



# St HOPE Leadership Charter School

Audit Planning Communication  
June 30, 2025

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August 29, 2025

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VALUE®**

August 29, 2025

Board of Trustees  
St HOPE Leadership Academy Charter School  
222 W 134<sup>th</sup> Street  
New York, NY 10030

We are in the process of planning our audit of the financial statements of St HOPE Leadership Academy Charter School (the "Organization") as of and for the year ended June 30, 2025.

Professional standards require us to communicate to you audit matters that are, in our professional judgment, significant and relevant to the those charged with governance ("TCWG") in overseeing the financial reporting process. This communication is intended to provide you with these required matters as well as other information regarding our audit.

We are pleased to be of service to you and the Organization and appreciate the opportunity to perform the audit of the financial statements of the Organization as of and for the year ended June 30, 2025. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This communication is intended solely for the information and use of the those charged with governance and management of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "PKF O'Connor Davies, LLP". The signature is written in a cursive, flowing style.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

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## Timing of the Audit and Deliverables

| Area                                                                                      | Date                                                                          |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Audit planning meeting                                                                    | May 6, 2025                                                                   |
| Interim testing                                                                           | Week of June 2, 2025                                                          |
| Audit planning/risk assessment                                                            | July 2025                                                                     |
| Year-end financial audit procedures                                                       | Week of September 2, 2025                                                     |
| Draft financial statements                                                                | Early October 2025                                                            |
| Discuss financial statements and management comments with management                      | Early October 2025                                                            |
| TCWG closing meeting with auditors to review financial statements and significant matters | To Be Determined - October 2025                                               |
| Final audit due date                                                                      | No later than November 1, 2025                                                |
| Form 990 Tax Organizer/Questionnaire and support provided to Tax Team                     | With Audit Package                                                            |
| Draft Federal Form 990                                                                    | Early November 2025                                                           |
| File tax returns                                                                          | Prior to November 15, 2025; Due no later than May 15, 2026 with one extension |

# Planned Audit Scope and Approach

## Review of key internal controls and accounting procedures

- Conduct interviews and walkthroughs to deepen our understanding of the Organization's significant accounting and internal control procedures, including any changes that may have been adopted.
- Conduct fraud interviews with key members of staff, management and TCWG.

## Assess risk of significant audit areas affecting financial reporting and qualitative aspects of significant accounting policies and practices

In accordance with the requirements of SAS 134, we are required to communicate the significant risks of material misstatement in our audit planning meeting to those charged with governance. We have assessed the following potential significant risks of material misstatement as part of our audit planning:

- Management override of internal controls over financial reporting
- Management may attempt to present disclosures in a manner that may obscure a proper understanding of the matters disclosed.
- Improper revenue recognition due to fraud
- Overstating the number of students enrolled.
- Noncompliance with grants and contracts

## Planned Audit Scope and Approach (*continued*)

### Perform substantive year-end procedures affecting significant audit areas

- Cash and cash equivalents (volume of activity and significance of balance)
- Grants and contracts receivable (existence, valuation and cut-off)
- Investments and investment income (valuation and completeness)
- Property and equipment (existence)
- Accounts payable and accrued expenses (completeness and cut-off)
- Accrued payroll and payroll taxes (completeness and cut-off)
- Revenue recognition and per-pupil operating revenue (accuracy, existence and completeness)
- Salaries and employee benefits (completeness and presentation)
- Grant management (valuation and completeness)

# Planned Audit Scope and Approach (continued)

## Other areas of audit focus

- Commitments and contingencies
  - Regulatory and legal matters, if any
  - Any new lease agreements or commitments – space, equipment, other
- Significant subsequent events and transactions
- Significant accounting estimates
- Fraud and illegal acts
- Methodology of functional expense allocations
- Audit procedures under *Government Auditing Standards*
- Opening balance procedures

## Tax and information returns and other services

We have been engaged to perform the following other non-attest services that will be overseen by and the responsibility of management and those charged with governance of the reporting entity:

- Preparation of Form 990
- Assistance with preparation of the draft financial statements and note disclosures that will be included with the financial statements

These nonattest services do not constitute an audit performed in accordance with *Government Auditing Standards*.

**Note that the above audit areas are subject to change once we have received the trial balances, draft financial statements and other financial records from management at the start of our audit.**

# PKF O'Connor Davies, LLP's Responsibilities



- Performing the audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"), which are directed toward the expression of an opinion on the financial statements, and the standards applicable to financial audits contained in Government Auditing Standards ("GAGAS").
- Forming and expressing an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").
- Obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures, but not to provide any assurance concerning such internal control. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, the audit will involve judgment about the number of transactions to be examined and the areas to be tested.



# PKF O'Connor Davies, LLP's Responsibilities (continued)



- Accumulating misstatements identified during the audit and communicating material corrected and uncorrected misstatements to management and TCWG and the effect that they may have, individually or in the aggregate, on the opinion in the auditors' report, including possible implications with respect to future financial statements.
- Conducting our audit with professional skepticism.
- Communicating our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion.
- Communicating internal control related matters that are required to be communicated under professional standards, including significant matters arising during the audit that are relevant to TCWG in overseeing the financial reporting process. However, U.S. GAAS and GAGAS do not not require the auditor to design procedures specifically to identify such matters.
- Communicating the process used by management to formulate particularly sensitive accounting estimates and our conclusions about the reasonableness of such estimates.

