

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
GROWING UP GREEN CHARTER SCHOOL

Report on the Financial Statements

We have audited the accompanying financial statements of Growing Up Green Charter School (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2014, 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, 2014, 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 2013 financial statements, and our report dated September 11, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, 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 August 21, 2014, 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
August 21, 2014

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,858,178	\$ 1,381,290
Grants and contracts receivable	42,649	13,074
Other current receivables	539	1,731
Prepaid expenses and other current assets	<u>105,210</u>	<u>131,083</u>
Total current assets	2,006,576	1,527,178
Property and equipment, net of accumulated depreciation and amortization of \$403,116 and \$249,999, respectively	652,827	595,469
Restricted cash	70,645	70,460
Security deposit	<u>65,000</u>	<u>35,000</u>
TOTAL ASSETS	<u><u>\$ 2,795,048</u></u>	<u><u>\$ 2,228,107</u></u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 64,372	\$ 90,264
Accrued payroll and payroll taxes	340,282	216,503
Refundable advances	<u>21,221</u>	<u>4,600</u>
Total current liabilities	425,875	311,367
Deferred rent	<u>171,708</u>	<u>149,961</u>
Total liabilities	597,583	461,328
Unrestricted net assets	<u>2,197,465</u>	<u>1,766,779</u>
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	<u><u>\$ 2,795,048</u></u>	<u><u>\$ 2,228,107</u></u>

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

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2014	2013
Revenue and support:		
State and local per pupil operating revenue	\$ 7,560,043	\$ 6,129,407
Federal grants	178,247	141,136
State and city grants	38,375	29,321
Contributions and private grants	33,819	37,633
Interest and other income	32,188	10,279
	<hr/>	<hr/>
Total revenue and support	7,842,672	6,347,776
	<hr/>	<hr/>
Expenses:		
Program services		
Regular education	5,006,698	3,890,922
Special education	1,545,623	1,092,502
Total program services	6,552,321	4,983,424
Supporting services		
Management and general	796,818	614,424
Fundraising	62,847	32,535
	<hr/>	<hr/>
Total expenses	7,411,986	5,630,383
	<hr/>	<hr/>
Changes in unrestricted net assets	430,686	717,393
	<hr/>	<hr/>
Unrestricted net assets - beginning of year	1,766,779	1,049,386
	<hr/>	<hr/>
Unrestricted net assets - end of year	\$ 2,197,465	\$ 1,766,779
	<hr/> <hr/>	<hr/> <hr/>

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

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in unrestricted net assets	\$ 430,686	\$ 717,393
Adjustments to reconcile changes in unrestricted net assets to net cash provided by operating activities:		
Depreciation and amortization	153,118	107,353
Changes in certain assets and liabilities:		
(Increase) Decrease in grants and contracts receivable	(29,575)	21,291
Decrease (Increase) in other current receivables	1,192	(967)
Decrease in prepaid expenses and other current assets	25,873	29,969
(Increase) in security deposit	(30,000)	-
(Decrease) in accounts payable and accrued expenses	(25,892)	(2,723)
Increase in accrued payroll and payroll taxes	123,779	11,219
Increase in refundable advances	16,621	3,491
Increase in deferred rent	21,747	38,397
	<u>687,549</u>	<u>925,423</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(210,476)	(335,129)
(Increase) in restricted cash	(185)	(225)
	<u>(210,661)</u>	<u>(335,354)</u>
NET CASH (USED IN) INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	476,888	590,069
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,381,290</u>	<u>791,221</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,858,178</u></u>	<u><u>\$ 1,381,290</u></u>

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

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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

Nature of School

Growing Up Green Charter School (the “School”) is a New York State, not-for-profit educational corporation that was incorporated on December 16, 2008 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 16, 2008 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. On December 17, 2013, the Board of Regents approved and issued the renewal to the initial charter for a period of three and half years expiring June 30, 2017. The School empowers children to be conscious, contributing members of their community through a rigorous curriculum and an engaging green culture. Graduates of the School will be prepared to attend high performing schools where their interdisciplinary academic foundations, knowledge of sustainability, and strong sense of self sets them apart as leaders of the future. Classes commenced in Long Island City, New York, on September 9, 2009 and the School provided education to approximately 489 students in grades kindergarten through fifth during the 2013-2014 academic year.

