

**Audited Financial Statements In Accordance
With Government Auditing Standards**

June 30, 2017

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL

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Independent Auditors' Report

To the Board of Trustees of
John V. Lindsay Wildcat Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of John V. Lindsay Wildcat Charter School (the "School"), which comprise the statement of financial position as of June 30, 2017, 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.

Auditors' 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 auditors' 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 organization'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 organization'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

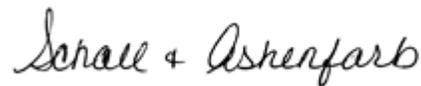
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of John V. Lindsay Wildcat Charter School as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the School's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 6, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 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 October 2, 2017 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.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 2, 2017

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2017
(With comparative totals at June 30, 2016)

Assets

	6/30/17	6/30/16
Current assets:		
Cash and cash equivalents	\$1,159,644	\$1,591,216
Restricted cash	70,308	70,273
Investments (Note 3)	2,258,188	2,136,297
Grants receivable -		
New York City Department of Education (Note 5)	0	19,698
Grants receivable - other	309,389	160,448
Other receivables	15,597	72,026
Prepaid expenses	249,097	51,232
Total current assets	4,062,223	4,101,190
Non-current assets:		
Fixed assets (Note 4)	252,453	263,130
Security deposit	500,000	500,000
Total non-current assets	752,453	763,130
Total assets	\$4,814,676	\$4,864,320

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$60,920	\$83,398
Accrued expenses	1,815,007	1,790,440
Grant advance - New York		
City Department of Education (Note 5)	31,029	0
Deferred rent (Note 8)	753,323	944,007
Total liabilities	2,660,279	2,817,845
Net assets:		
Unrestricted	2,152,397	2,037,632
Temporarily restricted (Note 6)	2,000	8,843
Total net assets	2,154,397	2,046,475
Total liabilities and net assets	\$4,814,676	\$4,864,320

The attached notes and auditors' report are an integral part of these financial statements.

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(With comparative totals for the year ended June 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 6/30/17</u>	<u>Total 6/30/16</u>
Public support and revenue:				
Public school district (Note 5):				
Revenue - resident student enrollment	\$6,672,363		\$6,672,363	\$6,792,792
Revenue - students with special education services	1,125,102		1,125,102	922,112
Total public school district revenue	<u>7,797,465</u>	<u>0</u>	<u>7,797,465</u>	<u>7,714,904</u>
Other government grants	1,023,692		1,023,692	842,927
Private grants	2,000	2,000	4,000	79,890
In-kind contributions	90,000		90,000	6,080
Investment income (Note 3)	146,629		146,629	103,506
Other	26,570		26,570	80,633
Net assets released from restriction	8,843	(8,843)	0	0
Total public support and revenue	<u>9,095,199</u>	<u>(6,843)</u>	<u>9,088,356</u>	<u>8,827,940</u>
Expenses:				
Program services:				
Regular education	5,256,550		5,256,550	5,859,100
Special education	2,537,455		2,537,455	2,538,913
Total program services	<u>7,794,005</u>	<u>0</u>	<u>7,794,005</u>	<u>8,398,013</u>
Supporting services:				
Management and general	1,160,293		1,160,293	1,094,350
Fundraising	26,136		26,136	19,029
Total expenses	<u>8,980,434</u>	<u>0</u>	<u>8,980,434</u>	<u>9,511,392</u>
Change in net assets	114,765	(6,843)	107,922	(683,452)
Net assets - beginning	<u>2,037,632</u>	<u>8,843</u>	<u>2,046,475</u>	<u>2,729,927</u>
Net assets - ending	<u><u>\$2,152,397</u></u>	<u><u>\$2,000</u></u>	<u><u>\$2,154,397</u></u>	<u><u>\$2,046,475</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

(With comparative totals for the year ended June 30, 2016)

