

ALBANY LEADERSHIP  
CHARTER HIGH SCHOOL FOR GIRLS

Financial Statements

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

# ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Albany Leadership Charter High School for Girls  
Albany, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of Albany Leadership Charter High School for Girls (the School), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to 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 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 Albany Leadership Charter High School for Girls as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Prior Period Financial Statements

The financial statements of Albany Leadership Charter High School for Girls as of June 30, 2014, were audited by other auditors whose report dated October 23, 2014, expressed an unmodified opinion on those statements.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2015, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the School's internal control over financial reporting and compliance.

Toski & Co., CPAs, P.C.

Williamsville, New York  
October 23, 2015

ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS  
Statements of Financial Position  
June 30, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and equivalents	\$ 1,070,365	607,121
Grants and contracts receivable, net of allowance of \$208,467 in 2015 and \$211,447 in 2014	431,621	235,577
Accounts receivable	6,026	31,946
Prepaid expenses	<u>11,438</u>	<u>13,171</u>
Total current assets	<u>1,519,450</u>	<u>887,815</u>
Property and equipment, at cost	745,599	723,952
Less accumulated depreciation	<u>(421,473)</u>	<u>(351,388)</u>
Net property and equipment	<u>324,126</u>	<u>372,564</u>
Other assets - cash - designated	<u>75,075</u>	<u>75,000</u>
Total assets	<u><u>\$ 1,918,651</u></u>	<u><u>1,335,379</u></u>
 <u>Liabilities and Net Assets</u> 		
Current liabilities:		
Accounts payable and accrued expenses	103,723	109,514
Accrued payroll and benefits	<u>447,191</u>	<u>415,889</u>
Total current liabilities	<u>550,914</u>	<u>525,403</u>
Net assets:		
Unrestricted:		
General operating	1,292,662	734,976
Board designated	<u>75,075</u>	<u>75,000</u>
Total unrestricted net assets	<u>1,367,737</u>	<u>809,976</u>
Total liabilities and net assets	<u><u>\$ 1,918,651</u></u>	<u><u>1,335,379</u></u>

See accompanying notes to financial statements.

ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS

Statements of Activities

Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue:		
Public school districts:		
Resident student enrollment	\$ 4,985,262	4,814,669
Students with disabilities	124,011	92,662
Grants and contracts:		
Federal	168,450	175,372
Food Service/Children Nutrition Program	164,901	137,186
State and Local	<u>72,046</u>	<u>45,542</u>
Total revenue	<u>5,514,670</u>	<u>5,265,431</u>
Expenses:		
Program services:		
Regular education	3,347,715	3,330,590
Special education	209,338	267,954
Other programs	<u>230,138</u>	<u>300,608</u>
Total program services	3,787,191	3,899,152
Management and general	<u>1,216,130</u>	<u>1,194,138</u>
Total expenses	<u>5,003,321</u>	<u>5,093,290</u>
Surplus from school operations	<u>511,349</u>	<u>172,141</u>
Support and other revenue:		
Contributions	7,231	8,987
Fundraising, net	16,694	4,882
Miscellaneous income	<u>22,487</u>	<u>21,481</u>
Total support and other revenue	<u>46,412</u>	<u>35,350</u>
Increase in net assets	557,761	207,491
Net assets at beginning of year	<u>809,976</u>	<u>602,485</u>
Net assets at end of year	<u><u>\$ 1,367,737</u></u>	<u><u>809,976</u></u>

See accompanying notes to financial statements.

ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS  
Statement of Functional Expenses  
Years ended June 30, 2015 and 2014

	No. of positions	Program Services				Supporting Services	Total	
		Regular education	Special education	Other programs	Total	Management and general	2015	2014
Personnel services costs:								
Instructional personnel	37	\$ 1,660,581	113,812	-	1,774,393	-	1,774,393	1,779,173
Administrative personnel	14	162,757	-	-	162,757	653,637	816,394	841,294
Non-instructional personnel	2	-	-	45,080	45,080	47,994	93,074	93,393
Total salaries and staff	<u>53</u>	1,823,338	113,812	45,080	1,982,230	701,631	2,683,861	2,713,860
Fringe benefits and payroll taxes		305,670	19,080	7,557	332,307	117,624	449,931	516,472
Retirement		32,233	2,012	-	34,245	13,200	47,445	13,705
Legal service		6,868	429	-	7,297	2,813	10,110	12,107
Accounting and audit services		8,710	544	-	9,254	3,566	12,820	25,823
Other purchased, professional and consulting services		167,819	10,475	-	178,294	68,727	247,021	149,488
Building and land lease		495,390	30,922	12,248	538,560	134,640	673,200	666,600
Repairs and maintenance		140,165	8,749	3,465	152,379	38,095	190,474	193,812
Insurance		41,437	2,586	1,024	45,047	11,263	56,310	59,648
Utilities		35,965	2,245	889	39,099	9,775	48,874	61,553
Supplies and materials		60,362	3,768	-	64,130	-	64,130	103,770
Uniforms		16,543	1,033	-	17,576	-	17,576	26,066
Equipment and furnishings		3,575	223	-	3,798	1,464	5,262	17,249
Staff development		16,237	1,014	-	17,251	-	17,251	62,863
Marketing and recruitment		10,910	681	-	11,591	4,468	16,059	28,187
Technology		74,846	4,672	-	79,518	30,651	110,169	47,391
Food service		-	-	70,480	70,480	-	70,480	71,454
Student services		9,929	993	88,363	99,285	-	99,285	151,359
Office expense		41,748	2,606	1,032	45,386	11,347	56,733	50,916
Bad debt expense		-	-	-	-	52,000	52,000	20,000
Depreciation and other		55,970	3,494	-	59,464	14,866	74,330	100,967
Total expenses		<u>\$ 3,347,715</u>	<u>209,338</u>	<u>230,138</u>	<u>3,787,191</u>	<u>1,216,130</u>	<u>5,003,321</u>	<u>5,093,290</u>

See accompanying notes to financial statements.

ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS  
Statement of Functional Expenses  
Year ended June 30, 2014

	Program Services					Supporting Services	Total
	No. of positions	Regular education	Special education	Other programs	Total	Management and general	
Instructional personnel	36	\$ 1,635,388	143,785	-	1,779,173	-	1,779,173
Administrative personnel	13	168,259	-	-	168,259	673,035	841,294
Non-instructional personnel	2	-	-	54,552	54,552	38,841	93,393
Total salaries	51	1,803,647	143,785	54,552	2,001,984	711,876	2,713,860
Fringe benefits and payroll taxes		355,484	28,338	-	383,822	132,650	516,472
Retirement		9,433	752	-	10,185	3,520	13,705
Legal service		8,333	664	-	8,997	3,110	12,107
Accounting and audit services		17,774	1,417	-	19,191	6,632	25,823
Other purchased, professional and consulting services		100,629	10,465	-	111,094	38,394	149,488
Building and land lease		458,816	36,576	26,775	522,167	144,433	666,600
Repairs and maintenance		133,399	10,634	7,786	151,819	41,993	193,812
Insurance		41,055	3,273	2,396	46,724	12,924	59,648
Utilities		42,367	3,377	2,472	48,216	13,337	61,553
Supplies and materials		78,207	6,235	-	84,442	19,328	103,770
Uniforms		24,141	1,925	-	26,066	-	26,066
Equipment and furnishings		11,872	947	-	12,819	4,430	17,249
Staff development		58,222	4,641	-	62,863	-	62,863
Marketing and recruitment		19,401	1,547	-	20,948	7,239	28,187
Technology		32,619	2,600	-	35,219	12,172	47,391
Food service		-	-	71,454	71,454	-	71,454
Student services		16,885	1,346	133,128	151,359	-	151,359
Office expense		35,045	2,794	2,045	39,884	11,032	50,916
Bad debt expense		-	-	-	-	20,000	20,000
Depreciation and other		83,261	6,638	-	89,899	11,068	100,967
Total expenses		\$ 3,330,590	267,954	300,608	3,899,152	1,194,138	5,093,290

See accompanying notes to financial statements.



ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS  
Statements of Cash Flows  
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase in net assets	\$ 557,761	207,491
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	73,686	90,890
Change in allowance for doubtful accounts	(2,980)	20,000
Loss on disposal of property and equipment	1,345	-
Changes in:		
Grants and contracts receivable	(193,064)	(49,939)
Accounts receivable	25,920	(4,590)
Prepaid expenses	1,733	(7,917)
Accounts payable and accrued expenses	(5,791)	83,162
Accrued payroll and benefits	<u>31,302</u>	<u>(62,411)</u>
Net cash provided by operating activities	<u>489,912</u>	<u>276,686</u>
Cash flows from investing activities:		
Purchase of property and equipment	(26,593)	(53,315)
Deposits to cash - designated	<u>(75)</u>	<u>(75,000)</u>
Net cash used in investing activities	<u>(26,668)</u>	<u>(128,315)</u>
Net increase in cash	463,244	148,371
Cash at beginning of year	<u>607,121</u>	<u>458,750</u>
Cash at end of year	<u><u>\$ 1,070,365</u></u>	<u><u>607,121</u></u>

See accompanying notes to financial statements.

# ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS

## Notes to Financial Statements

June 30, 2015 and 2014

### (1) Organization and Purpose

Albany Leadership Charter High School for Girls' (the School) mission is to prepare young women to graduate from high school with the academic and leadership skills necessary to succeed in college and the career of their choosing.

A provisional charter, valid for five years, was granted to the School by the University of the State of New York pursuant to Article 56 of the Education Law of the State of New York in 2009. The School began providing educational services in the fall of 2010 for 9<sup>th</sup> and 10<sup>th</sup> grades. The provisional charter allowed for an additional grade to be added in each subsequent year until the School reached grades 9 through 12, which occurred in 2013. Since, the first year of the original charter was a planning year, a one year charter extension was granted in 2014 extending the School's operations through the 2014 - 2015 year. In 2015, a three year charter renewal was issued to the School through and including July 31, 2018. As of June 30, 2015, the School has annualized full-time enrollment of 361 students in 4 grades.

The School is governed by a Board of Trustees in accordance with the School's by-laws.

### (2) Summary of Significant Accounting Policies

#### (a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### (b) Basis of Presentation

The School reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The School does not have any temporary or permanently restricted net assets. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the School's Board of Trustees.

#### (c) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS

### Notes to Financial Statements, Continued

#### (2) Summary of Significant Accounting Policies, Continued

##### (d) Cash

For purposes of the statements of cash flows, the School considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

##### (e) Concentration of Credit Risk

Financial instruments that potentially subject the School to concentration of credit risk consist principally of cash accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

##### (f) Receivables

The School uses the allowance method to account for uncollectible receivables. The allowance for doubtful accounts amounted to \$208,467 and \$211,447 at June 30, 2015 and 2014, respectively.

##### (g) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities. Generally, property and equipment which has a cost in excess of \$1,000 at the date of acquisition and has an expected useful life of three years is capitalized.

##### (h) Public School District Revenue

The School receives per pupil aid passed through from each student's home public school district. The New York State Department of Education mandates the rate per pupil. The regular education per pupil rate from Albany Public School District, the district from which the School receives its largest pass through of district revenue, was \$14,072, per pupil for both years ended June 30, 2015 and 2014.

##### (i) Deferred Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statements of financial position as deferred revenue.

## ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS

### Notes to Financial Statements, Continued

#### (2) Summary of Significant Accounting Policies, Continued

##### (j) Donated Equipment, Materials, Supplies and Personnel Services

Donated equipment, materials and supplies are reflected in the financial statements based on the fair market value at the time of donation.

Donated personnel services meeting the requirements for recognition in the financial statements were not material and have not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the School.

##### (k) Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the School. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

##### (l) Expense Allocation

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

##### (m) Subsequent Events

The School has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

##### (n) Income Taxes

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The School has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The School presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the School has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the School are subject to examination by taxing authorities. The School is no longer subject to tax examination for the years ended June 30, 2011, and prior.

