-2000 school year. Charter was renewed in 2016 and extended thru 2021.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred.

New Accounting Pronouncement
On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The School as adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standard changes the following aspects of the School's financial statements: net asset classification and a new disclosure about liquidity and availability of resources. Accordingly, the School reviewed all of its net asset classification and reclassified $749,991 of unrestricted net assets to net assets without donor restrictions as of July 1, 2018.

Basis of Presentation
The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective July 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

All net assets of the Organization at June 30, 2019 were considered to be net assets without donor restrictions.

Use of Estimates in the Preparation of Financial Statements
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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses
Expenses relating to more than one function are allocated to program service and management and general based on employee time estimates or other appropriate usage factors.

Support and Revenue Recognition
Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Revenue from grants and contracts is recognized as the related costs are incurred under the grant or contract agreement. This support may be subject to approved budgets, as amended, and may be subject to possible adjustment after audit by the granting agencies. The fiscal periods of these grants and contracts may differ from the fiscal year end of the School. The School believes all accounts receivable at June 30, 2019 will be fully collected. Accordingly, no allowance for doubtful accounts is required. Deferred amounts represent cash received in advance of related expenditures.

Cash and Cash Equivalents
For the purposes of the statement of cash flows, the School considers all highly liquid investments available for current use with an initial period of three months or less to be cash equivalents.

Tax Exempt Status
The School is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income. The School has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

The School files the Form 990 in the U.S. federal jurisdiction. With few exceptions, as of June 30, 2019, the School is no longer subject to U.S. Federal income tax examinations by tax authorities for the years ended prior to June 30, 2016. The tax returns for the years ended June 30, 2016 through June 30, 2018 are still subject to potential audit by the IRS. Management of the School believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits.

Leasehold Improvements Furniture and Fixtures, and Equipment
Leasehold improvements, furniture and equipment are valued at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets or the term of the lease agreement. Normal replacement and maintenance costs are charged to earnings a incurred, and major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation is removed from the accounts and the resulting gain or loss for the period. The School capitalizes assets with cost of $500 and over. Depreciation is calculated based on the useful lives of the assets as follows: Leasehold Improvements 5 Years, Equipment and Furniture 3 - 7 Years.

Contributed Services
Contributed services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services (continued)
A number of volunteers have made a contribution of their time to the School to develop academic and other programs and to serve on the board of trustees. The value of this contributed time is not reflected in the financial statements as such services either do not require specialized skills or would not typically be purchased had they not been provided as donations.

Comparative Financial Information
The June 30, 2018 financial statements include certain prior year summarized comparative information in total but not by net asset class. As a result, the June 30, 2018 comparative information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such June 30, 2018 information should be read in conjunction with the School's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

NOTE 3 – DUE FROM GOVERNMENT AGENCIES

Under the School's Charter School Agreement and the Charter School Act, the School is entitled to receive funding from both State and Federal sources that are available to public schools. These funds include State pupil enrollment funds and Federal food subsidies and Title I, IIA, IID, IV and V funds. The calculation of the amounts to be paid to the School under these programs is determined by the State, and is based on complex laws and regulations, enrollment levels, and economic information related to the home school district of the children enrolled in the school. If these regulations, some of which are relatively new in the State of New York, were to change, or other factors included in the calculations were to change, the level of funding that the School receives could vary significantly. As of June 30, 2019, $111,761 is due from government agencies.

NOTE 4 – DEFINED CONTRIBUTION PLAN

The School offers a 401(k) plan (the "Plan") for substantially all of its employees. Employees are eligible for the plan immediately upon employment and participation in the Plan is voluntary. Employees may contribute up to 15% of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The School matches the employee contribution 100% up to 4% of the employee's annual compensation. The School's contribution recognized in the statement of activities was $49,236 for 2019. The Plan assets are held in a separate trust and are not included in the accompanying financial statements. All plan assets are held for the exclusive benefit of the Plan's participants and beneficiaries.

NOTE 5 – CONSULTANTS - EDUCATION

In January 2007, the School entered into a Second Charter School Management Agreement with Victory Schools, Inc. (VSI) d/b/a Victory Education Partners (VEP) to provide services related to certain education and operational aspects of the School. Victory serves as an advisor regarding functions associated with the educational services to be provided to the students at the School and consults with the School with respect to its legal and operational compliance in accordance with the terms of the charter and the Charter School Act. VEP and the School replaced that certain agreement with another agreement, effective July 1, 2015, in April 2016. VEP shall provide the School with the services outlined on Schedule A of the agreement. In exchange for the services, the School shall pay to VEP the service fee outlined on Schedule A.

NOTE 6 – COMMITMENTS

Occupancy Lease
The School is paying rent for space for classroom instruction and administration activity under a month-to-month lease. Monthly rental payments total $39,784. For the fiscal year ended June 30, 2019, rent expense paid was $477,405.

