

PROPOSAL FOR
AUDIT AND TAX SERVICES

PRESENTED TO
**St. HOPE LEADERSHIP
ACADEMY CHARTER SCHOOL**

January 10, 2025

**KNOW
GREATER
VALUE®**

January 10, 2025

Board of Trustee
St. HOPE Leadership Academy Charter School
222 W 134th Street
New York, NY 10030

Dear Board of Trustees:

We appreciate the opportunity to present our qualifications and proposal for audit and tax services for the year ending June 30, 2025. As a practice dedicated to serving Charter Schools, we understand your challenges, opportunities and what it takes to meet your objectives. As you evaluate our proposal, consider the following distinct advantages that PKF O'Connor Davies (the Firm) brings to St. HOPE Leadership Academy Charter School (the Organization, you):

- **A seasoned team that consistently brings value.** Our service approach is rooted in being transparent, responsive, accessible and informative. You benefit from a dedicated and stable team from the Charter Schools practice with no staff turnover rate at the supervisor and above level during the last five years. This team brings deep experience from serving similar organizations and undergo annual staff training combining coursework in industry-specific and technical disciplines to meet your objectives.
- **Deep experience auditing not-for-profit sector.** As a result of our tenure serving not-for-profit clients, our specialists are uniquely qualified to help navigate the transformations, technological challenges and pressures organizations like yours face today in the drive to remain effective and efficient. Our Firm has extensive experience with Single Audits and annually performs more than 250 of these types of audits.
- **St. HOPE Leadership Academy Charter School gains when Audit and Tax work as one.** Close coordination between our audit and tax professionals means we can avoid duplication of effort, deepen our overall knowledge of your organization and its tax positions and enhance the efficiency of our service to you.

Your organization will be an important client for our Firm. We are eager for the opportunity to discuss next steps with you and answer any questions about our proposal or any other matter of concern. Please do not hesitate to contact us directly.

Sincerely,



Gus Saliba
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Eva Mruk
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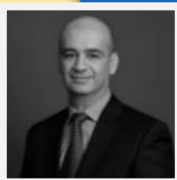
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"PKF O'Connor Davies" is the brand name under which PKF O'Connor Davies LLP and PKF O'Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O'Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O'Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services.

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Our Understanding Of Your Needs



"You will see that we will demonstrate the St HOPE Leadership Academy Charter School's importance to our organization in the level of attention we provide—both personally and professionally."

"When you call us, we will pick up the phone. When you have complex tax or technical accounting questions, your PKF O'Connor Davies team will provide suggestions and ensure that technical matters are assessed, researched and resolved promptly."

Gus Saliba
Partner

Based on the information provided to us, it is our understanding that you require the following services for the fiscal year ending June 30, 2025:

- Audit of year-end financial statements and related notes to the financial statement 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
- Management letter, if needed, containing recommendations on internal controls, sound fiscal management and other improvements
- Preparation and filing of Federal Form 990 and applicable forms
- Present the results of the financial statement audit and single audit to the Audit Committee

How PKF O'Connor Davies Can Transform Your Audit And Tax Experience

Working with PKF O'Connor Davies is an opportunity to collaborate with people you can trust to provide a more focused, proactive, insightful and high-quality audit and tax services that reduces your risk and your burden. We believe our Firm distinguishes itself in the market with our depth of knowledge, breadth of experience and the talent to deliver value to your organization through their combination. With PKF O'Connor Davies on your side, you can expect:



A leading team to help St. HOPE Leadership Academy Charter School

A dedicated team that brings deep audit and tax experience. Your client service team will include **Gus Saliba** and **Eva Mruk**, these leaders will bring relevant insights and awareness as well as coordinate the full strength of our resources to meet your desired objectives.

With no staff turnover rate at the supervisor and above level during the last five years, our Charter Schools practice is unique in its stability, bringing 70 years of total industry experience.



Deep Industry Experience

Our experience serving similar organizations with comparable requirements allow us to leverage leading practices and the benefits of lessons learnt. You will benefit from our dedicated Charter Schools and Not-for-Profit practices to meet your compliance and reporting requirements.

St. HOPE Leadership Academy Charter School will get in-depth industry insights and perspective from industry specialists that will keep you informed. We will apply an industry lens to your compliance lifecycle, so you can be proactive in addressing legislative changes and emerging market trends.



Insights and value beyond audit

We will offer proactive perspectives and information on a regular basis—for example, by keeping you apprised of regulatory changes that could impact your organization and by sharing topics originating in our **Thought Leadership**.

Engaging with our specialized Employee Benefit Plans (EBP) practice can lead to significant benefits and enhance synergies with EBP Audits and Form 5500s.

You will benefit from workshops and seminars on technical knowledge for St. HOPE Leadership Academy Charter School professionals, access to invitation-only events and other conferences and webcasts.

By The Numbers

For over **130 years**, our focus on value has driven our growth, propelling **PKF O'Connor Davies** into the **Top 26** on Accounting Today's 2024 "**Top 100 Firms**" list and gaining us acclaim as one of the nation's fastest growing firms.

Presence in the U.S.



200
Partners

1500+
Professionals



19
Offices

In the U.S We Serve:

75 Charter Schools across grade levels, enrollment size and missions

10 Charter Management Organizations

15 "Friends of" Organizations

4000 Not-for-Profit organizations, supported by more than **50** partners and **250** professionals, with an entire tax group dedicated to exempt organizations

250+ Single Audits

600+ Employee Benefit Plan audits each year, supported by **11** Partners and **75** professionals devoted specifically to the Employee Benefit Plans practice.

Bringing our leadership to the Organization



Firm Background

With roots tracing back to **1891**, PKF O'Connor Davies has a proven record of achievement delivering high-quality service and building lasting client relationships. In fact, our clients regularly acknowledge the value we bring - higher levels of expertise, commitment, service and integrity – frequently at a lower cost than our larger counterparts.

Comprehensive Services

The partners and professionals of PKF O'Connor Davies are experienced in a full range of services including financial audits, establishment of internal controls, tax compliance and planning, consolidated fiscal reports, internal control reviews, organizational and operational studies, merger and acquisition strategies, due diligence, investment performance evaluations, inventory cost accounting, profit enhancement studies, fraud and forensic accounting, pension plan compliance, portfolio best practices consulting, arrangement of financing, business valuations, business plan development and information technology audits.

Consistent Service, Talented Professionals

A top priority has been, and will remain, to attract, develop, reward and retain superior talent. In fact, our Firm surpasses industry standards for staffing continuity. High caliber teams delivering consistent attention to detail make PKF O'Connor Davies stand out among our peer firms.

Direct Partner Involvement, Dedicated Engagement Teams

Our Partners are involved in the day-to-day management of all engagements, ensuring a high degree of client service and cost effectiveness. Leading potent, cross-functional teams, they are integral to helping your organization remain competitive, technologically advanced and secure, ready to pursue ongoing growth and success.

Peer Reviews

Annual Inspection

Our Quality Control Department randomly selects one representative client assignment from each partner's client list and examines all the documentation, workpapers and reports associated with it. The detailed written findings are discussed with the respective partner. Our last office inspection was conducted in 2022. No material weaknesses were uncovered.

Triennial Peer Review

As a member of the AICPA Center for Audit Quality, the Firm has undergone triennial AICPA Quality Control Reviews covering audits, reviews and compilations conducted by all our offices for many years. It has passed all such reviews with unqualified reports. Our most recent triennial review was conducted in June 2023 for the period ended December 31, 2022. The Firm's peer review report is available on the AICPA website (www.aicpa.org) and is attached to this proposal as **Appendix D**.

