Bronx Community Charter School

Independent Auditors' Report on Communication of
Internal Control Matters Identified in the Audit

June 30, 2018

September 27, 2018

The Board of Trustees and Management
Bronx Community Charter School

Auditors' Communication on Internal Control

In planning and performing our audit of the financial statements of Bronx Community Charter School (the "School") as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We consider the deficiency in the School's internal control presented in Addendum A to this letter to be a significant deficiency.

This communication is intended solely for the information and use of the management, the Board of Trustees, federal, state and local awarding agencies, The Department of Education of the City of New York, The State Education Department of the State University of New York, and others within the School and is not intended to be used by anyone other than these specified parties.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the School during the course of our audit.

PKF O'Connor Davies, LLP

September 27, 2018

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Bronx Community Charter School

Addendum A

Deficiency in Internal Control that We Consider to be a Significant Deficiency

1. Competitive Bidding

During our audit we noted that the School did not perform competitive bidding procedures as outlined in the School's Financial Policies and Procedures Manual ("FPP"). The FPP requires three price quotes for purchases and/or contracts greater than $5,000. During our selection of three procurement transactions over $5,000, we noted that the School did not perform competitive bidding procedures on the selections.

The School should strictly comply with the FPP and retain required documentation of at least three quotes when competitive bidding is required. We recommend that management periodically reviews transactions that require competitive bidding. We also recommend that management considers increasing the threshold for bidding.

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