RIVERTON STREET CHARTER SCHOOL

Financial Statements, Additional Information, and Federal Awards Supplemental Information as of and for the Year Ended June 30, 2017, and Independent Auditor's Reports

National Heritage Academies®

RIVERTON STREET CHARTER SCHOOL

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1–2
FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017:	
Statement of Financial Position	3
Statement of Activities and Change in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6–10
ADDITIONAL INFORMATION —	11
Schedule of Functional Expenses	12
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*	13–14
SUPPLEMENTAL INFORMATION —	15
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE	16–17
Schedule of Expenditures of Federal Awards	18
Notes to Schedule of Expenditure of Federal Awards	19
Schedule of Findings and Questioned Costs	20

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Independent Auditor's Report

To the Board of Trustees
Riverton Street Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Riverton Street Charter School (the "School"), which comprise the statement of financial position as of June 30, 2017 and the related statements of activities and change in net assets 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 Riverton Street Charter School as of June 30, 2017 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Trustees
Riverton Street Charter School

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverton Street Charter School's financial statements. The schedule of expenditures of federal awards, as identified in the table of contents, and as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and the supplemental schedule of functional expenses, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards 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. Such 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The supplemental schedule of functional expenses has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2017 on our consideration of Riverton Street Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Riverton Street Charter School's internal control over financial reporting and compliance.

Plante Moran, PC

October 13, 2017

RIVERTON STREET CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

CURRENT ASSETS:		
Cash	$	124,854
Due from governmental revenue sources		601,796
Total current assets		726,650
NON-CURRENT ASSETS:		
Capital assets		41,593
Less accumulated depreciation		(22,263)
Total capital assets, net of accumulated depreciation		19,330
TOTAL	$	745,980

LIABILITIES AND NET ASSETS

LIABILITIES:		
Deferred revenue	$	6,026
Contracted service fee payable		671,263
Total liabilities		677,289
NET ASSETS:		
Unrestricted and undesignated		68,691
TOTAL	$	745,980

See notes to financial statements.

RIVERTON STREET CHARTER SCHOOL

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED JUNE 30, 2017

REVENUES, GAINS AND OTHER SUPPORT:	
State aid	$ 12,392,363
Other state sources	1,840,054
Federal sources	785,843
Private sources	22,242
Total revenues, gains and other support	15,040,502
EXPENSES:	
Contracted service fee	15,033,925
Depreciation	4,160
Total expenses	15,038,085
CHANGE IN UNRESTRICTED NET ASSETS	2,417
NET ASSETS:	
Beginning of year	66,274
End of year	$ 68,691

See notes to financial statements.

RIVERTON STREET CHARTER SCHOOL

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30 2017

CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
State aid	$	12,193,959
Other state sources		1,819,915
Federal sources		753,877
Private sources		23,975
Payments for services rendered		(14,784,927)
Net cash provided by operating activities		6,799
NET INCREASE IN CASH		6,799
CASH — Beginning of year		118,055
CASH — End of year	$	124,854
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	$	2,417
Depreciation		4,160
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Change in due from governmental revenue sources		(233,479)
Change in deferred revenue		(15,297)
Change in contracted service fee payable		248,998
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	6,799

See notes to financial statements.

1. NATURE OF OPERATIONS

Riverton Street Charter School (the "School") is a public charter school as defined by Article 56 of the New York State Education Law which provides education based on rigorous teaching methods, parental involvement, student responsibility, and basic moral values. The School operates under a charter approved by the New York City Department of Education, which is responsible for oversight of the School's operations. The charter expires June 30, 2019 and is subject to renewal. Management believes the charter will be renewed in the ordinary course of business. The School provides education, at no cost to the parent, to students in kindergarten through the eighth grade. Enrollment is open to all appropriately aged children without regard to gender, ethnic background, disability, and/or religious affiliation. 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).

The School's primary source of revenue is provided by the State of New York and consists of an amount per student multiplied by weighted average student counts. The state revenue is recognized ratably over the school year and was funded through payments from July 2016 through May 2017 for the year ended June 30, 2017.

The Board of Trustees of the School has entered into a management agreement (the "agreement") with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the School operates. The agreement will continue until termination or expiration of the charter, unless at least 90 days written notice of intent to terminate or renegotiate is given by either the School or NHA.

Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the School from all revenue sources and NHA pays the Board of Trustees an amount equal to the lessor of two percent of state per pupil aid or $35,000. These funds are property of the School and may be used by the School at the discretion of the board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The financial statements have been prepared in accordance with Section 2851 of the Education Law of the State of New York which requires such statements to be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles accepted in the United States of America for not-for-profit organizations.

