



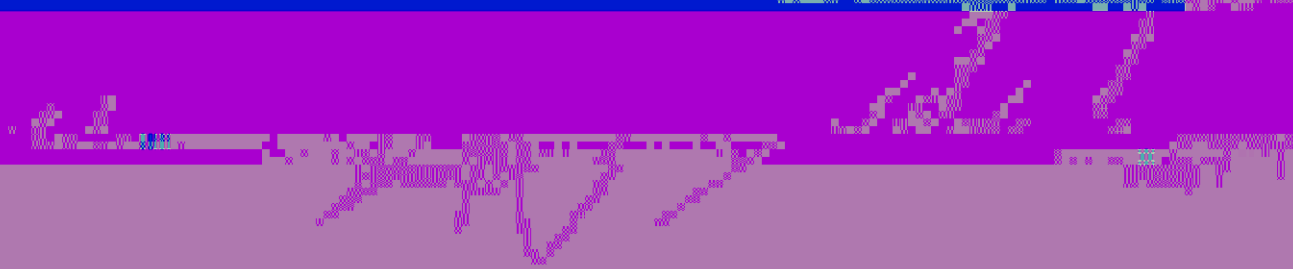
We have completed all standard adjusting entries.

statements.

• we have approved a draft of the financial

• We acknowledge the

Wisconsin



2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

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LEEP DUAL LANGUAGE ACADEMY CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

ASSETS

Cash	\$	179,026
Cash - restricted		73,781
Grants and other receivables		211,452
Prepaid expenses and other assets		115,059
Property and equipment, net		557,199
TOTAL ASSETS	\$	1,136,517

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$	87,866
Accrued salaries and other payroll related expenses		82,314
Due to NYC Department of Education		3,426
Obligation under capital lease		90,193
Line of credit		305,226
Paycheck Protection Program loan payable		422,665
TOTAL LIABILITIES		991,690

NET ASSETS

Net assets - without donor restrictions		134,827
Net assets - with donor restrictions		10,000
TOTAL NET ASSETS		144,827
TOTAL LIABILITIES AND NET ASSETS	\$	1,136,517

The accompanying notes are an integral part of these financial statements.

LEEP DUAL LANGUAGE ACADEMY CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE PERIOD FROM NOVEMBER 6, 2018 (DATE OF INCEPTION) TO JUNE 30, 2020

	No. of Positions	Program Services			Total	Supporting Services	
		General Education	Special Education			Management and General	2020
Personnel service costs							
Administrative staff personnel	7	\$ 306,426	\$ 75,377	\$ 381,803	\$ 305,760	\$ 687,563	
Instructional personnel	19	741,403	346,641	1,088,044	78,358	1,166,402	
Total salaries and staff	26	1,047,829	422,018	1,469,847	384,118	1,853,965	
Fringe benefits and payroll taxes		197,363	48,549	245,912	105,404	351,316	
Retirement benefits		547	135	682	292	974	
Legal services		-	-	-	91,237	91,237	
Audit services		-	-	-	4,000	4,000	
Other purchased, professional, and consulting services		99,330	24,434	123,764	200,993	324,757	
Board expense		3,331	819	4,150	1,779	5,929	
Building rent		311,304	76,577	387,881	166,256	554,137	
Repairs and maintenance		68,696	16,898	85,594	36,688	122,282	
Insurance		33,011	8,120	41,131	17,630	58,761	
Utilities		16,342	4,020	20,362	8,728	29,090	
Supplies and materials		143,243	36,797	180,040	-	180,040	
Equipment and furnishings		15,503	3,814	19,317	8,280	27,597	
Professional development		19,553	4,810	24,363	10,443	34,806	
Student and staff recruitment		88,972	21,886	110,858	45,015	155,873	
						Tw 8, rmishings	

LEEP DUAL LANGUAGE ACADEMY CHARTER SCHOOL

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM NOVEMBER 6, 2018 (DATE OF INCEPTION) TO JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from operating revenue	\$ 3,462,806
Cash paid to employees and suppliers	(4,095,748)
Cash received from interest income	131
Other cash received	681,648
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>48,837</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(469,934)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(469,934)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit	605,236
Repayment of line of credit	(300,010)
Proceeds from Paycheck Protection Program loan	422,665
Payments on obligation under capital lease	<u>(53,987)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>673,904</u>
NET INCREASE IN CASH	252,807
CASH AND CASH - RESTRICTED - BEGINNING OF PERIOD	<u>-</u>
CASH AND CASH - RESTRICTED - END OF PERIOD	<u>\$ 252,807</u>