Triennial PCAOB Inspection

The Firm is a registered public accounting firm with the Public Company Accounting Oversight Board (PCAOB) which requires that our SEC practice be reviewed triennially. Our most recent inspection was conducted in October 2022. Reports from the PCAOB on their inspections can be found on the PCAOB website (www.pcaobus.org).

Firm Qualifications and Experience

Services for Charter Schools and Management Organizations

At PKF O'Connor Davies, we are proud to deliver the knowledge, skill and responsiveness charter school professionals expect from a boutique firm along with the resources and expertise only seasoned advisors like ours can provide. As entrepreneurs ourselves, we appreciate the proactive approach adopted by educational innovators and we incorporate it throughout every phase of the engagement. Our teams are led by firm partners, assuring clients of the ongoing oversight they seek and the sector-specific insight that makes their undertaking more effective.

Charter Schools – We have performed audits for more than **75** charter schools predominately in the New York City area, as well as New York State, Connecticut, and Washington DC representing a cross-section of grade levels, enrollment size and missions. Our ability to interact productively with high visibility constituencies and regulators can help strengthen community perception of a school. We are ideally equipped to prepare annual in-depth ratios and benchmarks analyses comparing an individual school with others, providing a perspective that management and board members value. Our specialists even contribute time, energy and passion to mentorship programs at our client schools. We often find that authorizers look favorably on schools with which we work. The Firm also has experience dealing with the New Markets Tax Credit programs, Leasehold Condominium structure for “friends of” organizations, and publicly issued taxable and tax-exempt bonds.

CMOs – Through our extensive work with **10** CMOs at both the national and state levels, our assistance with CMO launches, as well as with conversions of “friends of” organizations into official CMOs, we have acquired a genuine understanding of the pressures and regulations they face. We are well versed in the issues surrounding CMO operations, establishment, charter replication, as well as collaborating with boards, attorneys and authorizers to merge schools into a single legal entity. In all cases, our assistance can prove invaluable in meeting federal replication grant requirements and operations.

Unlike many of our peer firms, we ensure that every client benefits from senior-level leadership on each engagement team. Our partners and managers possess in-depth sector experience and are actively involved in industry associations, meeting regularly with representatives and committees of state Departments of Education and authorizers. They attend national charter school conferences, participate in roundtable meetings, and are included in numerous recommended vendor lists.

As part of our service commitment, we will provide the following **value-added services at no additional charge**:

- **Annual Financial Ratios and Benchmarks Analysis** – comparing your school with other charter schools, a sample is located in [Appendix A](#).
- **Annual Tax Check-Up** – identifying tax risk areas is the focus of this review with the goal of ensuring that your school is in compliance with current tax regulations.
- **Annual Management Accounting and Tax Update** – designed to keep management up to date on the latest accounting, reporting and tax issues.
- **Exclusive Invitations to Industry Specific Seminars and Roundtables** – Please visit our [website](#) for information on recent and upcoming events.
- **Training on “Understanding Your Financial Information” for School Board of Trustees.**

Services for Not-For-Profit Organizations

Since its founding in 1891, PKF O'Connor Davies has specialized in providing exceptional audit, tax and advisory services to not-for-profit and tax-exempt organizations. In fact, as other professional services firms have reduced their roster of not-for-profit clients, we have continually and purposely expanded ours. Today, our clients include more than 4,000 charitable organizations, religious entities, educational and cultural institutions, healthcare entities, private foundations, affordable housing entities, and social services agencies. Ranging in size from small and growing to those with multiple offices around the world, these clients enjoy the unrivaled support of more than 50 partners and 250 professionals as well as an entire tax group devoted specifically to the not-for-profit arena.

Although organizations in this sector have much in common, we understand that addressing the specific needs of each is critical to sound operations, effective reporting and compliance. A keen understanding of not-for-profit financial management structures equips PKF O'Connor Davies specialists to deliver exceptional ongoing service. Active participation in industry associations and conferences enables us to identify and resolve emerging issues before they become problems.

As a leader among our peers, PKF O'Connor Davies combines an exclusive sector concentration with a cross-functional team approach to best serve our clients. Our clients benefit from our expertise in areas such as technology, real estate, health care, affordable housing and more.

The Advantages We Deliver

We understand that every not-for-profit organization is inherently a business, whether its mission is related to health care, advocacy or human services. For this reason, we are highly responsive to the particular needs and service model of each client. Throughout an engagement, our clients rely on and benefit from our outstanding commitment and professionalism. PKF O'Connor presents numerous seminars to the Firm's clients on topics of current interest.

Only PKF O'Connor Davies provides:

- **Unsurpassed Sector Specialization** - Our in-depth understanding of not-for-profit financial management ensures exceptional audit and tax services – and expert assistance with an array of essential operational concerns from IT fraud prevention and employee benefits to Board, foundation and grant making issues.
- **Unmatched Exempt Organization Tax Experience** - With extensive knowledge of the tax laws governing exempt organizations, we regularly assist in the preparation of federal and state tax filings, serve as the “professionals of choice” for applications for initial tax exemptions or classification changes and we represent clients before the IRS when required. Not-for-profit clients rely on us for help ensuring continuation of their exempt status and minimizing exposure to unrelated business or corporate taxes.
- **Uncommon Regulatory Expertise** - Our senior professionals are acknowledged for their proficiency in and deep grasp of state and federal regulations. They stay current on developing issues through representation on the Connecticut, New York, New Jersey, and Maryland State Society of Certified Public Accountants' committees on issues relating to not-for-profit organizations. As a result, they are ideally equipped to direct team members in assisting with FASB and other administrative requirements and in helping clients address emerging challenges.

- **Unrivaled Support** - With **50** partners, **25** specialists and an entire tax group focused solely on not-for-profit organizations, our clients are assured of outstanding support, responsive and ongoing communication. In addition, they benefit from full-time, senior-level attention through the active participation of two partners in each engagement. Clients operating abroad are assured of global support whenever – and wherever – they need it through our membership in the PKF International network.
- **Unprecedented Commitment** - PKF O'Connor Davies is recognized as a pioneer in serving not-for-profit and exempt organizations. We maintain our high level of professionalism and expertise through ongoing investment in our people, training, practice resources, audit guidance and service development to meet the sector's evolving needs. Our focused not-for-profit experience and best practices knowledge serve as powerful assets to our many clients in this unique arena.

Diverse, Specialized Services:

- Accounting
- Audits (including GAAS, Federal and State Single Audits)
- Cost Certifications
- Compliance Auditing
- Governance of Boards and Committees
- International Grand Audits
- IT Consulting
- Management Advisory
- Tax Compliance, Planning, Representation and Structuring
- Risk Assessment

Education

For educational administrators already busy managing daily operations, the burden of addressing increased regulatory compliance requirements, cybersecurity threats, global partnership opportunities and demands to generate supplemental revenue can be onerous. Since **1891**, PKF O'Connor Davies has specialized in working with educational and other not-for-profit institutions. This focus equips us to deliver the precise support that educational institutions – colleges, universities and independent primary and secondary schools – need to stay competitive, satisfy a diverse constituency, manage risk and enhance organizational performance.

Our partners and professionals are recognized for their broad experience within the education sector, and for their detailed knowledge of and proficiency in state and federal regulations. Through regular contact with government agencies, they maintain well-versed in the application of relevant requirements and regulations. They frequently serve as conference panelists, conduct seminars on regulatory issues and are active on state and national professional committees. This in-depth knowledge allows them to provide administrators with customized, solutions-based service and greater operational efficiency.

