







TRA L. SCHALL, CPA DAVID C. ASHENFARB, CPA MICHAEL L. SCHALL, CPA

Tel: (212) 268@02800 rax?(212) 268-2805

www.schallandashenfarl

#### **Independent Auditor's Report**

To the Board of Trustees of Valence College Preparator Report We have audited the accompanying School (the "S which comprise the statement of the related statements of activities, functional expenses and such flows from incom-Management's Responsibility for the Financial Statements Management is responsible for the preparation and fair preses in accordance with accounting principles garanted in includes the design implementation and mai presentation of finance whethand interest production error with the whole whether the control of the cont Auditor's Ref Our responsibility is to express an or the same of the of America and the standard adversaria Standards, issued by with & Copy to the went are or plan and perform the audit to obtain reasonable assurance about whether the for are free from material miss An audit invol disclosures in the financial including to the manufacture of the control of the to design audit procedures that are approprietainte circumstances, but not to expressing an opinion on the effecti eveness of the organization's internation express no such opinion. A secondaria also 307 Fifth Avenue, 15th Floor New York, New 1811 116

#### **Opinion**



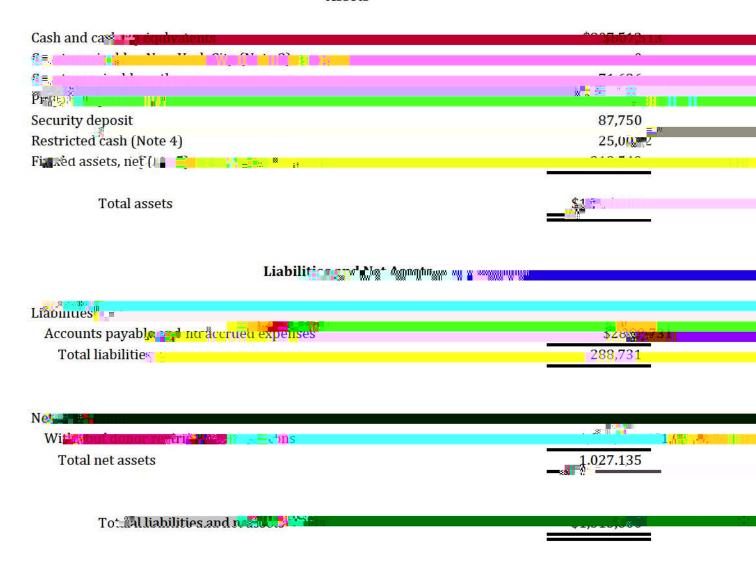
Schall & Ashenfarb

Certified Public Accountages, LLC

October 20, 21

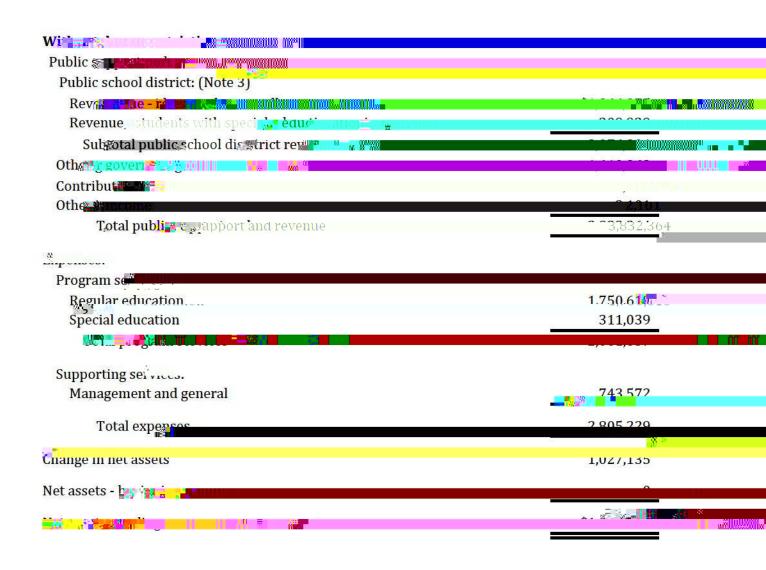
# VALENCE COLLEGE PREPARATORI THAY CHAPTED SCHOOL STATEMENT OF FINANCIAL POSITION AS OF JUNE 20, 2020

#### **Assets**



The 📹 🧎 Luched notes and auditor's report are an integral part of these financie 🐰 📁