Reconciliation of change in net assets to net cash provided by operating activities: FP

605,C /TTJ 0.0002 Tw 2.04 -78100 Td (\$

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Grants and other receivables represent unconditional promises to give by donors. Grants and other receivables that are expected to be collected within one year are recorded at net realizable value, and amount to \$211,452 at

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications based upon benefits received.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The School has evaluated events through October 22, 2020, which is the date the financial statements were available to be issued.

The School follows the accounting standard for uncertainty in income taxes. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, disclosure, and transition.

The School files informational returns in the federal jurisdictions. The School is subject to federal tax examinations for all fiscal years in which informational returns were filed.

The School believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Lease Accounting

In February 2016, the FASB issued an accounting standards update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

In May 2019, the School entered into a lease agreement with Sunset 5th LLC for the premises at 5323 5th Avenue, 2nd Floor, Brooklyn, NY 11220. On July 1, 2020, subsequent to year end, the lease was modified and extended through June 30, 2050 with Friends of LEEP Dual Language Academy Charter School, a related party of the School.

Friends of LEEP Dual Language Academy Charter School ("Friends of LEEP") is a not-for-profit organization dedicated to providing assistance to charter schools and other forms of alternative education including, but not limited to, LEEP Dual Language Academy Charter School. The School has entered into a sublease agreement with Friends of LEEP from July 1, 2020 to June 30, 2050. The future minimum rental and lease payment schedule includes amounts the School is contingently liable to Friends of LEEP.

The future minimum payments under the rental sublease are as follows:

<u>June 30,</u>		
2021	\$	1,209,600
2022		1,561,959
2023		1,617,331
2024		1,672,837
2025		1,728,482
Thereafter		<u>63,973,191</u>