A Responsive, Cost-Efficient Approach

Our teams are led by partners, each of whom is actively involved in the engagement on a daily basis. Not only do they serve as trusted advisors, they are also the personal liaison to firm professionals. Through this structured approach, we provide comprehensive support and superior client service, typically at costs lower than those of our larger counterparts.

Exempt Organization Tax Expertise

Because of its significant not-for-profit client base, PKF O'Connor Davies has developed extensive expertise in the tax laws governing exempt organizations in our team of **25** full-time exempt **taxation specialists**. The Firm's professionals regularly assist clients in the preparation of annual tax filings at both the Federal and state levels. When required, PKF O'Connor Davies represents its clients before the IRS responding to audits and other notices. The Firm's experts are the "professionals of choice" when clients are applying for either initial tax exemption or a change in classification.

We are also called upon to consult on complex transactions with not-for-profit clients to ensure continuance of their exempt status and minimization of exposure to unrelated business tax or corporate taxes on controlled entities. In addition, PKF O'Connor Davies professionals are very familiar with public support and foundation issues, foreign grant making complexities and other issues regularly impacting exempt organizations.

Single Audit and Uniform Grant Guidance Expertise

Ensuring compliance with Single Audit requirements applicable to your organization will be a part of our audit. We pride ourselves on our experience performing Single Audits as well as our efficiency in completing these audits in a manner that exceeds our clients' expectations.

The Firm has been performing Single Audits since they were first required and annually performs more than **250** of these types of audits. Our partners and staff have extensive knowledge of the requirements to perform these audits thoroughly and efficiently. PKF O'Connor Davies is a member of the Governmental Audit Quality Center, which provides the most current news and changes in auditing and reporting requirements for Yellow Book and Single Audits.

Our audit strategy is to perform a comprehensive audit that combines the standard financial audit simultaneously with the Federal and State Single Audits. All members of our proposed engagement team have extensive Single Audit experience.

Our audit procedures, relevant to verifying your compliance with the requirements of Uniform Grant Guidance, and in conjunction with the financial statement audit, will be developed to support a low level of assessed control risk, and are consistent with the guidance provided in the Single Audit Compliance Supplement. Our procedures are tailored to assess compliance with the requirements applicable to major programs. Our approach focuses on the following areas:

- Planning the Single Audit, performing risk assessment, and identifying major programs
- Documenting and testing internal controls over financial reporting and over compliance
- Compliance testing
- Auditing the Schedule of Expenditures of Federal Awards and related notes

- Auditing the Schedule of Expenditures of State Financial Assistance
- Preparation of the respective Reports of Independent Certified Public Accountants and the Schedule of Findings and Questions Costs
- Preparation of the applicable sections of the Data Collection Form

Employee Benefit Services Practice

PKF O'Connor Davies has a dedicated Employee Benefit Services Practice that can help organizations balance these essential priorities quickly and effectively. Our partners and staff share considerable expertise in both public and private industry sectors. They understand the complexities associated with all aspects of comprehensive employee benefit plans and have significant experience satisfying plan compliance, disclosure and reporting requirements. As members of the American Institute of Certified Public Accountants' (AICPA) Employee Benefit Plan Audit Quality Care Center, our specialists adhere to the highest standards of audit quality and control.

Delivering a full range of specialized audit services to both employers and plan administrators, our employee benefit teams can provide comprehensive or targeted audit consulting services.

Our firm has extensive experience with the auditing of employee benefit plans. We currently serve approximately **600+** employee benefit plan audits each year. This includes both single and multiple employer plans of all different sizes. We currently audit over **250** plans with assets greater than **\$10,000,000**, **75** over **\$100,000,000** and **5** plans with over **\$1 billion** in assets.

IRS Representation and Tax Controversies

PKF O'Connor Davies maintains a separate Employee Benefit (EB) Tax Practice that prepares and files over 350 Form 5500 and 8955-SSA and all other employee benefit plan tax forms for all types of employee benefit plans. This practice consists of a Principal – a former IRS Agent from their EP Pension group, who also worked at a Big 4 accounting firm and as a Director at a law firm in various capacities involving compliance and reporting matters. Other professionals in the Practice include former 3rd party advisors, and tax professionals with employee benefit experience.

This group routinely represents clients plans for examinations and investigations from the IRS and DOL, respectively. Based on our experience and involvement in employee benefit plan committees, we know many of the IRS Agents and DOL Investigators, and members of the DOL's Chief Accountant Office. These relationships greatly assist with the processing of the regulatory reviews and responding to notices.

Independence/Conflict of Interest

A conflict of interest is not taken lightly at our Firm. Conflict checks are performed immediately when presented with an opportunity to provide services. A firm-wide conflict check is sent out to all employees via email before any engagement can commence. As a result, we can confidently report that we are currently independent with respect to St. HOPE Leadership Academy Charter School and would remain so as long as we serve as your auditors.

Client Listing

We are proud to have enjoyed a substantial record of service to organizations in your industry, a representative sampling of which is presented here.

Charters Schools, CMOs, and Related Organizations

Charter Schools

<ul style="list-style-type: none"> ▪ Ascend Charter Schools ▪ Bedford- Stuyvesant New Beginnings CS ▪ Bronx Community Charter School ▪ Brooklyn Laboratory Charter school ▪ Brooklyn Prospect Charter School ▪ Capital Preparatory Harbor School ▪ Capital Preparatory Harlem Charter School ▪ Challenge Preparatory Charter School ▪ Choice Charter School ▪ Community Roots Charter School ▪ Coney Island Preparatory Charter School ▪ Democracy Prep New York Charter Schools 	<ul style="list-style-type: none"> ▪ Dr Richard Izquierdo Health & Science CS ▪ East Harlem Scholars Academy Charter School ▪ Explore Charter Schools of Brooklyn ▪ Great Oaks Charter School - Bridgeport ▪ Growing up Green Charter Schools ▪ Harlem Link Charter School ▪ Harlem Village Academy Charter Schools ▪ Hellenic Classical Charter Schools ▪ Hyde Leadership Charter School ▪ Launch Expeditionary Learning Charter School ▪ LION Charter School ▪ Manhattan Charter Schools ▪ MESA Charter High School 	<ul style="list-style-type: none"> ▪ Middle Village Preparatory Charter School ▪ New Heights Academy Charter School ▪ New York City Charter School of the Arts ▪ Northside Charter High School ▪ Odyssey Community School ▪ OnTech Charter High School ▪ Park City Prep Charter School ▪ PAVE Academy Charter School ▪ Side by Side Community School ▪ The Equity Project Charter School ▪ The Williamsburg Charter High School ▪ Urban Dove Team Charter Schools ▪ Washington Latin Public Charter School ▪ Zeta Charter Schools – New York City
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Charter Management Organizations

<ul style="list-style-type: none"> ▪ Ascend Learning, Inc. ▪ Capital Preparatory Schools, Inc. ▪ Democracy Prep Public Schools 	<ul style="list-style-type: none"> ▪ East Harlem Tutorial Program, Inc. ▪ Explore Schools, Inc. ▪ Great Oaks Foundation, Inc. 	<ul style="list-style-type: none"> ▪ Prospect Schools, Inc. ▪ The Urban Dove, Inc. ▪ Village Academies Network ▪ Zeta Charter Schools, Inc.
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Loan Lending and Advocacy Organizations