Food and Transportation Services

The New York City Department of Education provides free lunches and transportation directly to a majority of the School’s students. Such costs are not included in these financial statements. The School collects some money from families to defray 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 a School 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 net unrelated business income for the years ended June 30, 2014 and 2013.

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 position resulting in an accrual of tax expense or benefit.

IRS Forms 990 filed by the School are subject to examination by the Internal Revenue Service 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 years ended June 30, 2010, and prior.

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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

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

Net 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

Net 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

Net 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 temporarily or permanently restricted net assets at June 30, 2014 and 2013.

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 government 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.

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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

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 statements 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. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Equipment	5 years
Furniture and fixture	7 years
Software	3 years
Website development	5 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.

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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

Refundable Advances

The School records grant revenue as refundable advances until it is expended for the purpose of the grant, at which time it is recognized as revenue.

Comparative Financial Information

The accompanying statements of activities and schedule of 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 2013 financial statements from which the summarized information was derived.

Reclassifications

Certain 2013 accounts have been reclassified to the 2014 financial statements presentation. The reclassification has no effect on 2013 total assets, liabilities, net assets, and change in net assets.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

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

NOTE 3 - PROPERTY AND EQUIPMENT

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

	<u>2014</u>	<u>2013</u>
Equipment	\$ 434,061	\$ 341,499
Furniture and fixture	378,604	318,077
Software	10,998	2,388
Website development	3,550	3,550
Leasehold improvements	<u>228,730</u>	<u>179,954</u>
	1,055,943	845,468
Less: Accumulated depreciation and amortization	<u>403,116</u>	<u>249,999</u>
	<u>\$ 652,827</u>	<u>\$ 595,469</u>

Depreciation and amortization expense was \$153,118 and \$107,353 for the years ended June 30, 2014 and 2013, respectively.

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 4 - RELATED PARTY TRANSACTIONS

The School is an affiliate of Friends of Growing Up Green (“Friends of GUG”), a New York State not-for-profit corporation. Friends of GUG supports the School through technical and financial assistance. For the years ended June 30, 2014 and 2013, Friends of GUG made contributions to the School in the amount of \$32,219 and \$25,000, respectively. There were no other material transactions between Friends of GUG and the School.

NOTE 5 - COMMITMENTS

Operating Leases

The School is obligated under a non-cancelable operating lease for office and classroom space at 39-27 28th Street, Long Island City, New York, expiring on August 31, 2019, with a renewal option for an additional ten years. The lease provides for rent escalations and the School is responsible for utilities, real estate taxes and other operating expenses. Phase I which consists of the 2nd floor of the building was completed prior to the start of the 2009-2010 academic year. Phase II which consists of the 3rd floor of the building was completed during the year ended June 30, 2011. Phase III which consists of the 1st floor of the building was completed during the year ended June 30, 2012.

On May 15, 2014, the School entered into an agreement to lease additional property at 36-49 11th Street, Long Island City, New York for a period of 10 years. The lease provides for rent escalations and the School is responsible for utilities, real estate taxes and other operating expenses. This location will become the home of Growing Up Green Middle School starting with the 2014-2015 academic year.