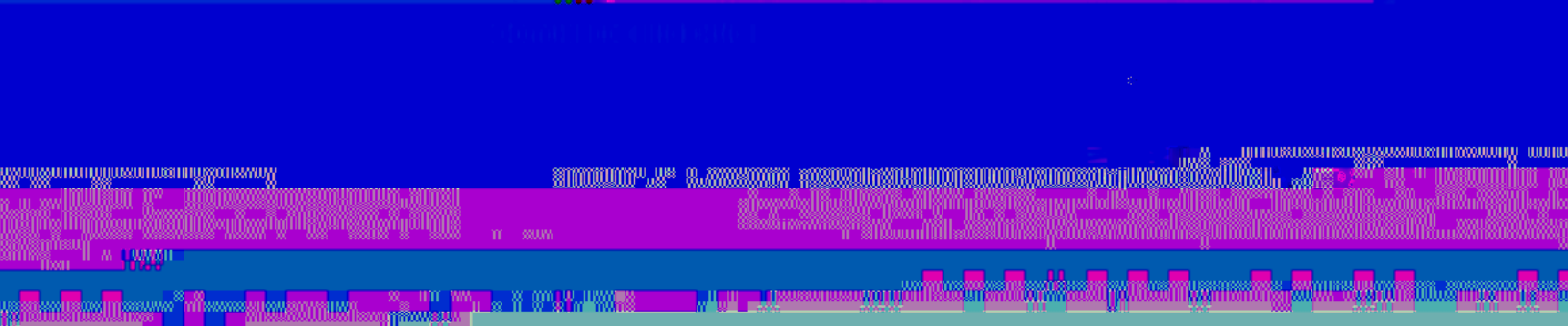
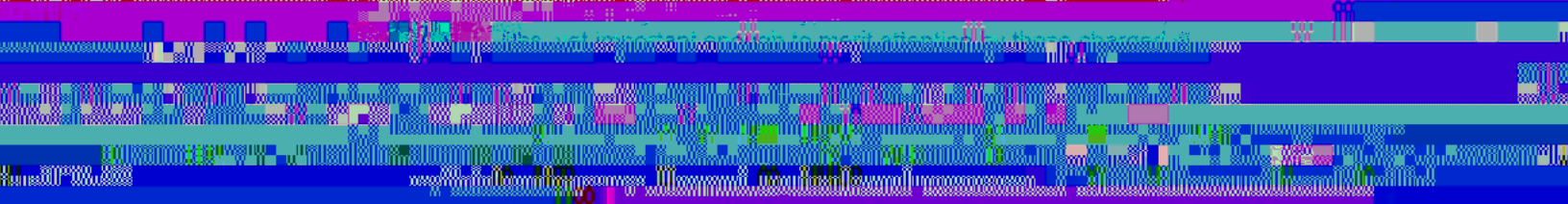
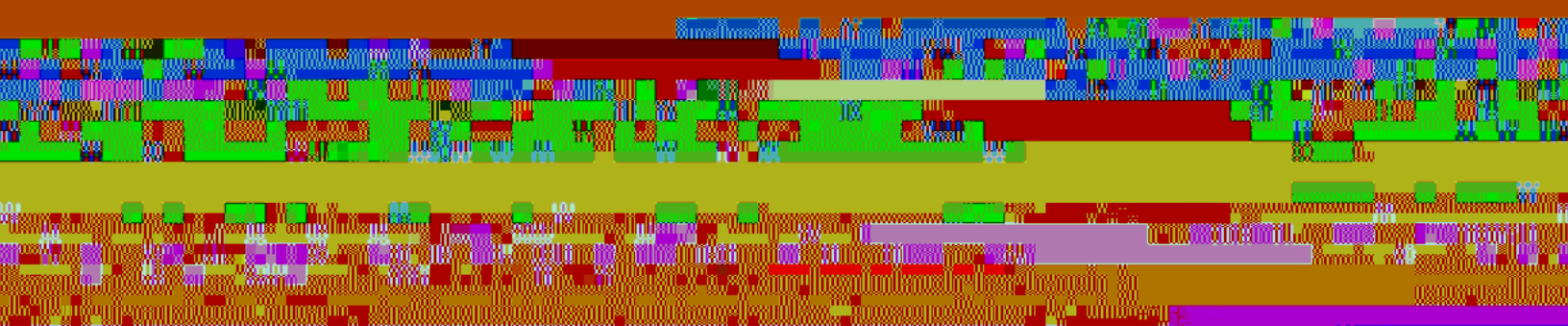
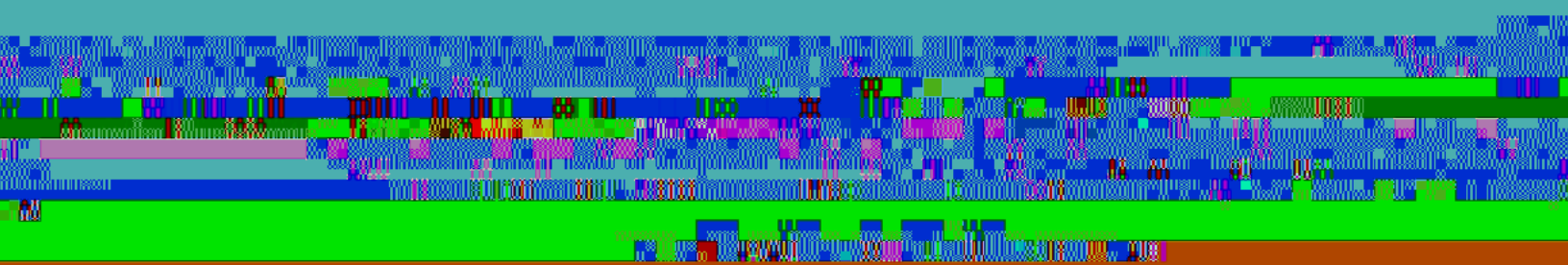
Rent expense and occupancy costs for the period ended June 30, 2020 was \$554,137, which is included in the accompanying statement of functional expenses under building rent.


The School leases computers, furniture, fixtures, and equipment under an agreement that is classified as a capital lease. The cost of assets under capital leases is included in the accompanying statement of financial position as property and equipment and was \$144,180 at June 30, 2020. Accumulated amortization of the leased assets at June 30, 2020 was \$30,212. Amortization of assets under capital leases of \$30,212 for the period ended June 30, 2020 is included in depreciation expense.