<ul style="list-style-type: none"> ▪ 50 Can Inc. ▪ Building Charters Fund, Inc., Unitranche Capital ▪ Fund LLC and Unitranche Capital Fund 2 LLC 	<ul style="list-style-type: none"> ▪ LFF Fund LLC ▪ Level Field Facilities Fund, Inc 	<ul style="list-style-type: none"> ▪ New York City Charter School Center ▪ Nonprofit Finance Fund
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“Friends Of” Organizations

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> ▪ Coney Island Prep Builders, Inc ▪ East Harlem Community Learning Program, Inc. ▪ Friends of Ascend Charter Schools, Inc ▪ Friends of Bedford Stuyvesant New Beginnings Charter School | <ul style="list-style-type: none"> ▪ Friends of Brooklyn Laboratory Charter Schools ▪ Friends of Challenge Prep, Inc ▪ Friends of Classical Charter Schools ▪ Friends of Democracy Prep NY | <ul style="list-style-type: none"> ▪ Friends of Growing Up Green Charter School ▪ Friends of Hellenic Classical Charter Schools, Inc ▪ Friends of Prospect Schools Inc. ▪ TEP Charter School Assistance, Inc |
|--|--|--|

Not-for-Profit Clients

Charities

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ▪ Animal Medical Center ▪ Auburn Theological Seminary ▪ Catholic Charities of the Archdiocese of NY ▪ Catholic Guardian Services ▪ Catholic Migration Services, Inc. ▪ Child Center of New York ▪ Child & Family Services of Newport County ▪ Covenant House ▪ Futures in Education ▪ Girls Who Code, Inc. ▪ Global Alliance of Mental Illness Advocacy Network ▪ Global Outreach International, Inc. ▪ Grand Street Settlement, Inc. | <ul style="list-style-type: none"> ▪ Greater Providence Young Men's Christian Association ▪ Henry Street Settlement and Affiliates ▪ Impact Network ▪ Innovation Africa ▪ International Refugee Assistance Project ▪ New York Center for Children, Inc. ▪ Oliver Scholars Programs ▪ Public Agenda Inc. ▪ Public Relations Society of America Foundation ▪ Regional Aid for Interim Needs ▪ Rhode Island PBS Foundation ▪ SCO Family of Services | <ul style="list-style-type: none"> ▪ Salvation Army, New York Division ▪ Selfhelp Community Services, Inc. ▪ Spanish Speaking Elderly Council ▪ Stanley Isaacs Senior Center ▪ The Zachary and Elizabeth M. Fisher Center for Alzheimer's Research Foundation ▪ Union Settlement Association ▪ Vera Institute of Justice ▪ Vital Strategies, Inc. ▪ West Side Campaign Against Hunger ▪ Women First International Fund |
|---|--|--|

Private and Independent Schools

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> ▪ Allen-Stevenson School ▪ Archbishop Molloy High School ▪ Brunswick School ▪ Cardinal Hayes High School ▪ Cheshire Academy ▪ Convent of the Sacred Heart of NY | <ul style="list-style-type: none"> ▪ Don Bosco Preparatory School ▪ Dwight-Englewood School ▪ Fairfield Country Day School ▪ Hopkins School ▪ Iona Preparatory School | <ul style="list-style-type: none"> ▪ Morristown Beard School ▪ Moses Brown School ▪ New Canaan Country School ▪ Ursuline School ▪ Xaverian High School |
|--|--|---|

Colleges and Universities

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> American Musical & Dramatic Academy Concordia College Iona College | <ul style="list-style-type: none"> Montclair State University New York College of Podiatric Medicine Princeton Theological Seminary | <ul style="list-style-type: none"> Ramapo College of New Jersey St. Francis College |
|--|--|---|

Public School Districts

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> Ardsley, NY Briarcliff Manor, NY Camden, NJ | <ul style="list-style-type: none"> Chappaqua, NY Chester, CT Glencove, NY | <ul style="list-style-type: none"> Jersey City, NJ Newark, NJ Princeton, NJ |
|---|--|--|

Private Foundations

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> Altman Foundation Avon Products Foundation Edna McConnell Clark Foundation Geraldine R. Dodge Foundation | <ul style="list-style-type: none"> Goldman Sachs Foundation John Templeton Foundation Leona & Harry Helmsley Charitable Trust Louis Calder Foundation | <ul style="list-style-type: none"> Robertson Foundation Rockefeller Foundation The Peter & Carmen Lucia Buck Foundation Sidney Frank Foundation |
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Engagement Details

Our Audit Approach

Our commitment to open communication is evident from the beginning of our engagement with you. We will meet with you to confirm our understanding of audit risk, your issues of concern, expectations, and timing. Based on these meetings, we will create an engagement plan that reflects our dedication to providing the high-quality services you expect and deserve.

Our flexible, risk-based approach requires attention from the most experienced members of the engagement team. Partners on the engagement team are actively involved in all phases of the audit to ensure that we target audit risk areas, audit objectives and conduct the audit in the most efficient manner possible.

Audit Phases

We conduct our audit using a phased approach, which includes planning, substantive procedures, reporting and communication. The following describes each phase:



Phase I – Planning

Understanding Your Needs

Our first step is to confirm our understanding of your needs, issues of concern, and deadlines. We accomplish this through meetings and discussions with senior management and by communicating with those charged with governance (TCWG), typically either the owners, audit committee, or board of directors, as applicable.

Assessing Risk

A thorough risk assessment is essential to ensuring that the audit is both effective and efficient. Our risk assessment process evaluates the likelihood of a material misstatement of the financial statements whether due to error or fraud. This risk assessment process involves obtaining an understanding of your organization, including but not limited to, its structure, operations, industry, economic conditions, regulatory environment, and reporting framework. We obtain this understanding by, among other procedures, inquiry of personnel and management, review of historical data, and reading various documents.

Review of Internal Controls

During the risk assessment process, we gain an understanding of the internal controls that affect your financial reporting to both determine where misstatements may occur and to assist in designing our audit procedures. This understanding is obtained by a combination of inquiry, observation, re-performance, and walkthroughs. Although not required, if deemed efficient, we may conduct further testing of controls to increase our reliance on those controls and reduce the amount of substantive testing. It is important to note, that while risk assessment occurs early in the audit engagement, the process continues throughout the engagement as new risks are identified that may require a change to our planned audit approach.

Information Technology Environment

We will review your information technology environment to determine its effect on financial reporting and how it affects the risk of material misstatement. This review is scaled to the sophistication and complexities of the information system. Where necessary, we will deploy specialists to evaluate your information system.

Review Financial and Other Data

We will perform analytical procedures during our risk assessment. These procedures may include trend analysis, ratio analysis, reasonableness, and regression analysis. These procedures are designed to detect anomalies in financial data and identify potential misstatements. We use computer aided audit techniques (CAATs) to evaluate large sets of data. Frequently, we benchmark certain ratios against industry benchmarks.

Identify Critical Audit Areas

Critical audit areas typically relate to either financial statement amounts or financial statement disclosures. To discern whether there are any areas that require focused attention, we leverage our experience, judgment and sophisticated audit applications.

Once risk has been assessed, we determine the nature and timing of audit procedures required to reduce such risk to an acceptable level. To streamline the audit effort, we concentrate a majority of our substantive testing procedures on those areas with the greatest risk of material misstatement. Conversely, we test areas with less risk to a lesser extent.



Phase II – Substantive Procedures

Develop a Customized Audit Program

Based upon our review of the current year's risk assessment, we tailor our audit programs to achieve optimal audit efficiency by focusing our substantive testing on areas with the highest risk of a material misstatement.