# VALENCE COLLEGE PREPARENT OF ACTIVITIES FROM INCL. AND ACTIVITIES



# STATEMENT CEFFUNCTIONALEERFENSES FROM INCEPT

	Prog	Supporting Services Janagement	_		
	Regular	Special	Total M Program	and	Total
	Educat			is list	:
Salaries Para version takes and benefits	\$827,273	\$ <b>146,984</b> 45 <b>51222</b> 26	<b>\$97#4,257</b> ,901 <mark>-7</mark>	\$303,666 8,359°	\$1,277,923 557,5472
To significant personne,			a de la companya de l		
Professional fees	21,93🎎 🚉	188,	25.830, 23	334	,
Curriculum and classroom expenses	91,2	6.210	107.444		107.444
Occupancy and facility costs	498, 📮 🤲	32 , 88.5	45 , 586.9	07	, 586.907
Non-capita a <b>ed - Automent</b>					
and furnishings	52,042	9,246	61,288	17,509	78,797
Office expense	166	30	196	42,127	42 2 3
Professional develop Iment	_1,5.526	_,2.758	_ 1,8.284	. 7,8.962	9,7.246
Insurance	28,499	5.063	33.562	5.923	39.43
Student and state Jal recruitment	<u> 36</u> .012 عرب	! ., አ.ഷ	<b>42.4</b>	1 🕯 💮	,42,411
Other expenses	1,774	316	2,090	5,895	7,985
Depreciation	26,348	4.681	31.029		31.029
Total other than persectionel cos	* 771,895	137	e (1)	****	1.293.355
Total expenses	_\$1 <i>75</i> 0.618 _	\$31,1.039	\$2.061.657	\$74,3.572	\$2.80,5.229

### VALENCE COLLECE PREPARATORY CHA

### STATEM TANKING LE

### FROM MARCEIANUN PARGUUR JUNE 30, 2320

Cash flows from op erraung activities:	
Change in net assets	\$1,022
Adjustments to reconcile change in ne thousand the new to net	
cash provided by operating activations.	
Depreciation	31,029
Changag in accate and lightlities	
Grants receivable - other	III Y WWW.
Prepaid expenses	(105.4*\16)
Curity des sit	(87,75
Accores this payable and accrued expenses	, 288,731
Total adjustments	54,95
Net cash flore & A	1.000.000
Net cash no 25 man and a second secon	· · · · · · · · · · · · · · · · · · ·
Ca - Caracteristic Caracterist	
Purchases of fi = 🖹 🔻 😘 🖟 🔭	(0.40 Egg)
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Net nicrease in ( * · · · · · · · · · · · · · · · · · ·	
Cash, cash equivalents and restricted seeh haginning	0
Cash, Cash equivalent.	
Cash, cash equivalents, and resurcted cash enums	
cash, cash equivalents, and restricted cash - ending	
	to as Till
Cash and sadsn equivarents	<sup>↑</sup> ֆ <mark>Ծ</mark> ս7, <mark>5</mark>
Restricted cash	25,002
	\$832,515
	<u>-</u>
Supplemental disclosures:	
Interest and taxes paid	\$0
	-N N N N H 15 - 5

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### VALENCE COLLEGE PREPARATORY CHARTER SCHOOL NOTES TO FINANCIAL STATEMENTS JUNE 36, 2020

#### Note 1 - Organi

Valence College Preparatory Chart Funder (the Union ), readily make this have the state of the University of the State of New York for the University of the State of New York for the State of the Department. \*Althouse Lamping and Lead lives of opport in the state of the State of the State of the University of the State of New York for the State of the University of the University of the State of the University of the University of the State of the University of the University of the State of the University of the University of the University of the University of the State of the University of the Universit

On October 23, 2018, the School will sent the provisional charge for the including June \$23. The sent the provisional charge for the inception through June \$2,2320.

The School has been notified by Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### Note 2 - Commercy of Organization

a. Basis of Accounting
The financial state than received or social and the state of the state of

The School follows Handard Junate Assuming Standards Accounting Standards Accounting Standards Junate Assuming Accounting Standards Junate Assuming Accounting Standards Junate Assuming Accounting Standards Junate Assuming Accounting Accountin

The School also follows ASU No. 2018-08 Clarifying the Score and the Accounting Guidance for Contributions Received and Exontributions Made ("Topic 60" provisions of this guidance mentice transcript regarding the accounting for a fide contracts as exchange to mention the contributions. In the contributions of the school applies guidance mention and the source provider is a return for the Library of the School applies guidance for Contributions and the school applies guidance for Contributions and the school applies guidance for Contributions and the school applies guidance for Contributions Received and Exontributions Made ("Topic 60" applies guidance for Contributions Received and Exontributions Made ("Topic 60" applies guidance for Contributions Received and Exontributions Made ("Topic 60" applies guidance for Contributions Received and Exontributions Made ("Topic 60" applies guidance for Contributions Received and Exontributions Made ("Topic 60" applies guidance for Contributions Made ("T

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For contributions, une School evaluates with the conditional when both a harrier must be considered to be conditional when both a harrier of the asset or right of ralease. White the congation exists.

