

UNIVERSITY PREP CHARTER HIGH SCHOOL

Financial Statements

For the Years Ended June 30, 2019 and 2018

 **BUCHBINDER**

**UNIVERSITY PREP CHARTER HIGH SCHOOL
For the Years Ended June 30, 2019 and 2018**

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
University Prep Charter High School

Report on the Financial Statements

We have audited the accompanying financial statements of University Prep Charter High 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.

Auditor's 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 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

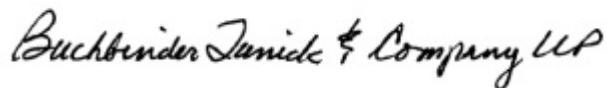
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Prep Charter High School as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in the fiscal year ended June 30, 2019, the School adopted new accounting guidance ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2019, on our consideration of University Prep Charter High 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 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 University Prep Charter High School's internal control over financial reporting and compliance.



BUCHBINDER TUNICK & COMPANY LLP

New York, NY
October 24, 2019

UNIVERSITY PREP CHARTER HIGH SCHOOL
Statements of Financial Position
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 2,273,386	\$ 2,765,570
Restricted cash	75,748	75,559
Grants receivable	521,898	312,528
Prepaid expenses	99,544	76,872
Furniture and equipment, net	<u>240,122</u>	<u>178,612</u>
Total assets	<u>\$ 3,210,698</u>	<u>\$ 3,409,141</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 210,746	\$ 115,468
Accrued payroll and payroll taxes	768,369	681,656
Accrued sick and vacation pay	<u>229,664</u>	<u>186,237</u>
Total liabilities	<u>1,208,779</u>	<u>983,361</u>
Net assets:		
Without donor restriction	1,955,805	2,268,533
With donor restriction	<u>46,114</u>	<u>157,247</u>
Total net assets	<u>2,001,919</u>	<u>2,425,780</u>
Total liabilities and net assets	<u>\$ 3,210,698</u>	<u>\$ 3,409,141</u>

See notes to financial statements.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Statements of Activities
For the years ended June 30, 2019 and 2018

	2019			2018		
	Total	Without Donor Restriction	With Donor Restriction	Total	Unrestricted	Temporarily Restricted
Revenue:						
Local per pupil operating revenue - resident student enrollment	\$ 6,800,714	\$ 6,800,714	\$ -	\$ 6,425,510	\$ 6,425,510	\$ -
Local per pupil operating revenue - students with disabilities	387,633	387,633	-	860,887	860,887	-
Other grants	167,388	167,388	-	158,841	158,841	-
Government grants	335,282	-	335,282	373,988	-	373,988
Contributions	3,000	3,000	-	2	2	-
Fundraising	7,262	7,262	-	7,016	7,016	-
Interest income	9,296	9,296	-	9,185	9,185	-
Other income	1,338	1,338	-	268	268	-
Net assets released from purpose restrictions	-	446,415	(446,415)	-	324,576	(324,576)
Total operating revenue	<u>7,711,913</u>	<u>7,823,046</u>	<u>(111,133)</u>	<u>7,835,697</u>	<u>7,786,285</u>	<u>49,412</u>
Expenses:						
Program services:						
Regular education	5,488,694	5,488,694	-	5,265,691	5,265,691	-
Special education	1,100,361	1,100,361	-	945,313	945,313	-
Supporting services:						
Management and general	1,546,719	1,546,719	-	1,168,553	1,168,553	-
Fundraising	-	-	-	-	-	-
Total expenses	<u>8,135,774</u>	<u>8,135,774</u>	<u>-</u>	<u>7,379,557</u>	<u>7,379,557</u>	<u>-</u>
Change in net assets	(423,861)	(312,728)	(111,133)	456,140	406,728	49,412
Net assets:						
Beginning of year	<u>2,425,780</u>	<u>2,268,533</u>	<u>157,247</u>	<u>1,969,640</u>	<u>1,861,805</u>	<u>107,835</u>
End of year	<u>\$ 2,001,919</u>	<u>\$ 1,955,805</u>	<u>\$ 46,114</u>	<u>\$ 2,425,780</u>	<u>\$ 2,268,533</u>	<u>\$ 157,247</u>

See notes to financial statements.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Statements of Functional Expenses
For the years ended June 30, 2019 and 2018