The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of June 30, 2020 are as follows:

<u>June 30,</u>		
2021	\$	34,108
2022		34,108
2023		34,108
2024		<u>2,844</u>
Total minimum lease payments		105,168
Less amount representing interest		<u>14,975</u>

Interim Auditor's Report





INDEPENDENT ACCOUNTANT'S REPORT

www.independentaccountants.com



- a. Trace expenditures selected in Procedure #3 to requests for reimbursement. Determine that items requested for reimbursement had previously been expended or were expended within a month following the request for reimbursement. If items have not yet been requested for reimbursement, inquire of responsible charter school officials as to the plan for requesting reimbursement, and determine if a receivable is recorded, if appropriate.
- b. If FS-25 forms included amounts on Line 4 (Cash Expenditures Anticipated During Next Month), we will select one FS-25 and determine if funds were expended within one month following the date of the request.

Result: MBAF traced the sample expenditures mentioned above to requests for reimbursement, without exception. The School spent the funds prior to receipt. Accordingly, no determination that funds were expended within one month was necessary.

2019-2020

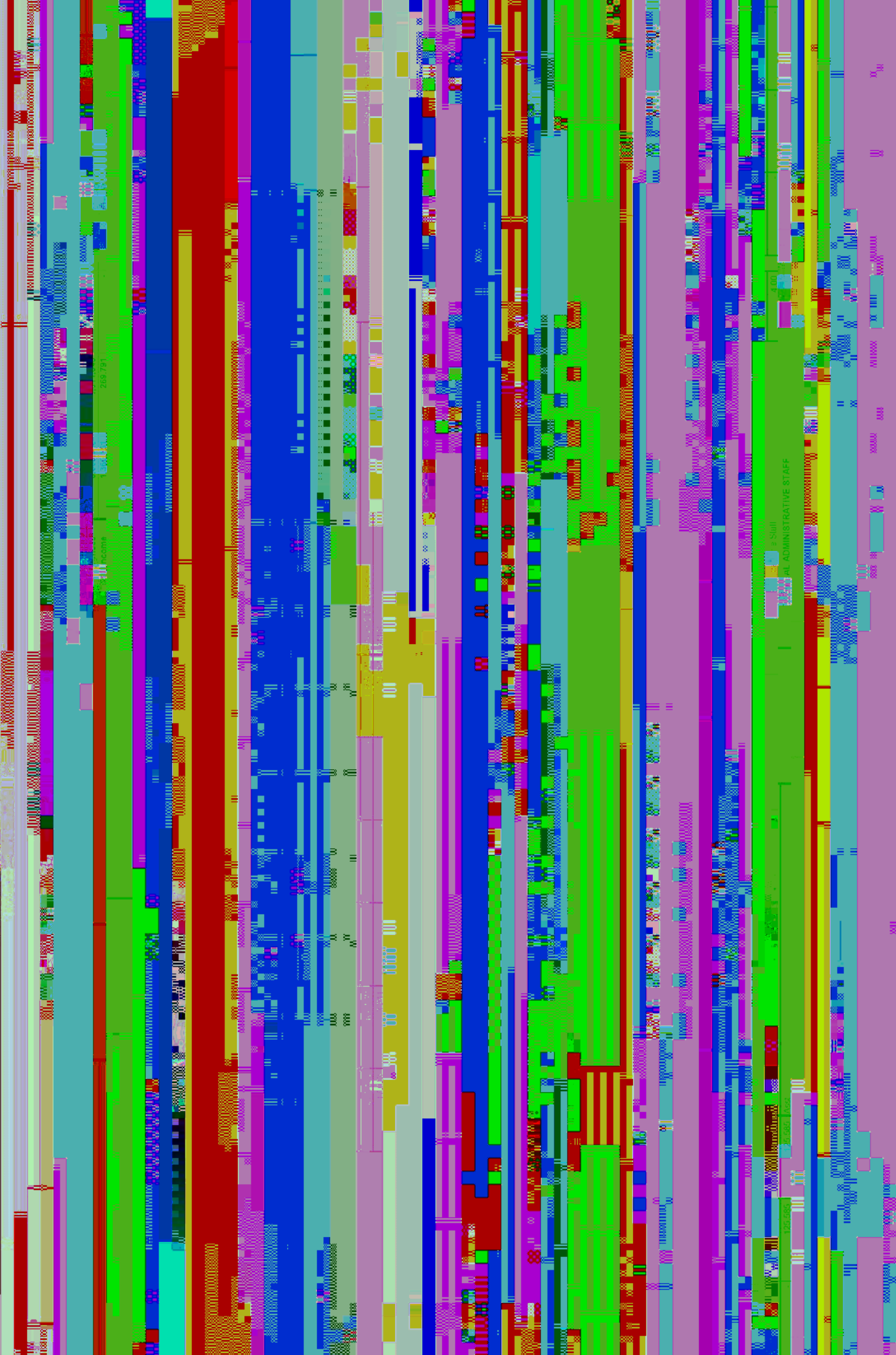
2019-2020

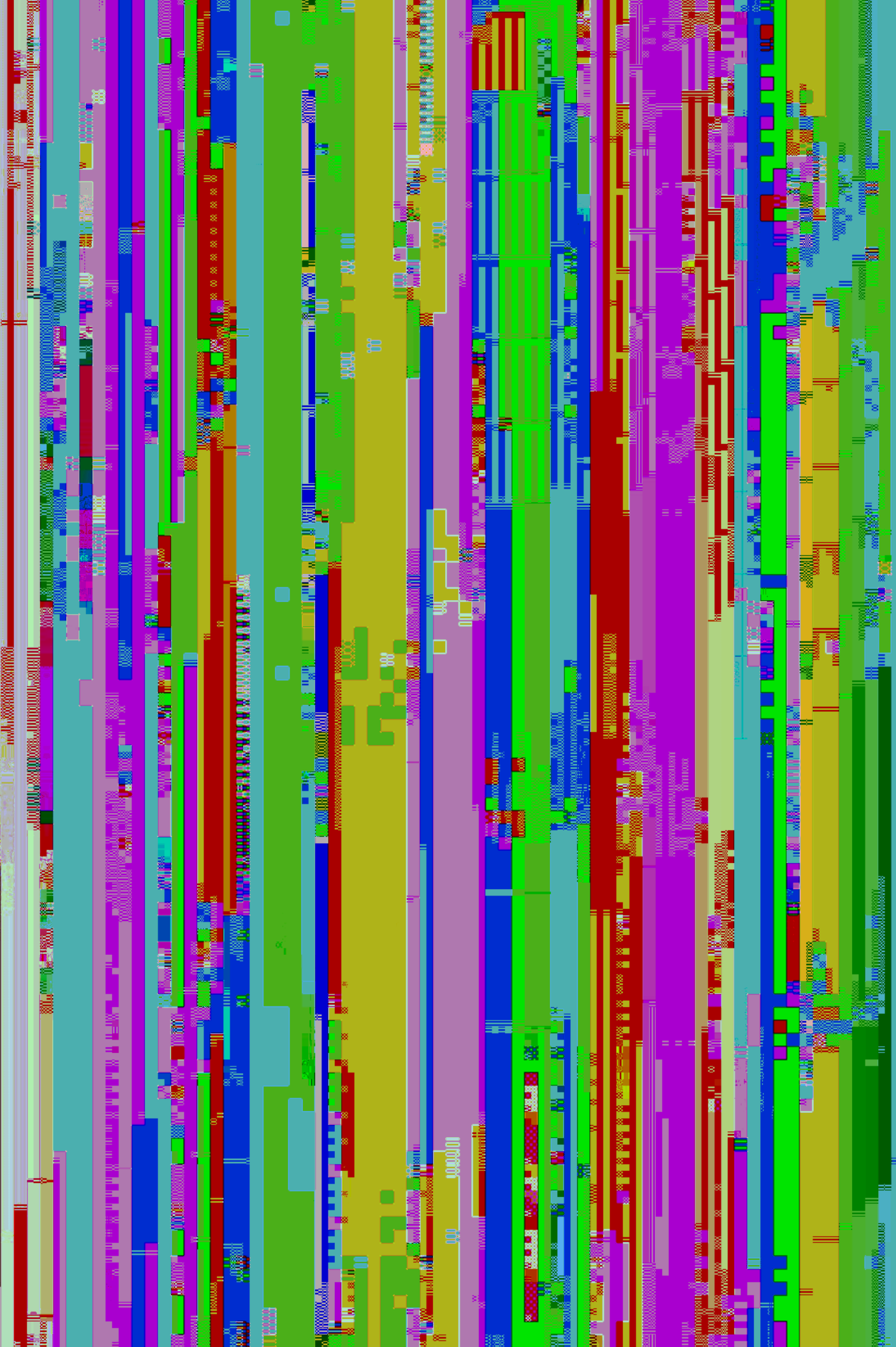
2019-2020

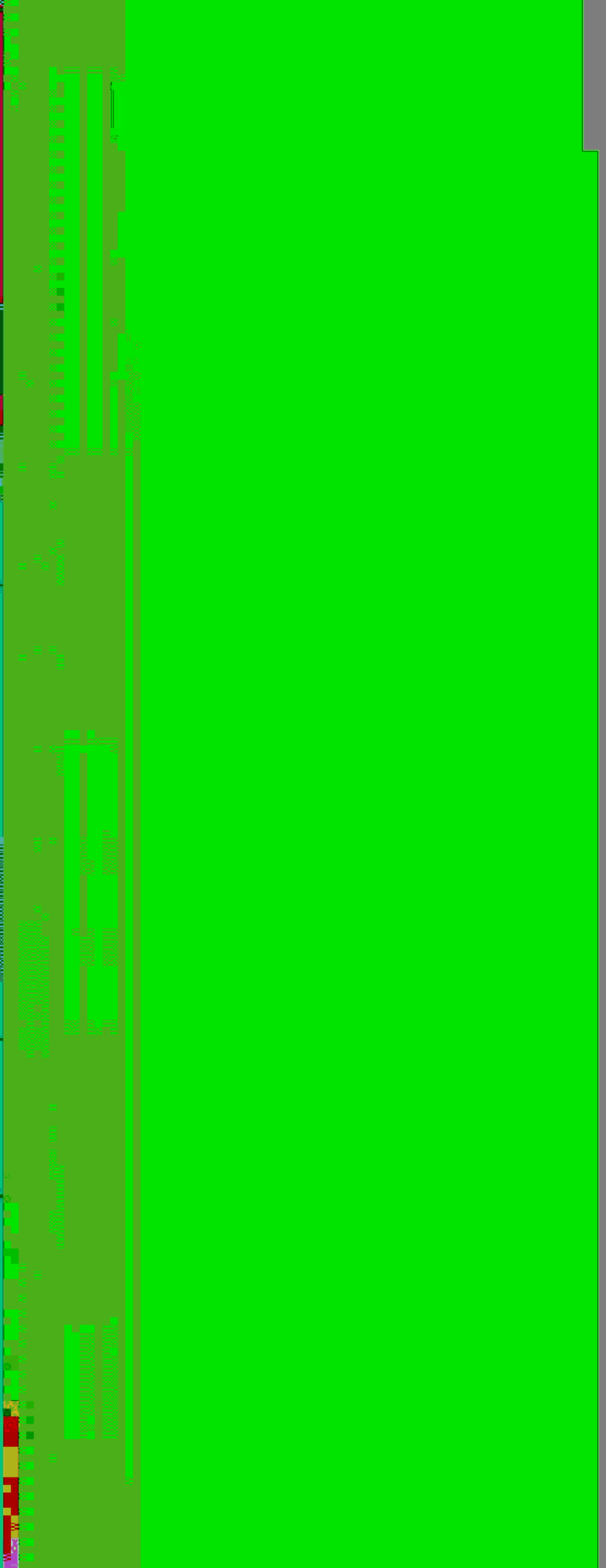
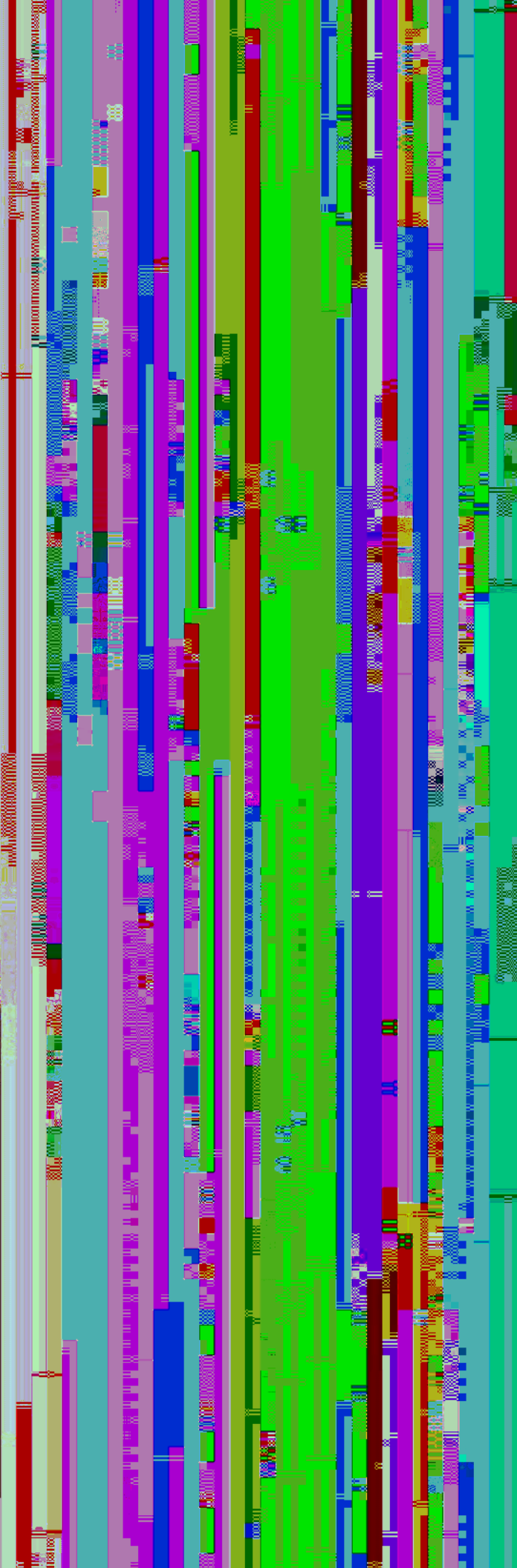
2019-2020