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 disclosures 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.

Cash — Cash as of June 30, 2017 represents bank deposits which are covered by federal depository insurance.

Deferred Revenue — Deferred revenue as of June 30, 2017 consists of funds received for services which have not yet been performed.

Contracted Service Fee Payable — Contracted service fee payable represents a timing difference between funds received from governmental sources and amounts payable to NHA in accordance with the services agreement.

Capital Assets — Capital assets, which include other equipment, are reported at historical costs. Capital assets are defined by the School as assets with an individual cost of more than $2,000 and an estimated useful life in excess of one year.

Other equipment is depreciated using the straight-line method over useful lives of 3-10 years.

The Financial Statements — The financial statements are presented as follows:

Net assets and changes therein are classified and reported as follows:

- *Unrestricted Net Assets* — Net assets which are not subject to donor imposed or governmental stipulations.

Revenues and contributions are reported as follows:

- Revenues, gains and other support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed or governmental restrictions. Expenses are reported as decreases in unrestricted net assets. Other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or governmental restriction. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purposes has been fulfilled and/or the stipulated time has elapsed) are reported as reclassifications between the applicable classes of net assets.

- Revenue is recorded when earned, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Income Taxes — The School operates as a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The School has received notification from the Internal Revenue Service (IRS) that they are considered exempt from income tax under Section 501(c)(3) of the internal revenue code. Accordingly, no provision for income taxes has been made.

Recent Accounting Pronouncements — The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* in August 2016. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow FASB not-for-profit rules, including changing from three classes of net assets to two classes, net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the School, including required disclosures about the liquidity and availability of resources. The new standard is effective for the School's year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. The School is currently evaluating the impact this standard will have on the financial statements.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the School's year ending June 30, 2020. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The School has not yet determined which application method it will use. The School is in the process of evaluating potential effects of the new standard on the financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the School's year ending June 30, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the financial statements has not yet been determined, but is expected to have minimal impact when adopted.

3. RISK MANAGEMENT

The School is exposed to various risks of loss related to general liability. Commercial insurance policies to cover certain risks of loss have been obtained. There have been no significant reductions in insurance coverage during fiscal year 2017 and claims did not exceed coverage less retained risk deductible amounts in the past fiscal year.

4. CONTINGENCIES

The School has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

5. CAPITAL ASSETS

Capital asset activity of the School was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Equipment	$ 56,459	$ -	$ (14,866)	$ 41,593
Less accumulated depreciation — equipment	32,969	4,160	(14,866)	22,263
Total capital asset activity, net	$ 23,490	$ (4,160)	$ -	$ 19,330

6. OPERATING LEASE

The School has entered into a sublease agreement with NHA for a facility to house the School. The lease term is from July 1, 2016 through June 30, 2017 and is in the process of renewal. Annual rental payments required by the lease were $3,760,068 payable in twelve monthly payments of $313,339.

7. FUNCTIONAL EXPENSES

The School provides a comprehensive education programs to enrolled students. Expenses incurred for these programs and other expenses are as follows:

Program services:	
Regular education	$ 10,383,695
Special education	1,286,174
Supporting services — management and general	3,364,056
Total contracted service fee	$ 15,033,925
Depreciation expense	4,160
Total Expenses	$ 15,038,085

8. SUBSEQUENT EVENTS

Events or transactions for the year ended June 30, 2017 have been evaluated through October 13, 2017, the date the financial statements were available to be issued. The financial statements and the notes thereto do not reflect events or transactions after this date.

