

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 – 2
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION:	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Notes to financial statements	6 – 12
Independent auditors' report on supplementary information	13
Schedule of functional expenses	14
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	15 – 16

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL

Report on the Financial Statements

We have audited the accompanying financial statements of Launch Expeditionary Learning Charter School (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2015, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

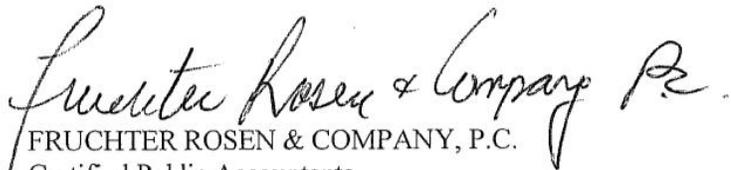
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the School's 2014 financial statements, and our report dated August 28, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of June 30, 2014 and for the year then ended, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2015, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 8, 2015

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,096,325	\$ 1,346,530
Grants and contracts receivable	39,521	47,060
Prepaid expenses and other current assets	75,478	84,334
Total current assets	2,211,324	1,477,924
Property and equipment, net of accumulated depreciation and amortization of \$315,213 and \$148,443, respectively	547,492	418,022
Restricted cash	75,178	75,103
TOTAL ASSETS	\$ 2,833,994	\$ 1,971,049
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 116,071	\$ 58,001
Accrued payroll and payroll taxes	223,843	102,201
Refundable advances	103,950	-
Total current liabilities	443,864	160,202
Net assets:		
Unrestricted	2,390,130	1,807,717
Temporarily restricted	-	3,130
Total net assets	2,390,130	1,810,847
TOTAL LIABILITIES AND NET ASSETS	\$ 2,833,994	\$ 1,971,049

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

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2015			2014
	Unrestricted	Temporarily Restricted	Total	
Revenue and support:				
State and local per pupil operating revenue	\$ 5,337,821	\$ -	\$ 5,337,821	\$ 3,642,810
Federal grants	250,119	-	250,119	295,167
State and city grants	25,670	-	25,670	15,523
Contributions and grants	20,272	-	20,272	85,850
Donated goods and services	103,083	-	103,083	168,653
Interest and other income	1,720	-	1,720	622
Net assets released from restriction	3,130	(3,130)	-	-
 Total revenue and support	 <u>5,741,815</u>	 <u>(3,130)</u>	 <u>5,738,685</u>	 <u>4,208,625</u>
Expenses:				
Program services				
Regular education	3,084,779	-	3,084,779	1,837,854
Special education	1,804,444	-	1,804,444	1,095,537
Total program services	<u>4,889,223</u>	-	<u>4,889,223</u>	<u>2,933,391</u>
Supporting services				
Management and general	248,787	-	248,787	278,517
Fundraising	21,392	-	21,392	26,540
Total supporting services	<u>270,179</u>	-	<u>270,179</u>	<u>305,057</u>
 Total expenses	 <u>5,159,402</u>	 <u>-</u>	 <u>5,159,402</u>	 <u>3,238,448</u>
 Change in net assets	 582,413	 (3,130)	 579,283	 970,177
Net assets - beginning of year	<u>1,807,717</u>	<u>3,130</u>	<u>1,810,847</u>	<u>840,670</u>
Net assets - end of year	<u>\$ 2,390,130</u>	<u>\$ -</u>	<u>\$ 2,390,130</u>	<u>\$ 1,810,847</u>

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

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 579,283	\$ 970,177
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	174,839	108,874
Loss on disposal of property and equipment	7,332	2,019
(Increase) Decrease in certain assets:		
Grants and contracts receivable	7,539	28,614
Prepaid expenses and other current assets	8,856	27,024
Restricted cash	(75)	(88)
Increase (Decrease) in certain liabilities:		
Accounts payable and accrued expenses	58,070	27,103
Accrued payroll and payroll taxes	121,642	30,298
Refundable advances	103,950	(9,184)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,061,436	1,184,837
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	2,000
Purchase of property and equipment	(311,641)	(341,357)
NET CASH (USED IN) INVESTING ACTIVITIES	(311,641)	(339,357)
NET INCREASE IN CASH AND CASH EQUIVALENTS	749,795	845,480
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,346,530	501,050
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,096,325	\$ 1,346,530

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

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Launch Expeditionary Learning Charter School (the “School”) is a New York State, not-for-profit educational corporation that was incorporated to operate a Charter School pursuant to Article 56 of the Education Law of the State of New York. The School was granted a provisional charter on December 14, 2010 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The School was created to offer a world-class education to students and families living in Bedford-Stuyvesant, Crown Heights and the surrounding communities in Brooklyn. The School is part of the Expeditionary Learning network of over 160 member schools nationwide. Its mission is to prepare students in under-resourced communities to thrive in college and careers by providing a public education rooted in active learning experiences and powerful character development. During the 2014-2015 academic year, the School provided education to approximately 303 students in the sixth through eighth grades.