	Program Services			Supporting Services		Total Expenses 6/30/17	Total Expenses 6/30/16*
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising		
Salaries	\$2,277,455	\$1,343,626	\$3,621,081	\$763,627	\$20,154	\$4,404,862	\$5,066,223
Employee benefits and payroll taxes	901,300	521,718	1,423,018	187,570	5,982	1,616,570	1,393,056
Total personnel services	<u>3,178,755</u>	<u>1,865,344</u>	<u>5,044,099</u>	<u>951,197</u>	<u>26,136</u>	<u>6,021,432</u>	<u>6,459,279</u>
Professional development	55,573	18,193	73,766	4,704		78,470	78,169
Professional fees	141,197	42,616	183,813	19,023		202,836	244,281
Curriculum and classroom expense	157,562	47,555	205,117			205,117	217,745
Travel and conferences	10,585	3,465	14,050	893		14,943	20,472
Postage, printing, and copying	9,501	3,109	12,610	802		13,412	16,222
Insurance	35,517	11,627	47,144	3,007		50,151	60,029
Information technology	2,240	676	2,916	14,997		17,913	16,892
Leased equipment	28,909	9,464	38,373	2,448		40,821	41,838
Repairs and maintenance	26,826	8,782	35,608	2,271		37,879	44,248
Occupancy and facility costs	1,312,078	429,559	1,741,637	111,166		1,852,803	1,851,510
Utilities	171,229	56,056	227,285	14,503		241,788	240,907
Depreciation and amortization	84,020	27,505	111,525	7,116		118,641	132,934
Special events (including in-kind services)			0			0	19,029
Other	<u>42,558</u>	<u>13,504</u>	<u>56,062</u>	<u>28,166</u>		<u>84,228</u>	<u>67,837</u>
Total expenses	<u><u>\$5,256,550</u></u>	<u><u>\$2,537,455</u></u>	<u><u>\$7,794,005</u></u>	<u><u>\$1,160,293</u></u>	<u><u>\$26,136</u></u>	<u><u>\$8,980,434</u></u>	<u><u>\$9,511,392</u></u>

*Reclassified for comparison purposes.

The attached notes and auditors' report are an integral part of these financial statements.

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
(With comparative totals for the year ended June 30, 2016)

	<u>6/30/17</u>	<u>6/30/16</u>
Cash flows from operating activities:		
Change in net assets	\$107,922	(\$683,452)
Adjustments to reconcile change in net assets to net cash flows used for operating activities:		
Depreciation and amortization	118,641	132,934
Unrealized gain on investments	(142,874)	(100,347)
Changes in assets and liabilities:		
Restricted cash	(35)	(44)
Grants receivable	(148,941)	(106,315)
Other receivables	56,429	(58,589)
Prepaid expenses	(197,865)	(31,183)
Security deposit	0	(10,000)
Accounts payable	(22,478)	23,081
Accrued expenses	24,567	589,325
Grant receivable/advance - New York City Department of Education	50,727	(54,428)
Deferred rent	(190,684)	(97,298)
Total adjustments	<u>(452,513)</u>	<u>287,136</u>
Net cash flows used for operating activities	<u>(344,591)</u>	<u>(396,316)</u>
Cash flows from investing activities:		
Fixed asset acquisitions	(107,964)	(70,658)
Sales of investments	20,983	20,191
Net cash flows used for investing activities	<u>(86,981)</u>	<u>(50,467)</u>
Net decrease in cash and cash equivalents	(431,572)	(446,783)
Cash and cash equivalents - beginning of year	<u>1,591,216</u>	<u>2,037,999</u>
Cash and cash equivalents - end of year	<u><u>\$1,159,644</u></u>	<u><u>\$1,591,216</u></u>
Supplemental data:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 - Organization and Nature of Activities

Effective September 1, 2000, John V. Lindsay Wildcat Charter School (the "School") was granted a charter by the University of the State of New York, Education Department. The School's charter which ended August 31, 2016 was renewed for five more years by the New York State Board of Regents through 2021. The School is an inner city high school serving adolescents who are at risk of failure due to poor attendance, disruptive behavior, criminal activity and poor academic achievement.

The School was organized under the Not-For-Profit Corporation Law of the State of New York and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar NYS statutes.