NOTE 6 – COMMITMENTS (continued)

Operating Lease

The School entered into an operating lease agreement for equipment on August 22, 2017. The lease begins on September 1, 2017 and calls for monthly payments of $2,550 and expires on November 30, 2021. Future minimum rental payments under the terms of this lease are as follows:

Year Ending June 30,	Amount
2020	$ 30,600
2021	12,750
	$ 43,350

NOTE 7 – CONTINGENCY

The School participates in a number of Federal and State programs. These programs require the School comply with certain requirements of laws, regulations, contracts, and agreements applicable to the program in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government and contracts by government agencies is presently not determinable, it should not, in the opinion of the management, have a material effect on the financial position or results of operations. Accordingly, no provision for such liability that may result has been made in the accompanying financial statements.

NOTE 8 – CONCENTRATIONS

Financial instruments that potentially subject the School to a concentration of credit risk include cash accounts at major financial institutions which, at times may exceed the Federal Deposit Insurance Corporation insured limit of $250,000 and Due from Government Agencies. Management believes that there is little risk in any losses and has not experienced any losses in such accounts. Management also believes that credit risk with respect to Due from Government Agencies is limited since the amounts are due from local and federal government programs.

The School is dependent on various government agencies for funding, and is responsible for meeting the requirements of such agencies. If the school was to lose students or the related government funding, it could have a substantial effect on its ability to continue operations.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

At June 30, 2019, the School has $1,027,808 of financial assets to meet needs for general expenditures consisting of cash of $912,566, due from government agencies of $111,761 and $3,481 of other receivables. None of the financial assets are subject to donor or other contractual restrictions. Accordingly all such funds are available to meet the cash needs of the organization in the next 12 months.

In addition to financial assets available to meet general expenditures over the year, the School operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient tuition and other revenues. The statement of cash flows identifies the sources and uses of the School's cash and shows positive cash generated by operations of $191,464 and $117,032 for fiscal years ending June 30, 2019 and 2018, respectively.

NOTE 10 – SUBSEQUENT EVENTS

The School evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was October 25, 2019, for these financial statements.

Supplemental Information

Sisulu-Walker Charter School of Harlem, Inc.
Schedule of Functional Expenses
For the year ended June 30, 2019
(With Summarized Comparative Information For The Year Ended June 30, 2018)

Personnel Service Costs	Regular Education	Special Education	Total Programs	Support Services	2019	2018
Salaries						
Administrative Staff Personnel	$ 185,419	$ 115,887	301,306	$ 162,241	$ 463,547	375,840
Instructional Personnel	1,069,132	485,984	1,555,116	-	1,555,116	1,438,484
Non-Instructional Personnel	-	-	-	240,617	240,617	192,926
Total Personnel Costs	1,254,551	601,871	1,856,422	402,858	2,259,280	2,007,250
Fringe Benefits	200,301	96,094	296,395	25,903	322,298	277,787
Payroll Taxes	124,132	59,552	183,684	16,053	199,737	150,435
Retirement Benefits	30,599	14,680	45,279	3,957	49,236	40,362
Total Personnel and Related Expenses	355,032	170,326	525,358	45,913	571,271	468,584
Operating Expenses						
Consultants - Education (Note 5)	72,458	34,762	107,220	9,370	116,590	140,442
Legal	-	-	-	-	-	3,901
Insurance	31,807	15,259	47,066	4,113	51,179	45,227
Supplies and Materials	44,039	11,272	55,311	992	56,303	41,511
Technology	17,409	8,352	25,761	2,251	28,012	25,013
Occupancy	298,433	143,173	441,606	38,594	480,200	480,426
Utilities	41,308	19,818	61,126	5,342	66,468	53,031
Student Services	14,372	8,200	22,572	-	22,572	44,201
Staff Development	7,903	3,628	11,531	944	12,475	8,208
Marketing and Recruitment	33,019	10,547	43,566	1,744	45,310	31,415
Accounting and Audit Fees	-	-	-	137,000	137,000	127,209
Office Expenses	35,136	16,857	51,993	4,544	56,537	51,069
Maintenance and Repairs	26,916	12,913	39,829	3,481	43,310	24,640
Equipment and Furnishings	2,145	1,029	3,174	277	3,451	6,351
Depreciation	23,911	11,471	35,382	3,092	38,474	38,758
Other Expenses	8,544	4,099	12,643	1,103	13,746	10,591
Total Operating Expenses	657,400	301,380	958,780	212,847	1,171,627	1,131,993
TOTAL EXPENSES	$ 2,266,983	$ 1,073,577	$ 3,340,560	$ 661,618	$ 4,002,178	$ 3,607,827

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Independent Auditors' 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*

To the Board of Trustees of
Sisulu-Walker Charter School of Harlem, Inc.
New York, New York

We have audited, 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, the financial statements of Sisulu-Walker Charter School of Harlem, Inc. (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, and have issued our report thereon dated October 25, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sisulu-Walker Charter School of Harlem, Inc.'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 Sisulu-Walker Charter School of Harlem, Inc.'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Sisulu-Walker Charter School of Harlem, Inc.'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 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 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.

Vargas & Rivera, LLP

New City, New York
October 25, 2019