The future minimum lease payments for both facilities are as follows:

Year ending June 30, 2015	\$ 1,000,279
2016	1,088,560
2017	1,119,616
2018	1,151,238
2019	1,183,936
Thereafter	<u>2,339,637</u>
	<u>\$ 7,883,266</u>

The School recognizes rent expense on a straight-line basis over the term of the lease. Rent expense in excess of payments is recorded as deferred rent in the accompanying statements of financial position. Deferred rent for the future middle school facility will be recognized starting with the 2014-2015 academic year. Rent expense under the lease for the years ended June 30, 2014 and 2013 amounted to \$713,092 and \$713,092, respectively.

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 6 - 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 7 - 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 8 - 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 and general expense includes those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

NOTE 9 - RETIREMENT PLAN

The School maintains a retirement plan qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, the School has the option to match employee contributions up to 5% of annual compensation. The amount charged for matching contributions to this plan was \$78,395 and \$51,417 for the years ended June 30, 2014 and 2013, respectively.

NOTE 10 - SUBSEQUENT EVENTS

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through August 21, 2014, the date the financial statements were available to be issued.

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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
GROWING UP GREEN CHARTER SCHOOL

We have audited the financial statements of Growing Up Green Charter School as of and for the year ended June 30, 2014, and have issued our report thereon dated August 21, 2014, 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
August 21, 2014

GROWING UP GREEN CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

	2014						
	Program Services			Management and			
	Regular Education	Special Education	Total	General	Fundraising	Total	2013
Salaries	\$ 2,965,553	\$ 941,372	\$ 3,906,925	\$ 469,085	\$ 40,037	\$ 4,416,047	\$ 3,189,363
Payroll taxes and employee benefits	616,725	195,770	812,495	97,554	8,326	918,375	588,060
Professional development	95,491	21,505	116,996	4,164	352	121,512	143,147
Audit and accounting fees	-	-	-	18,250	-	18,250	18,250
Legal fees	16,924	5,372	22,296	2,678	228	25,202	11,000
Financial management fees	-	-	-	30,000	-	30,000	40,000
Consulting fees	5,591	1,389	6,980	23,949	617	31,546	47,346
Other professional fees	102,724	25,470	128,194	14,342	594	143,130	155,485
Contractual services	5,639	1,790	7,429	892	76	8,397	3,449
Teacher and student recruitment	22,794	6,145	28,939	2,186	187	31,312	10,607
Student meals	14,713	2,883	17,596	-	-	17,596	12,896
Curriculum and classroom materials	316,895	76,124	393,019	-	-	393,019	237,258
Rent expense	478,870	152,010	630,880	75,747	6,465	713,092	713,092
Utilities	79,462	25,224	104,686	12,570	1,073	118,329	108,779
Maintenance and repairs	24,078	7,643	31,721	3,809	325	35,855	40,666
Office supplies	50,029	15,881	65,910	7,914	675	74,499	67,960
Postage and delivery	3,592	1,140	4,732	568	49	5,349	5,604
Telephone and internet services	13,536	4,297	17,833	2,141	183	20,157	18,081
Information technology	48,490	15,392	63,882	7,670	655	72,207	59,455
Insurance	30,541	9,695	40,236	4,831	412	45,479	38,170
Dues and subscriptions	2,604	827	3,431	412	35	3,878	2,774
Equipment leasing	9,622	3,054	12,676	1,522	130	14,328	9,087
Depreciation and amortization	102,825	32,640	135,465	16,265	1,388	153,118	107,353
General fundraising expenses	-	-	-	-	1,040	1,040	2,243
Miscellaneous	-	-	-	269	-	269	258
Total	<u>\$ 5,006,698</u>	<u>\$ 1,545,623</u>	<u>\$ 6,552,321</u>	<u>\$ 796,818</u>	<u>\$ 62,847</u>	<u>\$ 7,411,986</u>	<u>\$ 5,630,383</u>

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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

TO THE BOARD OF TRUSTEES OF
GROWING UP GREEN 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 Growing Up Green Charter School (the "School"), which comprise the statement of financial position as of June 30, 2014, 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 August 21, 2014.

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
GROWING UP GREEN 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*.

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
August 21, 2014