

MBAF CPAs, LLC  
600 Third Avenue, 3<sup>rd</sup> Floor  
New York, NY 10016

This representation letter is provided in connection with your audit of the financial statements of St. Hope Leadership Academy Charter School (the "School"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter as signed below, the following representations made to you during your audit:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 10, 2020, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. With regard to nonaudit services performed by you, we acknowledge our responsibility to:
  - a. Assume all management responsibilities;
  - b. Oversee the services by designating an individual who possesses suitable skill, knowledge, or experience;
  - c. Evaluate the adequacy and results of the services performed; and
  - d. Accept responsibility for the results of the services.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The School has no plans or intentions that may materially affect the carrying value or classifications of assets, liabilities, or net asset balances.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. We have complied with all contractual agreements, grants, and donor restrictions.
11. We have accurately presented the School's position regarding taxation and tax-exempt status.
12. The bases used for allocation of functional expenses are reasonable and appropriate.
13. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.

14. Guarantees, whether written or oral, under which the School is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
15. We have included in the financial statements all assets and liabilities under the School's control.
16. Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.
17. With respect to the preparation of the School's Form 990, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the services performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.

### **Information Provided**

18. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
19. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
20. We have provided you with all board minutes as of the report date of the financial statements and there are no other minutes.
21. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
22. We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
23. We have no knowledge of any allegations of fraud or suspected fraud affecting the School's financial statements communicated by employees, former employees, grantors, regulators, or others.
24. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
25. There were no designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.
26. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
27. We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.

28. Contributed services are only recorded as contributions in kind, at their fair value, provided they meet the criteria for recognition. No donated services and goods were received during the fiscal year ended June 30, 2020.
29. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
30. During the fiscal year ended June 30, 2020, the NYCDOE owed the School Title I, Title II, Title IV, and Special Charter School Aid - Senate grant funds totaling \$226,104.
31. We have approved the allocation of functional expense between program service performances, management and general and fundraising expenses. This allocation has been properly disclosed in the financial statements.
32. We are aware and are in compliance with the Federal Funding Accountability and Transparency Act reporting requirements and reporting timeline for awards that fall within the tiered reporting requirements.
33. We have disclosed to you the identity of the School's related parties and all the related party relationships and transactions of which we are aware.
34. The School has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
35. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
36. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification TM (ASC) 450, *Contingencies*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC-450.
37. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
38. St. Hope Leadership Academy Charter School is an exempt organization under Section 501 (c) (3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
39. We acknowledge our responsibility for presenting the financial statements in accordance with U.S. GAAP, and we believe the financial statements, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
40. We have approved all standard, adjusting or correcting journal entries to our financial statements proposed to you.
41. We have approved a draft of the financial statements.
42. We acknowledge the communication to the board of trustees which includes your recommendations.
43. We are aware that Marc Taub is the engagement partner and is responsible for supervising the engagement and signing the report.

Very truly yours,  
St. Hope Leadership Academy Charter School

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Treasurer

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(Date)

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Executive Director

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(Date)