##### (o) Reclassifications

Reclassifications have been made to certain 2014 balances in order to conform them to the 2015 presentation.

# ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS

## Notes to Financial Statements, Continued

### (3) Grants, Contracts and Accounts Receivable

Grants, contracts and accounts receivables as of June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
School district tuition, net of allowance	\$ 379,168	159,898
U.S. Department of Agriculture	10,077	10,803
U.S. Department of Education	42,376	64,876
Other receivables	<u>6,026</u>	<u>31,946</u>
	<u>\$ 437,647</u>	<u>267,523</u>

### (4) Property and Equipment

Property and equipment are recorded at cost. A summary of property and equipment at June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 234,049	216,993
Furniture and fixtures	206,493	208,742
Leasehold improvements	<u>305,057</u>	<u>298,217</u>
	745,599	723,952
Less: accumulated depreciation	<u>(421,473)</u>	<u>(351,388)</u>
Net property and equipment	<u>\$ 324,126</u>	<u>372,564</u>

### (5) Escrow Account

As set forth in its charter, the School established an escrow account in the amount of \$75,000 to be used upon school closure as designated by the Board of Trustees. The balance in the escrow account was \$75,075 and \$75,000 as of June 30, 2015 and 2014, respectively. The balance in the escrow account is classified as board designated net assets on the statements of financial position.

### (6) Lease Obligation

The School currently leases facilities from the Brighter Choice Foundation through June 30, 2018. Net occupancy costs for the years ended June 30, 2015 and 2014 were approximately \$673,200 and \$666,600, respectively. The School and the Foundation renegotiated the lease as of July 1, 2012.

# ALBANY LEADERSHIP CHARTER HIGH SCHOOL FOR GIRLS

## Notes to Financial Statements, Continued

### (6) Lease Obligation, Continued

Minimum future rental payments under the operating lease for the years following June 30, 2015 are as follows:

2016	\$ 680,000
2017	687,000
2018	694,200

### (7) Retirement Plan

The School adopted a retirement plan under IRC 401(k) covering all eligible employees. Under the plan, employees are eligible to receive employer matching contributions after one year of service. The School provides a matching contribution to each eligible employee's plan at a rate determined annually by the Board of Trustees. For the years ended June 30, 2015 and 2014, the matching contribution rate varied between 2% and 6% based upon the employee's years of service. The School's retirement plan expense for the years ended June 30, 2015 and 2014 was \$47,445 and \$13,705, respectively.

### (8) Concentration of Risk

The School receives a substantial portion of its funding from school districts where students reside. Three school districts comprised approximately 88% and 85% of total revenue and support for the years ended June 30, 2015 and 2014, respectively.

### (9) Contingency

The School has received grants which are subject to audit by agencies of the state and Federal government. Such audits may result in disallowances and a request for a return of funds. Based on prior years experience, the School's administration believes that disallowances, if any, will be immaterial.

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

The Board of Trustees  
Albany Leadership Charter High School for Girls  
Albany, New York:

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 Albany Leadership Charter High School for Girls (the School), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated October 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Albany Leadership Charter High School for Girls' 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 statements 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 is 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.

Toski & Co., CPAs, P.C.

Williamsville, New York  
October 23, 2015



REPORT TO THE BOARD

October 23, 2015

The Board of Trustees  
Albany Leadership Charter High School for Girls

Dear Board Members:

We have audited the financial statements of Albany Leadership Charter High School for Girls (the School) for the year ended June 30, 2015, and have issued our report thereon dated October 23, 2015. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 6, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended June 30, 2015, we evaluated the key factors and assumptions used by management in determining accounting estimates were reasonable in relation to the financial statements taken as a whole.

### Sensitive Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of contingency in note 9.

### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material uncorrected misstatements detected as a result of our audit procedures.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to appointment as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our appointment.

\* \* \* \* \*

This information is intended solely for the use of the Board of Trustees and management of Albany Leadership Charter High School for Girls and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Toski & Co., CPAs, P.C.*

TOSKI & CO., CPAs, P.C.