	2019					2018				
	Program Services		Supporting Services			Program Services		Supporting Services		
	Regular Education	Special Education	Management and General	Fundraising	Total	Regular Education	Special Education	Management and General	Fundraising	Total
Salaries - instructional personnel	\$ 3,234,946	\$ 687,546	\$ -	\$ -	\$ 3,922,492	\$ 3,115,378	\$ 577,498	\$ -	\$ -	\$ 3,692,876
Salaries - administrative staff personnel	321,077	57,151	646,304	-	1,024,532	242,748	42,410	502,269	-	787,427
Payroll taxes	272,634	57,083	49,574	-	379,291	254,900	47,069	38,125	-	340,094
Employee benefits	1,204,188	252,129	218,958	-	1,675,275	1,249,317	230,694	186,856	-	1,666,867
Provision for sick and vacation pay	31,216	6,536	5,676	-	43,428	24,503	4,525	3,665	-	32,693
Classroom textbooks and supplies	58,094	3,459	-	-	61,553	37,329	5,124	-	-	42,453
Classroom furniture and equipment	31,045	1,849	-	-	32,894	20,058	2,753	-	-	22,811
Office furniture and equipment	-	-	2,800	-	2,800	-	-	5,068	-	5,068
Consulting	-	-	235,078	-	235,078	-	-	150,210	-	150,210
Financial management services	-	-	202,350	-	202,350	-	-	148,094	-	148,094
School uniforms	8,221	490	-	-	8,711	6,358	873	-	-	7,231
Insurance	32,312	6,765	40,735	-	79,812	24,109	4,451	41,751	-	70,311
Telephone	30,990	6,489	5,634	-	43,113	33,744	6,231	5,047	-	45,022
Meetings and conferences	-	-	44,023	-	44,023	-	-	30,238	-	30,238
Auditing	-	-	30,500	-	30,500	-	-	23,149	-	23,149
Teacher recruitment	490	102	89	-	681	656	121	98	-	875
Student recruitment	23,476	4,915	4,269	-	32,660	5,315	982	795	-	7,092
Printing and copying	11,071	2,318	2,013	-	15,402	32,953	6,085	4,928	-	43,966
Office supplies	-	-	33,784	-	33,784	-	-	16,829	-	16,829
Postage	5,369	1,124	976	-	7,469	8,519	1,573	1,274	-	11,366
Teachers' discretionary	-	-	-	-	-	1,270	235	190	-	1,695
Student trips	36,457	2,171	-	-	38,628	41,438	5,688	-	-	47,126
Student transportation	6,229	371	-	-	6,600	4,799	659	-	-	5,458
Food service	35	2	-	-	37	702	96	-	-	798
Repairs and maintenance	-	-	13,830	-	13,830	-	-	5,544	-	5,544
Payroll processing	3,422	717	622	-	4,761	2,625	485	393	-	3,503
Student testing materials	3,747	223	-	-	3,970	2,699	371	-	-	3,070
Student services	40,898	2,435	-	-	43,333	47,588	6,532	-	-	54,120
Depreciation	101,798	-	3,871	-	105,669	104,035	-	3,335	-	107,370
Miscellaneous	30,979	6,486	5,633	-	43,098	4,648	858	695	-	6,201
Total expenses	\$ 5,488,694	\$ 1,100,361	\$ 1,546,719	\$ -	\$ 8,135,774	\$ 5,265,691	\$ 945,313	\$ 1,168,553	\$ -	\$ 7,379,557

See notes to financial statements.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Statements of Cash Flows
For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (423,861)	\$ 456,140
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	105,669	107,370
(Increase) decrease in operating assets:		
Restricted cash	(189)	(189)
Grants receivable	(209,370)	(75,187)
Other receivables	-	-
Prepaid expenses	(22,672)	(17,123)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	95,278	(44,564)
Accrued payroll and payroll taxes	86,713	(49,239)
Accrued sick and vacation pay	<u>43,427</u>	<u>32,693</u>
Net cash (used in) provided by operating activities	<u>(325,005)</u>	<u>409,901</u>
Cash flows from investing activities:		
(Additions) to furniture and equipment	<u>(167,179)</u>	<u>(26,707)</u>
Net cash (used in) investing activities	<u>(167,179)</u>	<u>(26,707)</u>
Net (decrease) increase in cash and cash equivalents	(492,184)	383,194
Cash and cash equivalents:		
Beginning of year	<u>2,765,570</u>	<u>2,382,376</u>
End of year	<u>\$ 2,273,386</u>	<u>\$ 2,765,570</u>

See notes to financial statements.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Notes to Financial Statements
June 30, 2019 and 2018

Note 1 - Nature of Organization

The University Prep Charter High School (the "School") was formed under an education corporation that operates charter schools in the borough of the Bronx, New York City. On January 15, 2008, the Board of Regents of the University of the State of New York for and on behalf of the Education Department of the State of New York granted the School a provisional charter valid for a term of five years from the effective date of January 15, 2008, and renewable upon expiration. On February 26, 2013, the Charter School's Committee approved a renewal for a full term of five years through July 31, 2018. On April 24, 2018, the Charter School's Committee approved a renewal for a full term of five years through July 31, 2023.