2019-2020

2019-2020









JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

May 30, 2020 through June 30, 2020

Account Number: [REDACTED]

LEEP DUAL LANGUAGE ACADEMY CHARTER
 SCHOOL
 5323 5TH AVE FL 2
 BROOKLYN NY 11220-3110

Web site: **www.Chase.com**
 Service Center: **1-877-425-8100**
 Deaf and Hard of Hearing: 1-800-242-7383
 Para Espanol: 1-888-622-4273
 International Calls: 1-713-262-1679

SAVINGS SUMMARY

Chase Business Premier Savings

	INSTANCES	AMOUNT
Beginning Balance		\$353,774.10
Deposits and Additions	1	7.21
Electronic Withdrawals	3	-280,000.00
Ending Balance	4	\$73,781.31
Annual Percentage Yield Earned This Period		0.04%
Interest Paid This Period		\$7.21
Interest Paid Year-to-Date		\$56.55

Your monthly service fee was waived because you maintained an average savings balance of \$25,000 or more during the statement period.

TRANSACTION DETAIL

DATE	DESCRIPTION	AMOUNT	BALANCE
	Beginning Balance		\$353,774.10
06/01	05/30 Online Transfer To Chk ...7153 Transaction#:	-100,000.00	253,774.10
06/12	06/12 Online Transfer To Chk ...7153 Transaction#:	-90,000.00	163,774.10
06/23	06/23 Online Transfer To Chk ...7153 Transaction#:	-90,000.00	73,774.10
06/30	Interest Payment	7.21	73,781.31
	Ending Balance		\$73,781.31

30 deposited items are provided with your account each month. There is a \$0.40 fee for each additional deposited item.



May 30, 2020 through June 30, 2020

Account Number: XXXXXXXXXX

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt. For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number
 - The dollar amount of the suspected error
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