Analysis of the various provisions of both standards resulted man changes in the way the School recognizes revenue.

#### b. Basis or resemanon

Net assets are classified based processing the second process as follows:

- > Net Assets Without Donor Restrictions represent those resources for which there are no restrictions by donors as to their use.
- which have been the set of the period of the restricted numbers specified by the donor. The School did not have any net assets very a constant of the set of the set of the set of the set of the restricted numbers specified by the donor. The School did not have any net assets very a constant of the set of th

#### c. Recognition

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contribution asset classes referred to above depute asset classes. When a restriction explicitly approximately accomplished net assets with done restrictions are reclassified in the same period that were received, they are classified as without donor restrictions.

The Scheet's publicabled district revenue and other government and primarily conditional non-exchange transactions and fall under. Tonic for school's furnity and the primarily conditions under the school of the s

Contribution and grains utaware que whim one year are recolued at net realizable value. Long-term pledges are recorded at fair value, using risk-acquisited present value to himselful and the reviewed for the locality of Based on knowledge of specific dog to a salid rate or ingular introduction and a directory operation.

#### d. Cash and Cash Equivalents

The School consider the liquid investments purchased with a maturity of three months call sess to real sessions.

Financial instruments which potentiary subject the across to the consist of characteristic counts, which have been placed as a financial institution that it is magniful deems to be in excess of insurance and insu

#### f. Capitalization Policy

Computer hardware, furniture and equipment are capitalized at cost or at the fair value at the date of gift, if donated. The School scapitalizes tixed assets in expression \$5,000 that have a useful life of more scaling one year. Depreciation was computed using the straight-line method over the estimated useful life of each asset which generally is between 3 and 5 years.

#### g. Donate de vices

enhance non-financial as to receive and circumstances if the enhance non-financial as to receive and other individuals possessing those same and we are appears need to be purchased, it provided in-kind. Board members and other individuals to counter the first time and perform a variety of tasks under assignment the School. These services do not criteria outlined above and have not been recorded in the financial statements.

#### h. Functional Allo≈ation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial attements. Accordingly, certain costs have been repending include those expenses that are not directly identificable with any other specific function but provide for the owner.

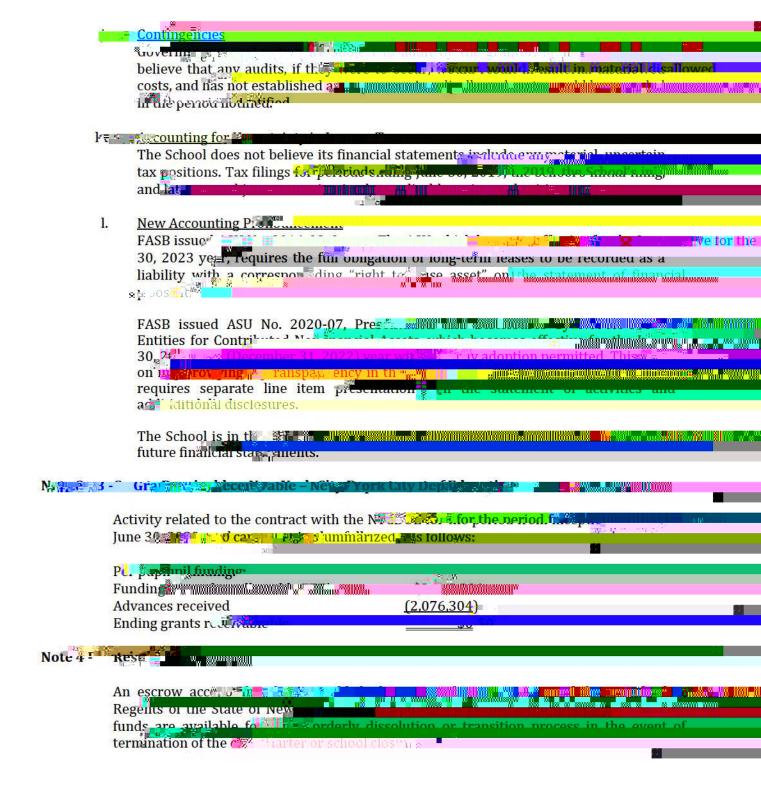
Salaries were allocated using time and effort as the salary as least the salary as lea

- Paryron taxes and property
- Insurance

Certain propagram expenses make recell an ocated between the second seco

#### i. <u>Use of Estimate</u>

The preparation of financial statements in conformity with accounting orinciples generally accepted in the United States of America requires estimates and assamptions was thet office thought and disclosure of contingent assets and liabilities at the date of the statement of and the reported amounts of evenues and expenses during the reporting period. Actual results could differ from those estimates.