Substantive Testing

Substantive testing covers a wide variety of audit procedures all aimed at reducing the risk that the financial statements contain a material misstatement that is not detected by our audit procedures. These procedures can include observation, vouching, tracing, recalculating, evaluation of estimates, independent confirmations, reading contracts and agreements, and more.

Improve Efficiency with Technology

We use a paperless audit methodology to increase efficiency in workpaper preparation, review and distribution. We also use various software to work remotely and efficiently. CAATs automate many audit functions, such as those that simplify data sorting and summarization, population stratification and sampling, duplicate and sequence gap analyses. CAATs equip us to perform data sampling more quickly. CAATs also allow us to test large populations' data or to test 100% of a population.

Phase III – Reporting

Reporting on Financial Statements

At the completion of the audit, we review the financial statements in draft form with your organization's management. The financial statements are the responsibility of your organization and management must make the final decisions concerning amounts and disclosures. Nevertheless, we must be satisfied with the classification of amounts, the fairness of the overall presentation and the thoroughness of disclosures. To this end, the engagement partners and audit manager review the financial statements and provide recommendations for changes to disclosures and/or presentation. A final review is then performed by an experienced, independent Quality Control Review Member.

Improving Controls – Substantive Reports for Management

To help promote the efficient operation of your organization, we will communicate our thoughts about where improvements can be made. Our management letter comments are designed to focus attention on the most significant and relevant findings in areas such as essential improvements to internal accounting controls, revenue enhancement or cost reduction opportunities and ineffective or inefficient operating controls and policies. At the conclusion of the audit, we meet with management and TCWG to discuss these comments as well as financial statements, results of the audit and any other issues identified during the audit. We are committed to keeping you informed of developments that relate to your business as they unfold.

You have our commitment that we will:

- Deliver forward-thinking ideas
- Offer solutions for enhancing internal controls
- Serve as your resource for information, insight, recommendations and industry best practices

Phase IV – Communication

Once we complete the initial audit, we continue our ongoing dialogue with you through the beginning of the next audit. This phase is one of ongoing communication during which we exchange ideas and advice. In addition to a continuous, year-round dialogue between your management and our team, we recommend periodic meetings with management and TCWG. We also help you stay informed of changes within your industry, the accounting profession and by regulatory authorities through publications we distribute via e-mail as issues arise.

Audit Quality Control and Issue Resolution

To fulfil the responsibility set by the AICPA's Quality Control Standards, we have established and maintain a system of quality control for our accounting and auditing practice. Our system is designed to ensure that all differences in viewpoint are given full consideration, including disputes between our client and our engagement team as well as any among engagement team members. In such cases, we leverage the knowledge, experience and competence of those within our Firm to resolve disagreements. Our Firm's culture, structure and chain of command ensure strict adherence to this process, the result of which is exemplary client service.

Transition from Former Auditor

We recognize that a change in auditors may place additional demands on your staff so we make it a priority to reduce this burden. We guide you through a smooth transition with minimal disruption to your everyday operations. Throughout the process, the entire engagement team will stay in touch with you and your representatives. You will notice change, but it will happen seamlessly. A prompt, smooth and efficient changeover is our paramount concern. We know from experience that this serves as a solid foundation for a successful and cost-effective engagement.

Our Tax Approach

At PKF O'Connor Davies, we have developed a comprehensive approach to the delivery of tax planning and compliance support. Our engagement teams work closely with leaders at exempt organizations, sharing their knowledge, experience and extensive resources. Our goal is to free you to focus on your entity's operations, activities and growth. Our approach includes the following:

Tax Review by a Highly Qualified Tax Specialist

Our tax partners have devoted their careers to specializing in tax compliance issues that affect virtually all types of exempt organizations including charitable, religious, scientific, educational, not-for-profits and many others. As a result, the tax professionals on your engagement team are ideally qualified to perform an in-depth review your company's activities to ensure that they are in full compliance with IRS regulations.

Streamlined Information Collection Process

Thorough tax reporting, including the preparation of IRS Form 990, Return of Organization Exempt from Income Tax, requires a substantial amount of information regarding the organization's activities, internal policies and procedures as well as information relating to its overall compliance with all applicable tax laws. Therefore, our tax professionals will provide you with an "information request package" that specifies the exact data we need in order to simplify its compilation at your end.

Year-Round Communication and Accessibility

We understand that you are making vital decisions on a daily basis, which is why we encourage regular communications between you, your representatives and our professionals. Discussing ahead of time any tax implications that may be associated with the options you are considering can prove essential to minimizing risk and maximizing positive outcomes for your organization.

Experience Dealing with Governmental Agencies

On occasion, our clients have had contact with the Internal Revenue Service or State Attorneys General. Though unlikely, should this occur we are pleased to leverage our considerable experience on your behalf, assisting with audits, inquiries, expert counsel and more.

Proposed Audit Time Frame

Activities	Dates
Planning <ul style="list-style-type: none"> ▪ Review of former auditor's working papers ▪ Discuss audit scope and special areas of review with the Audit Committee and financial management ▪ Discuss interim operation and financial results, risk sensitive areas and regulatory issues ▪ Agree upon coordination plan 	March – April 2025
Interim Field Work <ul style="list-style-type: none"> ▪ Prepare assessment of general control environment ▪ Prepare documentation and testing of monitoring/application controls for revenue, cash receipts, purchasing/payable and payroll cycles ▪ Select accounts and attorneys for confirmation ▪ Preliminary analytics ▪ Interim audit of certain financial statement areas 	May – June 2025
Year-End Audit Procedures <ul style="list-style-type: none"> ▪ Test selected asset and liability accounts not audited at interim ▪ Roll forward procedures for interim audit areas ▪ Test equity activity ▪ Test revenue and expenses ▪ Review financial statements and footnotes ▪ Report preparation process 	August 2025
Completion <ul style="list-style-type: none"> ▪ Closing meeting with management team; review management letter ▪ Meet with Audit Committee to discuss audit results 	September 2025
Deliver Final Reports and Management Letter	October 2025
Deliver Final IRS Form 990	To be determined

Engagement Team

We understand your objectives, as well as your expectations from the professional services provider. We will be available throughout the engagement and the year, asking meaningful questions and constantly working to anticipate your needs. As a PKF O'Connor Davies client, St. HOPE Leadership Academy Charter School can expect high-quality, seamless delivery of audit and tax services. **Gus Saliba**, Partner, will lead the delivery of all services to St. HOPE Leadership Academy Charter School. **Eva Mruk**, Partner, will lead the delivery of all tax services. **Rekha Nambiar**, Partner, will serve as the Engagement Quality Reviewer. **Daniel Smolan**, Director, will support Gus and orchestrate day-to-day operations of the engagement.



Gus Saliba
Partner
gsaliba@pkfod.com
914.341.7022

Gus Saliba has over 35 years of public accounting experience in the not-for-profit sector with a specialty in educational organizations, including charter schools. He is also actively involved in providing not-for-profit organizations with a wide range of accounting, auditing and consulting services.

His areas of expertise include audit planning, accounting, internal control reviews, implementation of IRS form 990 guidelines and providing board education and governance advice.

Gus currently provides auditing services to over 100 not-for-profit clients, including over 70 charter schools primarily in the Northeast and 10 charter management organizations at both the national and state levels.

He is a graduate of Rutgers University, sits on the Board of Trustees for Tuxedo Park School, and is a member of the New York State Education Department's Charter School Audit Guide Committee.