Note 2 - Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The School's net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted* – represent those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. When the restrictions from temporarily restricted contributions have been met in the year of donation, they are reported as unrestricted.

b. Cash and Cash Equivalents

The School considers all certificates of deposit and any investments with an initial maturity of three months or less to be cash and cash equivalents, except for cash held with an investment custodian for long-term purposes.

c. Concentration of Credit Risk

Financial instruments that potentially subject the School to concentration of credit risk consist of cash, money market accounts, and investment securities, which are placed with financial institutions that management deems to be creditworthy. The market value of investments is subject to fluctuation; however, management believes the investment policy is prudent for the long-term welfare of the School. At year end and at various times throughout the year, balances were in excess of insured amounts. The School has not suffered any losses due to bank failure.

d. Fair Value Measurement

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the School has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significance to the overall fair value measurement.

The following have been recorded at fair value:

- Investments
- Donated services

e. Investments

Investments have been recorded at fair value. Unrealized gains and losses are included in income.

f. Government Grants

All government grants are recognized as revenue in the period earned, which is typically when the expense allowed under the grant is incurred.

The School reviews receivables that are unlikely to be collected based on historical experience and a review of activity subsequent to the balance sheet date. No allowance for doubtful accounts exists as of June 30, 2017. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

g. Fixed Assets

Property and equipment that exceed pre-determined amounts and have a useful life of greater than one year are recorded at cost or at the fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Office equipment – *3 year life*

Furniture and fixtures – *7 year life*

Leasehold improvements – *Life of lease*

h. Revenues – Public School District

The School receives grants from the New York City Department of Education (“NYCDOE”) to carry out its operations. Program revenues are recognized based on rates established by the School’s funding sources and the amount realizable on the accrual basis in the period during which services are provided.

i. Contributions

Contributions are recorded as revenue at the earlier of the receipt of cash or the time a pledge is considered unconditional. Contributions are treated as unrestricted and available for general operations unless they contain restrictions by the donor for specific programs or time periods, in which case they are reported in the temporarily restricted class of net assets. The School has not received any contributions that must be retained permanently as endowment; therefore, the permanently restricted net asset class has not been used.

Contributions expected to be received within one year are recorded at their net realizable value. Conditional contributions are recognized as income when the conditions have been substantially met. All receivables at year end are due to be collected within one year.

j. Donated Goods and Services

Donated goods and services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind, are recognized at fair value. The School received \$90,000 and \$6,080 of goods and services for the years ended June 30, 2017 and 2016, respectively.

k. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

l. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

m. Prior-Year Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

n. Accounting for Uncertainty of Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax returns for periods ending June 30, 2014 and later are subject to examination by applicable taxing authorities.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through October 2, 2017, the date the financial

statements were available to be issued. No events have occurred subsequent to the balance sheet date through our evaluation date that would require adjustment to or disclosure in the financial statements.

p. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the June 30, 2021 year, requires all leases to be reflected as assets and liabilities on the statement of financial position.

The School has not yet evaluated the impact these standards will have on future financial statements.

Note 3 - Investments

The following summarizes the composition of investments:

	<u>June 30, 2017</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash	\$45,664	\$0	\$45,664
US Common Stock	892,819	0	892,819
US Corporate Fixed Income	355,550	0	355,550
Government securities:			
US Treasury Securities	0	244,628	244,628
US Federal Agency Bonds	0	132,305	132,305
US Mutual Funds	<u>587,222</u>	<u>0</u>	<u>587,222</u>
	<u>\$1,881,255</u>	<u>\$376,933</u>	<u>\$2,258,188</u>
	<u>June 30, 2016</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash	\$54,908	\$0	\$54,908
US Common Stock	836,552	0	836,552
US Corporate Fixed Income	313,551	0	313,551
Government securities:			
US Treasury Securities	0	294,472	294,472
US Federal Agency Bonds	0	87,735	87,735
US Mutual Funds	<u>549,079</u>	<u>0</u>	<u>549,079</u>
	<u>\$1,754,090</u>	<u>\$382,207</u>	<u>\$2,136,297</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on. Level 2 securities are valued using observable market inputs for securities that

are similar to those owned. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

The following summarizes investment income:

	<u>6/30/17</u>	<u>6/30/16</u>
Interest and dividends income	\$3,755	\$3,159
Unrealized gain on investments	<u>142,874</u>	<u>100,347</u>
	<u>\$146,629</u>	<u>\$103,506</u>