On April 18, 2012, the Board of Trustees passed a resolution which transferred the management of the School from Green Dot Public Schools to the Future is Now Schools.

The School's mission is to prepare all students to achieve academic and personal excellence and to graduate students fully prepared for a demanding secondary education, and to help prepare students for meaningful lives as full democratic citizens in a free society.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The School reports information regarding its financial position and activities according to two classes of net assets: net assets - without donor restriction and net assets - with donor restriction.

Net Assets

Net Assets - Without Donor Restriction are not restricted by donors/grantors, or the donor/grantor-imposed restrictions have expired.

Net Assets - With Donor Restriction contain donor/grantor-imposed restrictions that permit the School to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by action of the School.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Notes to Financial Statements (Continued)
June 30, 2019 and 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Assets (Continued)

Revenues are reported as increases in net assets - without donor restriction unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets - without donor restriction.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets - with donor restriction are reclassified to net assets - without donor restriction and reported as released from restrictions in the statements of activities.

Use of Estimates

The preparation of financial statements in accordance 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 financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The School considers all highly liquid investments with a maturity of three months or less at time of purchase to be cash equivalents.

Grants Receivable

Unconditional grants receivable are recognized as revenue in the period in which the grant is awarded. Conditional grants receivable are recognized when the conditions on which they depend are substantially met.

Restricted Cash

Under the provisions of the charter, the School has restricted the cash balance in the escrow account to pay for any legal and audit expenses that would be associated with dissolution, should it occur. The balance in the escrow account is \$75,000 plus interest earned.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Notes to Financial Statements (Continued)
June 30, 2019 and 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Furniture and Equipment

Furniture and equipment is recorded at cost except for assets acquired in accordance with government contracts, which are recorded as expenses of such contracts because the government agency retains title to the assets.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from five to seven years.

Contributions and Grants

Contributions and grant revenue received are recorded as net assets - without donor restriction or net assets - with donor restriction depending on the existence and/or nature of any donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restricted support that increases that net asset class. When a restriction expires, net assets - with donor restriction are reclassified to net assets - without donor restriction and reported in the statements of activities as net assets released from purpose restrictions.

Local Per Pupil Operating Revenue

Revenue from the local government 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.

Promises to Give

Conditional promises to give are not included as support until the conditions are substantially met. Unconditional promises to give are recognized in the period received.

Reclassification

Certain prior year financial statements line items and amounts have been reclassified to conform to the current year's presentation.

Functional Allocation of Expenses

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

UNIVERSITY PREP CHARTER HIGH SCHOOL
Notes to Financial Statements (Continued)
June 30, 2019 and 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses (Continued)

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll, payroll taxes, and employee benefits	Time and effort
Classroom textbooks, supplies & fixtures	Purpose of expenditure
Consultants and professional fees	Purpose of expenditure
School uniforms, student testing materials & services	Purpose of expenditure
Meetings and conferences	Purpose of expenditure
Telephone	Time and effort
Insurance	Time and effort
Teacher & Student recruitment	Time and effort
Printing & copying	Time and effort
Office supplies	Purpose of expenditure
Postage	Time and effort
Techers' discretionary	Time and effort
Student trips, transportation, food service	Purpose of expenditure
Repairs and maintenance	Purpose of expenditure
Payroll processing	Time and effort
Depreciation	Purpose of expenditure
Miscellaneous	Time and effort

New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The school has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Notes to Financial Statements (Continued)
June 30, 2019 and 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Subsequent Events

The School has evaluated subsequent events and transactions through October 24, 2019, the date that the financial statements were available to be issued.

