



Harlem Village Academy we — Charter Sch



Independent Auditors' Report

Board of Trustees
Harlem Village Academy West Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Harlem Village Academy West Charter School (the "School"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America.

Board of Trustees
Harlem Village Academy West Charter School
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Opinion

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Current Assets

Cash	4,200,092
Grants and contracts receivable	740,75
Prepaid expenses and other current assets	59,51
Due from related party	<u>2,290</u>
Total Current Assets	5,292,5
Property and equipment, net	915,104
Note receivable - related party	750,000
Security deposits	2,1
Restricted cash	<u>100,000</u>
	<u>7,29,9</u>

LIABILITIES AND NET ASSETS

Current Liabilities

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	Regular Education	Special Education	Supplemental Education	Total	Management and General	Total
Salaries and benefits	\$ 0,5 , 0	\$ 2, 90, 9	\$ -	\$ 2, 90, 9	\$ 925, 59	\$ 7, 494
Consultants	, 62	25, 000	-	59, 62	59, 62	59, 62
Contracted services - temporary	22 , 25	50, 5 9	-	27 , 664	9, 643	29 , 2
Audit						

CAS FLOWS FROM OPERATING ACTIVITIES

Change in net assets

\$ (698,683)

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Notes to Financial Statements
June 30, 2020

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

Property and Equipment

The school follows the practice of capitalizing all expenditures for property and equipment with costs in excess of \$1,000 and a useful life in excess of one year. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods, which are reasonably assured, or the estimated useful life of the asset. Purchased property and equipment are

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Notes to Financial tatements

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Notes to Financial Statements
June 30, 2020

8. Concentration of Credit Risk

Financial instruments that potentially subject the school to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The school does not believe that a significant risk of loss due to the failure of a financial institution presently exists. As of June 30, 2020, approximately \$4,070,000 of cash was maintained with an institution in excess of FDIC limits.

9. Concentration of Revenue and Support

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Harlem Village Academy West Charter School

Notes to Financial Statements
June 30, 2020

12. Commitments

On March 22, 2013, the school entered into a 25-year lease for elementary school facilities with HVA 124 LLC, a related party (see Note 4). Lease payments commenced September 1, 2013 and will expire on April 30, 2038.

On July 1, 2019, the school was assigned a 3-year lease for elementary school facilities

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Supplementary Information

June 30, 2020

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	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	ot
total	2	2	2	2
total	22	22	22	2
expenses	2	2	2	2
total	2	2	2	2
interest	2	2	2	2
total	2	2	2	2
total	2	2	2	2

total	2	2	2	2
total	22	22	22	2
expenses	2	2	2	2
total	2	2	2	2
interest	2	2	2	2
total	2	2	2	2

total	2	2	2	2
total	22	22	22	2
expenses	2	2	2	2
total	2	2	2	2
interest	2	2	2	2
total	2	2	2	2

Salaries and benefits

Regular
Education
\$ 8,829,325

Special
Education
\$ 1,999,881

Supplemental
Education
\$ -

Total
\$ 10,829,206

Management
and
General
\$ 777,490

Total
11,

Management
and

Supplemental

Special

Regular

Salaries and benefits
Consultants
Contracted services - temporary
Audit fees

5,380

35,700

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PKF O'CONNOR ADVISERS, LLP

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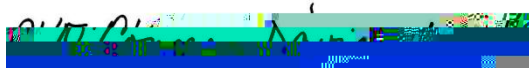
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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the school's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing standards* in considering the school's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Harrison, New York
October 9, 2020

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