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>6/30/17</u>	<u>6/30/16</u>
Furniture and fixtures	\$143,665	\$53,665
Office equipment	991,783	973,842
Leasehold improvements	<u>517,092</u>	<u>517,069</u>
Total fixed assets - cost	1,652,540	1,544,576
Less: accumulated depreciation	<u>(1,400,087)</u>	<u>(1,281,446)</u>
Total fixed assets, net	<u>\$252,453</u>	<u>\$263,130</u>

Note 5 - Advance Payable/Grant Receivable - New York City Department of Education

	<u>6/30/17</u>	<u>6/30/16</u>
Beginning advance payable	\$19,698	(\$34,730)
Funding based on allowable FTE's	7,797,465	7,714,904
Advances received	<u>(7,848,192)</u>	<u>(7,660,476)</u>
Ending (advance payable)/grant receivable	<u>(\$31,029)</u>	<u>\$19,698</u>

Note 6 - Temporarily Restricted Net Assets

A summary of temporarily restricted net assets is as follows:

	<u>June 30, 2017</u>			
	<u>7/1/16</u>	<u>Restricted Contributions</u>	<u>Released from Restrictions</u>	<u>6/30/17</u>
Counseling Staff Position Michael Steiner	\$8,843	\$0	(\$8,843)	\$0
Memorial Fund	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total	<u>\$8,843</u>	<u>\$2,000</u>	<u>(\$8,843)</u>	<u>\$2,000</u>

	<u>June 30, 2016</u>			
	<u>7/1/15</u>	<u>Restricted Contributions</u>	<u>Released from Restrictions</u>	<u>6/30/16</u>
Counseling Staff Position	<u>\$9,229</u>	<u>\$50,000</u>	<u>(\$50,386)</u>	<u>\$8,843</u>

Note 7 - Significant Concentrations

The School and NYCDOE signed an agreement, which permits the School to operate the charter. Approximately 86% and 87% of the School's total public support and revenue was received from NYCDOE in 2017 and 2016, respectively.

Note 8 - Commitments

The School occupies space in lower Manhattan and the Bronx under separate lease agreements that expire on October 31, 2017 and August 31, 2022, respectively. The Manhattan lease was renewed through June 30, 2028.

Future minimum payments due under the leases are as follows:

	<u>Amount</u>
Year ending: June 30, 2018	\$2,000,905
June 30, 2019	2,033,907
June 30, 2020	2,132,238
June 30, 2021	2,173,552
June 30, 2022	2,215,472
Thereafter	<u>8,116,771</u>
Total	<u>\$18,672,845</u>

Rent expense is recognized evenly over the life of each lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. As payments exceed the amount of expense recognized, deferred revenue will be reduced until it is zero at the end of the lease.

Note 9 - Multi-Employer Benefit Plan

The School participates in a multi-employer plan that provides defined benefits to certain contract labor covered by a collective bargaining agreement which expires October 31, 2018. The School contributed \$661,518 and \$365,140 to the plan during the years ended June 30, 2017 and 2016, respectively. The School's participation in this plan for the annual period ended June 30, 2017 is outlined below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN"). The most recent Pension Protection Act ("PPA") zone status is not applicable because it is a government plan.

Information on the Teachers' Retirement System of the City of New York Pension Plan, as of June 30, 2017, is as follows:

<u>EIN/Pension Plan Number</u>	<u>Plan End Date</u>	<u>PPA Zone Status</u>	<u>Collective Bargaining Agreement Expiration Date</u>	<u>Contribution</u>
90-0584726	6/30/17	N/A	10/31/2018	<u>\$661,518</u>

Note 10 - 403(b) Plan

The School has a retirement plan under IRS Section 403(b). All eligible employees (as defined by the plan) may elect to defer a portion of their salary and contribute to this plan up to statutory amounts. The School can provide a discretionary match to eligible employees. No match has been provided during the years ended June 30, 2017 and 2016.

**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
John V. Lindsay Wildcat Charter School

Report on the Financial Statements

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 John V. Lindsay Wildcat Charter School (the "School"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 2, 2017.

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 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations,

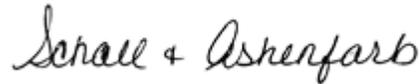
during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 2, 2017

**JOHN V. LINDSAY WILDCAT CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2017**

Current Year:

None

Prior-Year Follow-Up:

None