# Responsibilities of Management and Those Charged with Governance



## Management is responsible for:

- Preparing and fairly presenting the financial statements and the related notes to the financial statements in accordance with U.S. GAAP.
- Selecting and using appropriate accounting policies
- Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- Complying with laws, regulations, and provisions of contracts and agreements
- Providing all relevant information and access, as agreed upon in the terms of the audit engagement letter, and ensuring all transactions have been recorded and are reflected in the financial statements.
- Assessing the ability of the Organization to continue as a going concern
- Providing a signed representation letter to PKF O'Connor Davies LLP ("PKFOD").
- Making all management decisions and assuming all management responsibilities.
- Designating an individual with suitable skill, knowledge, and/or experience to oversee the following non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

# Responsibilities of Management and Those Charged with Governance (*continued*)

## Those charged with governance is responsible for:

- Communicating with PKFOD and overseeing the financial reporting process

## Management and those charged with governance are responsible for:

- Setting the proper tone at the top and maintaining and encouraging a culture of honesty and high ethical standards
- Designing and implementing policies and internal controls to prevent and detect fraud

**Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.**

## Restrictions

This presentation is intended solely for the use of the Organization's management and TCWG and is not intended to be and should not be used by anyone other than these specified parties. This presentation is not intended for general use, circulation or publication and should not be published, circulated, reproduced or used for any purpose without prior written permission in each specific instance.

# Appendix



## About PKF O'Connor Davies, LLP

# About PKF O'Connor Davies, LLP



Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,500 professionals and 19 offices in the U.S. Our team of top-notch professionals deliver a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

## Regional Connections Backed by Global Expertise

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

## Proactive Service Model, Engaged Partner Base

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients. Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

## Know Greater Value

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 26th on Accounting Today's 2024 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always Know Greater Value.

## Industry Recognition

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**#25 "Top 100 Firms" *Accounting Today*, 2025**

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**"Top Tax Firm" *Accounting Today*, 2025**

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**"Leaders in 'Audit & Attest' and 'Consulting'" *Accounting Today*, 2025**

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**#5 of the "Top Firms in the Mid-Atlantic" *Accounting Today*, 2025**

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**"Best of Accounting Client Satisfaction" *Clearly Ranked*, 2024**

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**"Top Accountancy Advisory" *Family Wealth Report*, 2024**

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**"America's Best Tax and Accounting Firms" *Forbes*, 2023**

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**"Best Places to Work in Westchester" *914INC.*, 2024**

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**"Best Company to Work for in New York" Rochester Business Journal and the New York State Society for Human Resources Management, 2025**

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**Ranked 10 of the 50 "Best Accounting Employers to Work for in North America" *Vault*, 2025**

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**Ranked #1 in Three Diversity Categories *Vault*, 2025**

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**"Accounting/Due Diligence Firm of the Year" *The M&A Advisor*, 2024**

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**"Best Places to Work in New Jersey" *NJBIZ*, 2024**

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# About PKF O'Connor Davies, LLP (*continued*)



At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.

## ACCOUNTING & ASSURANCE

- Agreed-Upon Procedures
- Audits, Reviews and Compilations
- Employee Benefit Plan Audits, including ESOPs
- Endowment Fund Accounting
- Peer Review Services
- Public Company Services
- Public Sector Audits and Compliance
- SOC - System and Organizational Control Reporting

## TAX SERVICES

- Business Tax
- Employee Benefit Planning and Tax Compliance
- International Tax (Asia, EU and Latin America Desks)
- Private Client Services
- R&D Tax Credit
- State and Local Tax (SALT)
- Trust and Estate Planning

## BUSINESS CONSULTING

- Bankruptcy
- ESG
- Litigation Support and Forensics (Fraud, Integrity Monitoring and Litigation Support)
- Operational and Cost Effectiveness
- Risk Advisory Services
  - Internal Audit
  - Regulatory Solutions (AML and SOX)
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights
- Strategy and Transformation
- Strategy and Transaction Advisory
  - Turnaround and Restructuring
  - PKF Investment Banking
    - Acquisition Advisory
    - Exit Readiness and Transaction Planning
    - M&A Cybersecurity and Data Privacy Advisory
    - Sell-Side Advisory

# About PKF O'Connor Davies, LLP (*continued*)



At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.

## TECHNOLOGY & CYBERSECURITY

- Cybersecurity and Privacy
  - Cybersecurity Maturity Model Certification (CMMC)
  - Dark Web Monitoring
  - Digital Forensic Services
  - General Data Protection Regulation (GDPR)
  - M&A Cybersecurity and Data Privacy Advisory
  - Penetration Testing
  - Virtual Chief Information Security Officer Services (vCISO)
- IT and Cybersecurity Audit
- Technology Advisory

## OUTSOURCED SERVICES

- CFO Solutions
- Outsourced Accounting
  - Portfolio Company Accounting
- Recruitment Services
- Virtual Chief Information Security Officer Services (vCISO)

## PRIVATE CLIENT SERVICES

- Family Office
- Private Business Owners
- Trust and Estate Planning

"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. PKF O'Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.