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ADDITIONAL INFORMATION

RIVERTON STREET CHARTER SCHOOL

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

		2017							
		Program Services				Supporting Services			
	No. of Positions	Regular Education	Special Education	Other Education	Total	Fund-raising	Management and General	Total	Total
Personnel Services Costs									
Administrative Staff Personnel	-	$ 662,838	$ -	$ -	$ 662,838	$ -	$ -	$ -	$ 662,838
Instructional Personnel	-	3,026,640	865,492	-	3,892,132	-	-	-	3,892,132
Non-Instructional Personnel	-	178,272	(495)	-	177,777	-	-	-	177,777
Total Salaries and Staff	-	3,867,750	864,997	-	4,732,747	-	-	-	4,732,747
Fringe Benefits & Payroll Taxes		795,266	223,434	-	1,018,700	-	-	-	1,018,700
Retirement		58,207	17,091	-	75,298	-	-	-	75,298
Management Company Fees		-	-	-	-	-	-	-	-
Legal Service		3,245	-	-	3,245	-	-	-	3,245
Accounting / Audit Services		11,172	-	-	11,172	-	379,909	379,909	391,081
Other Purchased / Professional / Consulting Services		607	176,414	-	177,021	-	1,159,364	1,159,364	1,336,385
Building and Land Rent / Lease		3,682,902	-	-	3,682,902	-	-	-	3,682,902
Repairs & Maintenance		496,412	-	-	496,412	-	37,776	37,776	534,188
Insurance		42,312	-	-	42,312	-	-	-	42,312
Utilities		210,114	-	-	210,114	-	-	-	210,114
Supplies / Materials		195,871	-	-	195,871	-	-	-	195,871
Equipment / Furnishings		160,931	-	-	160,931	-	-	-	160,931
Staff Development		121,145	2,482	-	123,627	-	117,361	117,361	240,988
Marketing / Recruitment		17,495	-	-	17,495	-	576,958	576,958	594,453
Technology		83,212	-	-	83,212	-	466,995	466,995	550,207
Food Service		507,918	-	-	507,918	-	-	-	507,918
Student Services		38,375	-	-	38,375	-	151,460	151,460	189,835
Office Expense		49,305	-	-	49,305	-	15,513	15,513	64,818
Depreciation		4,160	-	-	4,160	-	-	-	4,160
Other		41,456	1,756	-	43,212	-	458,720	458,720	501,932
Total Expenses		$ 10,387,855	$ 1,286,174	$ -	$11,674,029	$ -	$ 3,364,056	$ 3,364,056	$15,038,085

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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*

Independent Auditor's Report

To Management and the Board of Trustees
Riverton Street Charter School

We have audited, 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, the financial statements of Riverton Street Charter School (the "School"), which comprise the statement of financial position as of June 30, 2017 and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 13, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Riverton Street Charter 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 School'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.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To Management and the Board of Trustees
Riverton Street Charter School

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverton Street Charter 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.*

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.

Plante Moran, PC

October 13, 2017

SUPPLEMENTAL INFORMATION

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Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Trustees
Riverton Street Charter School

Report on Compliance for Each Major Federal Program

We have audited Riverton Street Charter School's (the "School") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2017. Riverton Street Charter School's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Riverton Street Charter School's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Riverton Street Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Riverton Street Charter School's compliance.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Trustees
Riverton Street Charter School

Opinion on Each Major Federal Program

In our opinion, Riverton Street Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Riverton Street Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Riverton Street Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante Moran, PC

October 13, 2017

RIVERTON STREET CHARTER ACADEMY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Expenditures	Current Year Cash Transferred to Subrecipient
Clusters:				
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through New York State Education Department:				
National School Lunch Program 2015-16	161960	10.555	$ 1,373	$ -
National School Lunch Program 2016-17	171960	10.555	254,818	-
National School Lunch Program Subtotal		10.555	256,191	-
National School Breakfast Program 2015-16	161970	10.553	4	-
National School Breakfast Program 2016-17	171970	10.553	118,377	-
National School Breakfast Program Subtotal		10.553	118,381	-
Total Child Nutrition Cluster			374,572	-
Special Education Cluster - U.S. Department of Education - Passed through the New York City Department of Education - IDEA Flowthrough -				
IDEA Flowthrough 1617	N/A	84.027	78,131	-
Total Special Education Cluster			78,131	-
Other Federal Awards -				
Passed through the New York State Department of Education:				
Title I Part A:				
Title I Part A 1516	0021164795	84.010	39,627	-
Title I Part A 1617	0021174795	84.010	287,624	-
Total Title I Part A		84.010	327,251	-
Title II Part A - Improving Teacher Quality:				
Title II Part A 1516	0147164795	84.367	(236)	-
Title II Part A 1617	0147174795	84.367	6,125	-
Total Title II Part A		84.367	5,889	-
Total noncluster programs passed through the New York State Department of Education			333,140	-
Total Federal Awards			**$ 785,843**	**$ -**

See Notes to Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Riverton Street Charter School (the "School") under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of Riverton Street Charter School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Riverton Street Charter School.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The School has not elected to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 3 - Grant Auditor Report

Management has utilized the Federal/State Grant Payments - End of Year Report as published by the New York State Education Department in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Riverton Street Charter School

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes __X__ None reported

Noncompliance material to financial statements noted? _____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes __X__ None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)? _____ Yes __X__ No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? __X__ Yes _____ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None