Eva Mruk
Partner
emruk@pkfod.com
914.421.7042

Eva Mruk serves in the Tax & Advisory Services Group. She has 25 years of experience providing tax compliance and advisory services to the not-for-profit and tax-exempt sectors, including public charities, social services organizations, membership organizations, cultural organizations, colleges and universities, healthcare, religious organizations, business leagues, trade associations, social clubs and private foundations.

Eva's experience enables her to offer insightful advice and valuable guidance with respect to a broad range of tax issues such as: federal, state, and local tax compliance; establishing and protecting tax-exempt status; governance, executive compensation; lobbying and political activities, public support testing and planning; fundraising and state solicitation laws; grant-making; international activities, strategic tax planning; unrelated business income (UBI); and alternative investments and their subjectivity to UBI tax and foreign reporting.

Eva represents clients with federal and state tax controversy matters such as tax-exemption revocations and reinstatements and assists in audits and examinations. She stays well-informed of current tax legislation and emerging issues and is a frequent author and speaker on the complex tax laws affecting tax-exempt organizations.

Eva received her bachelor's degree in business administration in Public Accounting from Pace University and is a member of the AICPA, NYSCPA, NAEA, NYSSEA and ASTPS.



Rekha Nambiar
Partner
rnambiar@pkfod.com
551.249.1816

Rekha Nambiar serves in the Quality Control Group with a focus on the not-for-profit, healthcare, affordable housing, higher education, employee benefit plan and government sectors, including those subject to Government Auditing Standards and Uniform Grant Guidance Requirements. As a leader of the Quality Control Group, Rekha's focus is on assurance engagement quality and efficiency and oversees many of the firm's assurance quality initiatives. In addition, she performs quality reviews for assurance engagements and serves as a critical technical resource relating to accounting and auditing matters.

She has over 30 years of experience in public accounting providing audit and advisory services. Prior to joining the Firm, Rekha was an Assurance and Advisory Partner at a national accounting firm. She also was an Assurance and Advisory Executive Director at one of the "Big 4" accounting firms.

Rekha has been involved in audit quality and learning and development initiatives for over 25 years as well as being a frequent speaker on technical accounting and auditing, internal control and governance topics. She earned a Bachelor of Science degree in Accounting from Rutgers University.



Daniel Smolan
Director
dsmolan@pkfod.com
646.449.6392

Daniel Smolan has more than 12 years of public accounting experience. He provides audit services to a wide variety of not-for-profit clients, including charter schools, charter management organizations, other educational organizations, social service agencies, and organizations receiving government funding.

Daniel is involved in the engagement from the planning stages to the issuance of the final financial statements. His responsibilities include training and supervising staff, planning and coordinating fieldwork, drafting financial statements and footnotes, and presenting at client board meetings.

Daniel is a graduate of Centenary University with Bachelor of Science in Accounting. He is a member of the AICPA, NYSCPA and the NJSCPA.



References

To gain a first-hand understanding of the caliber of service and attention from which our clients benefit, we invite you to speak directly with them. Below you'll find contact information for individuals who have enthusiastically offered to describe their experiences with our Firm.

For	Client Name	Contact Person and Role	Contact Details
Gus Saliba	Growing Up Green Charter Schools	Mr. Matthew Greenberg School Leader	greenberg@gugcs.org 347.642.4306
	Hellenic Classical Charter Schools	Ms. Joy Petrakos Chief of Operations	joy.petrakos@hccs-nys.org 718.499.0957
	Democracy Prep Public Schools	Ms. Valerie Martinez Chief Financial Officer	valerie.martinez@democracyprep.org 332.215.4366
	Charter School Business Management	Mr. Raj Thakkar Founder & CEO	RThakkar@csbm.com 646.584.3364
Daniel Smolan	East Harlem Scholars Academy Charter School	Ms. Nyasha Manigault Chief Finance Officer	nmanigault@ehcp.org 212.831.0650
	Brooklyn Prospect Charter School	Mr. Soung Ho Park Director of Finance Operations	shpark@prospectschools.org 347.201.2234

Engagement Fees

We are as committed to delivering our services at a fair and reasonable cost as we are to providing you with exceptional talent, attention and responsiveness. The extensive training programs and review processes we've developed help us maintain our outstanding record of performance.

Our fees reflect regular accounting, tax and business consulting. Rather than charging for each phone call, for example, we encourage regular communication and the opportunity to deal with issues as they arise. Our fees for the fiscal year ended June 30, 2025, are as follows:

St. HOPE Leadership Academy Charter School	Fees
Audit of year-end financial statements and related notes to the financial statement	\$27,000
Preparation and filing of Federal Form 990 and applicable forms	\$3,000
Total	\$30,000

Standard Hourly Billing Rates

Our average standard hourly billing rates are shown below. Actual rates may vary by department and staff experience levels.

Level	2025 Rates
Partner	\$550
Director/Manager	\$400
Supervisor	\$300
Staff/Senior	\$250

Out-of-Pocket Expenses

Billed separately, these include electronic confirmations, mailing packages, required travel by our staff to destinations other than your primary location and any other direct costs incurred by us necessary to complete the proposed work. Before incurring any significant costs, we will notify you in advance.

First Year Engagement Startup Costs

We do not charge you for costs incurred in the first year of our relationship, such as permanent file creation and opening balance sheet procedures; we consider these investments in what we expect will be an enduring relationship.

Out-of-Scope Billing

Should we, at your request, perform services outside the scope of the audit process that require additional staff and consultants, we bill separately – and only with your prior approval of estimated fees.

Future Fee Increases

Assuming no significant changes in the scope and/or complexity of the engagement, we will limit fee increases to 5% annually for years two and three of our relationship.

Final Note on Fees

We have prepared a fee estimate that we believe is appropriate for the scope of work required. If professional fees become an issue during your analysis of our proposal, we would appreciate the opportunity to discuss your concerns. We are committed to providing you with exceptional service at a fair cost, not only initially but also on a long-term basis. We welcome the opportunity to answer any questions related to our fees.