The School has an agreement with the New York City Department of Education (“NYCDOE”) to share public school space at no annual cost. The School occupies approximately 14,000 square feet on one floor of a public school building. The School also shares the gymnasium, auditorium and cafeteria with the public school which approximate 6,301 square feet. The School is not responsible for rent, utilities, custodial services, and school safety services other than those required for days and times the School operates outside of the traditional NYCDOE schedule. The School was unable to determine a value for the contributed space and related services and did not record any value for use of donated facilities.

Food Services

The New York City Department of Education provides free lunches directly to some of the School’s students. Such costs are not included in these financial statements. The School covers the cost of lunches for children not entitled to the free lunches.

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii). The School is subject to income taxes only on net unrelated business income. The School did not have any unrelated business income for the years ended June 30, 2015 and 2014.

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Status (Continued)

The School's accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The School has no uncertain tax positions resulting in an accrual of tax expense or benefit.

IRS Form 990 filed by the School are subject to examination by the Internal Revenue Service for up to three years from the extended due date of each return. Forms 990 filed by the School are no longer subject to examination for the fiscal year ended June 30, 2011 and prior.

Basis of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") No. 958-205 which provides guidance for the classification of net assets. The amounts for each of the three classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

Unrestricted

Unrestricted net assets are assets of the School whose use has not been restricted by an outside donor or by law. They are available for any use in carrying out the operations of the School.

Temporarily Restricted

Temporarily restricted net assets are assets of the School whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the School. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets, as net assets released from restrictions.

Permanently Restricted

Permanently restricted net assets are assets of the School whose use has been permanently limited by donor-imposed restrictions. Such assets include contributions required to be invested in perpetuity, the income from which is available to support charitable purposes designated by the donors.

The School had no permanently restricted net assets at June 30, 2015 and 2014.

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations. Restricted contributions and grants that are made to support the School's current year activities are recorded as unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value.

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agencies.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments which potentially subject the School to concentrations of credit risk are cash and cash equivalents. The School places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of \$250,000 per institution at various times during the year. The School believes that there is little risk in any losses and has not experienced any losses in such accounts.

Property and Equipment

Purchased property and equipment are recorded at cost. Property and equipment acquired with certain government funding are recorded as expenses pursuant to the terms of the contract, in which ownership of such property and equipment is retained by the funding source. Maintenance and repairs are expensed as incurred. No depreciation is recorded on construction-in-progress until property and equipment is placed into service.

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Depreciation is provided on the straight line method over the estimated useful lives as follows:

Computers	4 years
Equipment	5 years
Furniture and fixtures	7 years
Software	3 years
Leasehold improvements	useful life or related lease

Restricted Cash

Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution should it occur.

Refundable Advances

The School records certain government grants and contracts as refundable advances until the related services are performed, at which time it is recognized as revenue.

Comparative Financial Information

The accompanying statements of activities and functional expenses are presented with summarized comparative information. Such prior year information is not presented by net asset class in the statements of activities or by functional category in the schedule of functional expenses. Accordingly, such information should be read in conjunction with the School's 2014 financial statements from which the summarized information was derived.

Reclassifications

Certain 2014 accounts have been reclassified to the 2015 financial statements presentation. The reclassification has no effect on 2014 total assets, liabilities, net assets, and change in net assets.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of federal, state and city entitlements and grants. The School expects to collect these receivables within one year.

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30,:

	2015	2014
Computers	\$ 292,576	\$ 236,249
Equipment	99,460	77,612
Furniture and fixtures	120,172	72,239
Software	7,397	-
Leasehold improvements	343,100	180,365
	862,705	566,465
Less: accumulated depreciation and amortization	(315,213)	(148,443)
	\$ 547,492	\$ 418,022

Depreciation and amortization expense was \$174,839 and \$108,874 for the years ended June 30, 2015 and 2014, respectively.

NOTE 4 - CONTINGENCY

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursements. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE 5 - DONATED GOODS AND SERVICES

Donated Goods

The School received software licenses and associated installation and support services at no charge. The service provider agreed to waive fees for the first five years through June 30, 2017. The value of these goods and associated services meets the criteria for recognition in the financial statements and are recorded at fair value.

Donated Services

Donated services are recognized as contributions in accordance with FASB ASC 958-605, "Accounts for Contributions Received and Contributions Made," if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. The value of these services meets the criteria for recognition in the financial statements and is recorded at fair value.

As part of the national Expeditionary Learning network of schools, the School receives in-kind services including professional development and school design services through its institutional partner, NYC Outward Bound, to achieve the objectives of the Expeditionary Learning model.