Effective September 2019, the University Prep Charter High School launched its Middle School for Grade 5 and 6. University Prep Charter Middle School (the "Middle School") is committed to building scholarly community that prepares all students to gain entry to and succeed at University Prep Charter High School and then in a college of their choice and beyond. The schools are operating under two separate charters. However, the schools share the same IRS EIN number and will be reported under one financial statement. During the year ended June 30, 2019, about \$272,300 of expenses was incurred for the preparation of the Middle School's launch, including payroll and employee benefits of about \$181,700 and other administrative expenses of \$90,600. The Middle School didn't receive any cash revenue in the year ended June 30, 2019.

Note 3 - Furniture and Equipment

Furniture and equipment at June 30, 2019 and 2018 consisted of:

	2019	2018
Classroom and office furniture	\$ 264,760	\$ 264,760
Classroom and office computers and equipment	1,473,558	1,306,379
	1,738,318	1,571,139
Less: accumulated depreciation	(1,498,196)	(1,392,527)
Furniture and equipment, net	\$ 240,122	\$ 178,612

During the years ended June 30, 2019 and 2018, depreciation expense amounted to \$105,669 and \$107,370, respectively.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Notes to Financial Statements (Continued)
June 30, 2019 and 2018

Note 4 - Net Assets- With Donor Restriction

At June 30, 2019 and 2018, net assets - with donor restriction were available for the following purposes:

	2019	2018
Temporarily restricted:		
Title I Grant - NYS Department of Education 9/1/18 - 8/31/19	\$ 46,114	\$ -
Title I Grant - NYS Department of Education 9/1/17 - 8/31/18	-	157,247
Total net assets - with donor restriction	\$ 46,114	\$ 157,247

The School has adopted investment and spending policies for endowment assets (donor-restricted and board-designated) that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. As of June 30, 2019 and 2018, the School's endowment assets consisted of net assets- with donor restriction invested in cash and cash equivalents.

Effective September 17, 2010, the State of New York adopted the New York Prudent Management of Institutional Funds Act ("NYPMIFA").

Note 5 - Pension Plan

The School participates in a multiple-employer plan that provides benefits to certain contract labor covered by a collective bargaining agreement which expires September 30, 2021. The School contributed \$773,062 and \$866,880 to the Teachers' Retirement System of the City of New York during the years ended June 30, 2019 and 2018, respectively. The most recent Pension Protection Act ("PPA") zone status is not applicable because it is a government plan. As of the most current report on file with the City of New York's Office of the Actuary, which is for the fiscal year ending June 30, 2019 total plan net assets were \$57,990,200,000 and the accumulated benefit obligations were \$73,346,850,000.

Note 6 - Concentrations

Credit Risk

The School maintains cash balances at a banking institution. Accounts are insured by the Federal Deposit Insurance Corporation. The School does not anticipate any risk problems.

UNIVERSITY PREP CHARTER HIGH SCHOOL
Notes to Financial Statements (Continued)
June 30, 2019 and 2018

Note 6 - Concentrations (Continued)

Significant Funding

The School has entered into service contracts and grant agreements with New York State and New York City government agencies that are subject to business risks associated with the economy and administrative directives, rules and regulations that are subject to change. A significant reduction in revenue from these various governmental agency contracts would have an adverse effect on the School's operations.

Note 7 - Availability and Liquidity

Financial assets consist of the following at June 30, 2019 and 2018:

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	\$ 2,273,386	\$ 2,765,570
Grants receivable	521,898	312,528
 Financial assets available to meet general expenditures over the next twelve months	 \$ 2,795,284	 \$ 3,078,098

The School's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$2,000,000). As part of its liquidity plan, excess cash is maintained in an interest-bearing bank account at an FDIC insured institution.

Note 8 - Tax Status

The School has been determined by the Internal Revenue Service (the "IRS") to be exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (the "IRC").

The School files an annual return Form 990, *Return of Organization Exempt from Income Tax*, with the IRS. At June 30, 2019, the School's Form 990s for the years 2015 through 2019 remain eligible for examination by the IRS.



**INDEPENDENT AUDITOR'S 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
University Prep Charter High 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 University Prep Charter High 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 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered University Prep Charter High 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 University Prep Charter High School's internal control. Accordingly, we do not express an opinion on the effectiveness of University Prep Charter High 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.

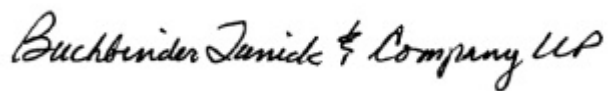
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 University Prep Charter High 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 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.



BUCHBINDER TUNICK & COMPANY LLP

New York, NY
October 24, 2019