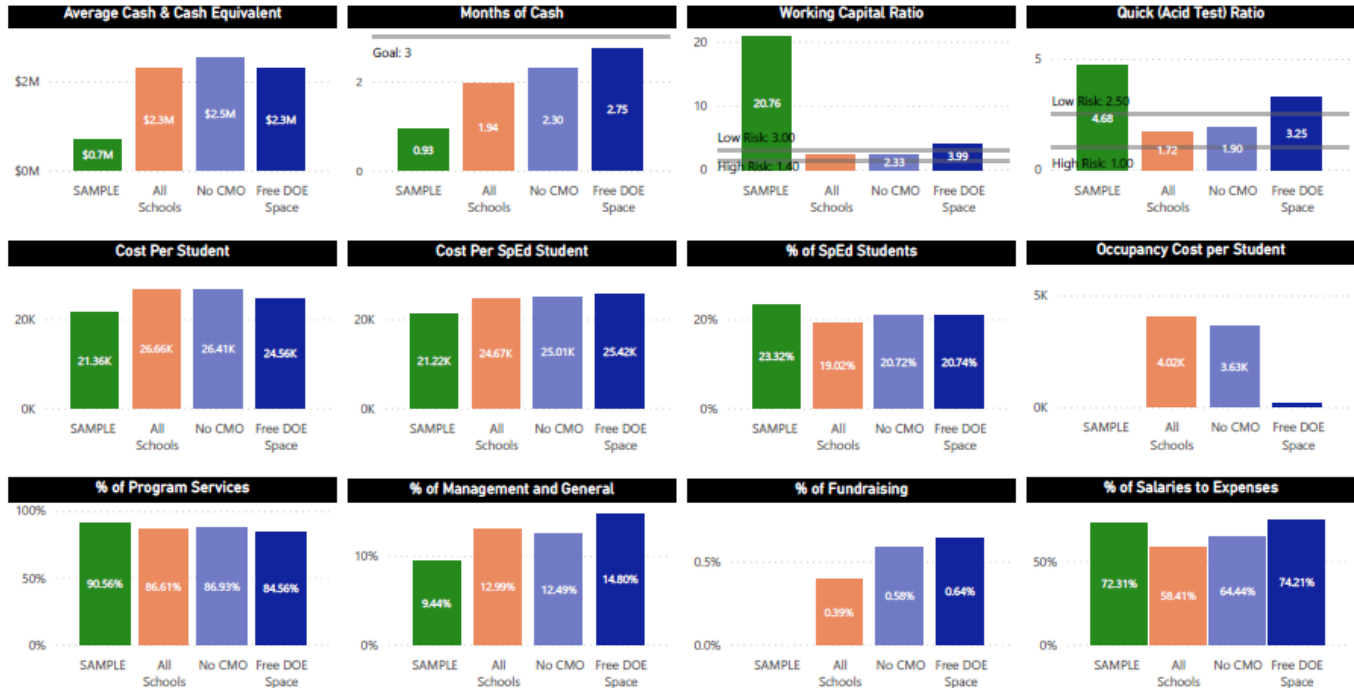
Appendices



Appendix A: Ratios and Benchmarks Study

Sample Charter School

SAMPLE CHARTER SCHOOL 2023



Appendix B: Thought Leadership and Conferences and Events

Our approach towards ongoing education and support includes intense involvement in industry research, monitoring and fostering legislative developments and solutions and sponsorship of symposia and other educational opportunities. We will bring to St. HOPE Leadership Academy Charter School the full value of our multidisciplinary capabilities through proactive delivery of insights, recommendations and interpretations of trends and developments. A sample list of our publications is listed here:



REVIEWING AND UPDATING THE FISCAL POLICIES AND PROCEDURES MANUAL

A charter school's Fiscal Policies and Procedures Manual (FPPM) provides management and the board of trustees with reasonable assurance that goals are being met, operations are efficient and effective, assets are safeguarded, laws and regulations are complied with, and accurate, timely and reliable financial data are maintained at all times.



COMMON DEFICIENCIES IDENTIFIED IN FINANCIAL AUDITS OF CHARTER SCHOOLS

A strong internal control system is important to charter schools for many reasons.



HOW TO USE FORM 990 TO ATTRACT MORE DONORS

Not-for-profit (NFP) or exempt organizations are generally required to file an annual federal form regarding their finances, activities and governance practices. The IRS Form 990 (the 990) is the most commonly filed form by public charities. Given the recent evolution of cloud-based accessibility of the 990, it is crucial for NFPs to ensure they are accurately conveying financial and other information within the framework of this important annual filing.



HOW CHARITIES CAN POSITION THEMSELVES AHEAD OF THE IMPACT RATINGS CURVE

According to recent surveys conducted by Give.org, 60% of respondents rate the importance of trusting a charity before donating as essential. While 33% of donors rate charity impact information as being very important to their giving, another 50% admit to not fully knowing what this means.



CHARTER SCHOOL NETWORKS IN NEW YORK:
A RANGE OF OPTIONS AND STRUCTURES

June, 2020

When it comes to setting up a charter school in New York, there are important considerations to ensure success and sustainability. What is the most effective model for operating a network of charter schools in New York? Is a central oversight organization needed? Or, is a third-party entity not necessary in New York, given unique provisions of state law? To answer these and other important questions, experts from Classical Charter Schools, which operates several charter schools in New York City, the law firm Barton Gilman LLP, and PKF O'Connor Davies, LLP teamed up to develop this analysis.

Conference and Events

Event/Seminar/Webinar	Topic/Speakers	Location	Date
9th Annual NYC Charter School Risk Management Roundtable- Gallagher	2024 Charter School Cybersecurity Update and Risk Management Strategy for 401k & 403b <i>Thomas DeMayo, PKFOD</i> <i>Louis LiBrandi, PKFOD</i>	Mutual of America New York City	2/08/23
Charter School CFO Roundtable Meeting	Life After ESSER Family Engagement <i>Gus Saliba</i> <i>Karen Daniels, CSBM</i> <i>Cliff Schneider, Cohen Schneider LLP</i>	Webinar	6/6/23
2023 National Charter School Conference	Networking events and meetings with clients, vendors, and others	Austin, TX	6/18/23 to 6/21/23
Leveraging Charity Navigator's Rating System to Promote Donor Trust and Contributions	Explore Charity Navigator's current rating system, how it affects not-for-profits and which best practices to adopt in order to improve effectiveness and build trust among potential donors. <i>Laura Andes, Chief Program Officer, Charity Navigator</i> <i>Eva Mruk, PKF O'Connor Davies</i>	Webinar	9/7/23
2023 Challenges for NFPs – Facing AI Risks, ERC Tax Uncertainties And Legal Changes	Recent tax compliance and legal changes that may affect not-for-profits' governance and operations <i>Mark Piszko, Suma Chander, Garrett Higgins, Eva Mruk, Elisha Brestovansky</i> <i>Amarah Sedreddine, Sedreddine and Whoriskey, LLP</i>	Webinar	12/1/23
Charter School CFO Roundtable Meeting	2023 Key Audit Takeaways <i>Daniel Smolan</i> <i>Paul O'Neill, Barton Gilman LLP</i> <i>Raj Thakkar, CSBM</i>	Webinar	12/6/23
Roundtable for school leaders and heads of schools	Networking and Wine Tasting	JP Morgan, NYC	2/1/24
10th Annual NYC Charter School Risk Management Roundtable-Gallagher	Accounting and Auditing Update <i>Gus Saliba</i> <i>Various Speakers</i>	300 Madison Ave New York City	2/8/24
New York City Charter School Center	Securing our Schools. How to Implement Cybersecurity Solutions Within you Organization Panel with <i>Thomas DeMayo, PKFOD</i>	111 Broadway, Suite 604 New York City	2/9/24

Appendix C: Commitment to Diversity, Equity and Inclusion

At PKF O'Connor Davies, Diversity, Equity and Inclusion are more than just words, they're the foundational elements that guide our daily actions and interactions. They're the building blocks of our teams and our culture. They're in our DNA.

Together, we continuously strive to build an inclusive culture that encourages, supports and celebrates the diverse voices of our employees. We know first-hand that different ideas, perspectives and backgrounds create a stronger and more creative work environment that delivers better results and greater value for clients. Because when people feel respected, and included, they are more focused, innovative and successful — in work and in life. And that's our real goal — to build a culture that transcends our workplace. To cultivate leaders not just in business but in our communities. To make a difference for our clients and for our world. We truly believe we have an opportunity to drive social change from the inside out. You can see it and feel it in the places we work and the people we work with. Because when it comes to Diversity, Equity and Inclusion, it's not just what we say. It's how we live. It's who we are. DEI is truly in our DNA.

"It's our responsibility as business leaders to promote principles and model action that strengthen the values the world needs: character, integrity, dignity and respect, chief among them"

Kevin J. Keane
Executive Chairman



Equal Opportunity Employer

PKF O'Connor Davies, LLP has implemented a strong Equal Opportunity Employer (EEO) policy that is embraced at the top levels of the Firm. We recruit, hire and promote diversity candidates with EEO principles in mind, focusing on campus and professional associations, as well as job boards that give us access to a diverse candidate pool.