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 5 - DONATED GOODS AND SERVICES (Continued)

For the year ended June 30, 2015 and 2014, the value of various donated goods and services are as follows:

	2015	2014
Software license and support services	\$ 6,266	\$ 7,875
Board development services	-	55,000
Professional development and school design	96,817	105,778
	\$ 103,083	\$ 168,653

NOTE 6 - REVENUE CONCENTRATION

The School receives a substantial portion of its support and revenue from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School’s finances could be materially adversely affected.

NOTE 7 - FUNCTIONAL ALLOCATION OF EXPENSE

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management, General and Fundraising expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

NOTE 8 - EMPLOYMENT CONTRACT

The School entered into a co-employment arrangement with TriNet Group, Inc. (“TriNet”), a professional employment organization, effective May 1, 2013. Under the co-employment arrangement, TriNet assumes certain employment responsibilities, including the payment and reporting employees’ wages and payroll taxes.

NOTE 9 - RETIREMENT PLAN

For the benefit of its employees, the School participates in a multiple employer defined contribution 401(k) plan, through its professional employment organization partner, TriNet Group, Inc (see Note 8). Under the 401(k) plan, all employees of the School can elect to make semi-monthly contributions to a personal retirement account. The School will make matching contributions to any employee contributions, dollar for dollar, up to \$500 per employee per calendar year. For the year ended June 30, 2015, all employees were eligible to participate in the 401(k) plan and all employees were eligible for the employer match. Employer match for the years ended June 30, 2015 and 2014 were \$14,563 and \$-0-, respectively.

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30,:

	<u>2015</u>	<u>2014</u>
Community Outreach Program	<u>\$ -</u>	<u>\$ 3,130</u>

Temporarily restricted net assets in the amount of \$3,130 for the community garden were released during the year ended June 30, 2015.

NOTE 11 - SUBSEQUENT EVENTS

The School has evaluated its subsequent events through September 8, 2015, the date that the accompanying financial statements were issued. The School has no material events requiring disclosure.

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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL

We have audited the financial statements of Launch Expeditionary Learning Charter School as of and for the year ended June 30, 2015, and have issued our report thereon dated September 8, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 8, 2015

LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

	No. of Positions	2015							2014
		Program Services			Support Services			Total	
		Regular Education	Special Education	Total	Management and General	Fundraising	Total		
Personnel service costs									
Administrative staff personnel	10	\$ 467,946	\$ 297,900	\$ 765,846	\$ 40,187	\$ 3,433	\$ 43,620	\$ 809,466	\$ 718,862
Instructional personnel	30	1,154,919	719,899	1,874,818	95,023	8,117	103,140	1,977,958	1,166,559
Non-instructional personnel	7	247,249	157,402	404,651	21,233	1,814	23,047	427,698	115,181
Total salaries and staff	47	1,870,114	1,175,201	3,045,315	156,443	13,364	169,807	3,215,122	2,000,602
Fringe benefits and payroll taxes		355,706	226,728	582,434	30,377	2,597	32,974	615,408	366,050
Retirement		8,419	5,359	13,778	723	62	785	14,563	-
Audit services		-	-	-	20,250	-	20,250	20,250	22,750
Other purchased / professional / consulting services		233,712	102,226	335,938	21,612	414	22,026	357,964	217,960
Repairs and maintenance		-	-	-	2,955	-	2,955	2,955	1,103
Insurance		19,766	11,866	31,632	996	90	1,086	32,718	24,518
Supplies / materials		181,128	63,295	244,423	873	81	954	245,377	127,307
Staff development		73,653	31,128	104,781	1,238	114	1,352	106,133	95,894
Marketing and recruiting		53,792	29,809	83,601	2,063	2,377	4,440	88,041	78,481
Technology		31,551	21,489	53,040	1,866	172	2,038	55,078	52,860
Student services		104,511	33,444	137,955	-	-	-	137,955	80,465
Office expense		48,070	32,824	80,894	3,051	1,552	4,603	85,497	57,820
Depreciation and amortization		100,156	68,215	168,371	5,922	546	6,468	174,839	108,874
Loss on disposal of assets		4,201	2,860	7,061	248	23	271	7,332	2,019
Other		-	-	-	170	-	170	170	1,745
Total		<u>\$ 3,084,779</u>	<u>\$ 1,804,444</u>	<u>\$ 4,889,223</u>	<u>\$ 248,787</u>	<u>\$ 21,392</u>	<u>\$ 270,179</u>	<u>\$ 5,159,402</u>	<u>\$ 3,238,448</u>

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

TO THE BOARD OF TRUSTEES OF
LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Launch Expeditionary Learning Charter School (the "School"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the 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 a 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

TO THE BOARD OF TRUSTEES OF
LAUNCH EXPEDITIONARY LEARNING CHARTER SCHOOL

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*.

We noted certain matter that was reported to the management of the School in a separate letter dated September 8, 2015.

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.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 8, 2015