#### Note 5 - Fired Asset

Fixed assets consist of the following:

Furniture and fixtures	\$171,145
Constant	
	249,578
Less: accumulated depreciation	<u> </u>
Total	

#### Note 6 - Significant Concentrations:

Approximately 68% of the School's total public sympact and reveal to the period from NVCDOF funding, it would have to the proof subject to the period from the

#### Note 7- Commitments and Continues cie

#### Note 8 - Retigrement Plan

The School has a retirement plan ("plan") under Section 403(b) of the Internal Code. All empty reviews are provided in the plan up to statutory amounts and respine a discretionary employer-has the plan up to statutory amounts and respine a are 100% very manufactured in the plan up to statutory amounts and respine a section 403(b) of the Internal Provided in the Interna

The Site of contributed \$19,000 to the plan during the period from incention through June 30, 2020.

#### Note 9 - Availability and Liquidit

At June 30, 2020, the School's financial assets available to meet cash ineeds for gg expenditures within one year are \$879,149, which consist of cash and cash equivalents of 12.27.513 and grants receivable due within one year to \$71,636. Then or internal minus upported in a program applied to be up and the contributions to fun 22 is operations and program activities.

#### Note 10 - Subsequent Events

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On July 1722020, the School obtaining average work forces during the conditions are met, which is a receipt of the loan fundamental that are greater than property historical periods, that the loan fundamental that are greater than property historical periods, that the loan fundamental transfer will be payable to the loan forgiven will be payable to the loan forgiveness amount has not been determined as of the deader of the case of the determined as of the deader of the case of the determined as of the deader of the case of the determined as of the deader of the case of the deader of

#### Note 11 ... Other Matheurers

In January 2 17 19) a Public Health Emergency of International Council 15. Its since in the pandemic has led to quarantines, facility closures, explicated and logistics, restrictions, that have burn world and economies and financial markets. These events could adversely affect the School by potentially impacting the funding it receives; limiting the funding it receives; limiting the funding it receives; limiting that the depressing demand for its services, and disclipting its strate daystant; affected principles. As of the date of the services of the date of the services of the date of the services.

No events have occurred subsequilibrit to the second our declaration date, the second require adjusts and the second our declaration date, the second require adjusts and the second our declaration date.





## REPORT ON A COMPENSATE OF THE STATE OF THE S

#### STANDAR

Independent induction s kepon

To the Loard of Trustee .

Valence College Preparatory Charter School

We have audited, in accordance with the audit and standards generally according to the scalar approval of an arithmetic and the scalar approval of an arithmetic and the scalar approval of a scalar and the scalar approval of the interest of the financial statements of valential positions and case of the period from inception through June 30, 2020 and the reference to the

financial statements, and have issued our report thereo

#### Internal Control over Einancia

In planning periorming internal control coverfinancial reporting (internal control to determine the audit procedures that are processed as a control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A depletency in interflat control exists when the design of operation of a control does not anow management or imployees, in the action of defect, included the combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented for detected and corrected to internal control of the entity of the

Our consideration of internal control was farithed in the section and was not designed to identify all deficiencies in internal control of the manifeld reporting that might be during our augusto we did not identify any deficiencies and the material weaknesses. However, material weaknesses have easily easily easily that may be a section of the material weaknesses.

307 Fifth Avenue, 15th Floor New York, New York 10016 www.schallandashenfarb.com

#### **Compliance and Other Matters**

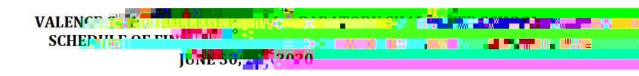
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those provisions was not a	an objective of	Otii at	uit, a	nu accorui	ngıy, we	ао посел	ortife22 21	ten an	
opinion. The results of our required to be required	tests disclosed	no inst	ances	of nonce	nljano	ce or other	matters	that as	
required to be		8001 <b>000</b> 11 s						WIIII M	

#### Purp ose of this Report

compliance and the results of that testing and the results of the testing accordance with Government Auditing Standard Line and the countries of the countries

Schall & Asneng

October 20, 2020



<u>Current</u>	
Ng: Maria di Paranta di	
Prior Year:	