We actively recruit from diversity recruiters and associations such as:

- National Association of Black Accountants (NABA) www.nabainc.org
- ASCEND Pan-Asian Leaders www.ascendleadership.org
- Association of Latino Professionals for America (ALPFA) www.alpfa.org
- Association of Filipino American Accountants (AFAA) www.afaany.org

DEI Initiatives

To support an inclusive environment where employees feel empowered to share their experiences and ideas, we've fostered a variety of Employee Resource Groups that advance and celebrate diverse voices and perspectives.

Diversity, Equity and Inclusion Council

Our internal Diversity, Equity and Inclusion **Council** continually works to define and refine relevant goals, organizational frameworks, employee education and new resources and tools to realize a more diverse and inclusive workplace.

CEO Action for Diversity & Inclusion™ Pledge

PKF O'Connor Davies joined the CEO Action for Diversity & Inclusion™ which brings the business community together to advance diversity and inclusion within the workplace. The CEO pledge details specific actions signatory CEOs will take to foster an environment where employees feel comfortable and empowered to have discussions about diversity and inclusion. [This pledge](#) demonstrates PKF O'Connor Davies' commitment to the following actions:

- We will continue to make our workplaces trusting places to have complex, and sometimes difficult, conversations about diversity and inclusion. We will create and maintain an environment that encourages employees to connect with their colleagues to gain a greater awareness of different points of view.
- We will implement and expand unconscious bias education. By helping our employees recognize and minimize their blind spots, our goal is to facilitate more open and honest conversations.
- We will create and share strategic inclusion and diversity plans with our leadership. Working closely with our Diversity, Equity and Inclusion Council, we will develop and evaluate concrete, strategic action plans to prioritize and drive accountability around diversity and inclusion.

Women's Initiative

The Women's Initiative Network (WIN) at PKF O'Connor Davies was established in 2017. WIN remains committed to attracting, retaining and advancing talented women within our organization by maintaining a supportive culture that fosters professional growth and leadership opportunities. Kevin J. Keane, Managing Partner states, "The fact that we've experienced tremendous growth while strengthening our workplace and culture is something that makes me proud every day."

Our commitment to diversity and inclusion is evidenced by leadership positions held throughout the Firm:

- Our COO and Administrative Committee Chair is a Latino.
- The leader of our nonprofit practice group in the State of New Jersey is African American.
- Women make up 40 percent of the Firm's Administrative Committee, the governing body that drives all of the day-to-day Firm operations, and also hold various firm leadership positions, such as:
 - Partner-in-Charge of the New York City Office
 - Partner-in-Charge of the Tax Department
 - Partner-in-Charge of Continuing Professional Education
 - Partner-in-Charge of the Family Office Practice
 - Chief HR Officer
 - Chief Marketing Officer

PKF O'Connor Davies is ranked **2nd** on [Vault's 2021 Best Accounting Internships](#), a ranking of the highest-rated internships among accounting firms. Vault Top Internship Rankings analyzed information from more than 400 organizations and 14,000 current and former interns. Organizations provided details of the programs and interns offered comments and rated internship experiences based on factors, including the application process, compensation and benefits, quality of life, the meaningfulness of assignments and training, diversity, and full-time employment prospects. We are also ranked **2nd** for [Vault's 2021 Best Internships for Racial, Ethnic & LGBTQ Diversity](#) and **23rd** for [Best Internships for Employment Prospects](#).

Our Firm appears on **Vault's Accounting 50 List of Top Accounting Employers to Work for in North America** for the seventh consecutive year. This year, we achieved 15th overall in the rankings. We received improved rankings in 8 out of 18 quality of life categories and in all diversity categories. "This year and over the last several years, the Vault rankings have been a rewarding validation of our ongoing commitment to our employees and our clients," said Managing Partner Kevin J. Keane.

Recognition of Our Workplace and Culture

We are honored to have earned external recognition for our commitment to a diverse and inclusive workplace and corporate culture:

- Ranked **1** in "**Five Categories : Best in Accounting and Overall Internships, Quality of Life, Compensation and Overall Diversity**" Vault, 2025
- Ranked **10** of the **50 "Best Accounting Employers to Work for in North America"** Vault, 2024
- "**Best of Accounting Client Satisfaction**" ClearlyRated, 2024
- "**Top Accountancy Advisory**" Family Wealth Report, 2024
- "**Best Places to Work in Westchester**" 914INC., 2024
- "**Best Company to Work for in New York**" Rochester Business Journal and NYS Society for Human Resources Management, 2024
- "**Best Places to Work in NYC**" Crain's New York Businesses, 2024
- "**Leaders in 'Audit & Attest' and Consulting**" Accounting Today, 2024
- Ranked **26** of "**2024's Top 100 Firms**" Accounting Today, 2024
- "**Accounting/Due Diligence Firm of the Year**" The M&A Advisor, 2024
- "**Best Places to Work in New Jersey**" NJBIZ, 2024
- "**Top Workplaces in Western Connecticut**" Hearst Connecticut Media Group, 2024
- Ranked **5** of the "**Top firms in the Mid-Atlantic**" Accounting Today, 2024
- "**America's Best Tax and Accounting Firms**" Forbes, 2023
- "**Best Accounting Firm in Westchester**" 914INC., 2022
- In 2021, Vault ranked PKF O'Connor Davies **#2** for "**Best Internships for Racial, Ethnic and LGBTQ Diversity**" and **#23** for "**Best Internships for Employment Prospects**".
- PKF O'Connor Davies received the 2021 **Ovation Award** in the Diversity, Equity and Inclusion category from the New Jersey Society of CPAs.

Diversity, Equity & Inclusion (DEI) Leadership Recognition

Most recently, Truphena was recognized as a Top Diversity Officer by the 2023 **DEI Champion Awards**. The DEI Champion Awards honor professionals who are passionate about creating an impact in the field of diversity and inclusion and continue to put DiversityFIRST™ through visionary leadership and commitment to fostering change for ages to come.

Employee Resource Groups (ERGs)

To further cultivate a diverse and inclusive work environment, we have formed various Employee Resource Groups (ERGs) supported by Executive Sponsors, Partners of the Firm. The ERGs are also led by passionate employee volunteers. The mission of the ERGs is to offer mentoring opportunities and increase awareness of issues facing certain demographics and marginalized populations. Each ERG brings together employees who share a common interest as well as provide a safe space to learn and celebrate one another's differences.

ERGs List:

- African American ERG
- Asian American ERG
- Disability ERG
- Inter Belief ERG
- Family Circle/Working Parents ERG
- Latin American ERG
- LGBTQIA+ ERG
- Mental Health Advocacy ERG
- Veterans ERG
- Women's Initiative Network ERG
- Indian American Connect ERG
- PRIDE ERG

"I believe to create meaningful change in the DEI space, organizations should be comfortable with being uncomfortable—DEI is not a sprint but a marathon. Be intentional about weaving DEI into the fabric of your organization, it's not just an initiative it is a way of life."

Truphena Martin
DE&I Manger



Appendix D: Peer Review Report



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

January 25, 2024

To the Partners of PKF O'Connor Davies, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans; and examinations of services organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. PKF O'Connor Davies, LLP has received a peer review rating of *pass*.

Davie Kaplan, CPA, P.C.

DAVIE KAPLAN, CPA, P.C.

Davie Kaplan, CPA, P.C.
Certified Public Accountants