

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1

(A Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2012

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
FINANCIAL STATEMENTS
JUNE 30, 2012

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CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES
BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1

We have audited the accompanying statement of financial position of Brooklyn Success Academy Charter School 1 (the "School") (a not-for-profit corporation) as of June 30, 2012, and the related statements of activities, and cash flows for the period from November 16, 2010 (inception) to June 30, 2012. These financial statements are the responsibility of the School's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the changes in its net assets and its cash flows for the period from November 16, 2010 (inception) to June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2012 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 grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on 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* and should be read in conjunction with this report in considering the results of our audit.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 23, 2012

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

Current assets:

Cash and cash equivalents	\$ 91,535
Grants and contracts receivable	<u>202,136</u>

Total current assets	293,671
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Property and equipment, net of accumulated depreciation and amortization of \$122,433

435,985

Restricted cash

25,000

TOTAL ASSETS

\$ 754,656

LIABILITIES AND UNRESTRICTED NET ASSETS

Current liabilities:

Accounts payable and accrued expenses	\$ 34,830
Accrued payroll and payroll taxes	51,070
Due to related party	<u>70,220</u>

Total current liabilities	156,120
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Loan payable - related party

500,000

Total liabilities

656,120

Unrestricted net assets

98,536

TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS

\$ 754,656

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

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM NOVEMBER 16, 2010 (INCEPTION)
TO JUNE 30, 2012

Revenue and support:	
State and local per pupil operating revenue	\$ 2,441,480
Federal grants	438,631
State and city grants	124,333
Contributions and private grants	250,000
Donated services	74,714
Interest and other income	99
	<hr/>
Total revenue and support	3,329,257
	<hr/>
Expenses:	
Program services	
Regular education	2,167,853
Special education	468,417
Total program services	<hr/> 2,636,270
Supporting service	
Management and general	594,451
	<hr/>
Total expenses	3,230,721
	<hr/>
Change in unrestricted net assets	98,536
Unrestricted net assets - beginning of period	-
	<hr/>
Unrestricted net assets - end of period	<u>\$ 98,536</u>

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

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM NOVEMBER 16, 2010 (INCEPTION)
TO JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in unrestricted net assets	\$ 98,536
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Depreciation and amortization	122,433
Changes in certain assets and liabilities:	
(Increase) in grants and contracts receivable	(202,136)
(Increase) in restricted cash	(25,000)
Increase in accounts payable and accrued expenses	34,830
Increase in accrued payroll and payroll taxes	51,070
Increase in due to related party	70,220
	<u>149,953</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITY	
Purchases of property and equipment	<u>(558,418)</u>
CASH FLOWS FROM FINANCING ACTIVITY	
Proceeds from loan payable - related party	<u>500,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	91,535
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u><u>\$ 91,535</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the year for interest	<u><u>\$ 16,361</u></u>

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

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Nature of Organization

Brooklyn Success Academy Charter School 1 (the "School") is a New York State, not-for-profit educational corporation that was incorporated on November 16, 2010 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 November 16, 2010 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. The School is dedicated to providing a high quality education to primarily disadvantaged students; to prevent the achievement gap from rising. Classes commenced in Brooklyn, New York, in August 2011 and the School provided education to approximately 169 students in grades kindergarten and first during the 2011-2012 academic year.

The School shares space with a New York City public school beginning in August 2011. The School is not responsible for rent, utilities, custodial services, maintenance and school safety services other than security related to the School's programs that take place outside the district's school day.

Food Service

The New York City Department of Education provides free lunches to a majority of the School's students. Such costs are not included in these financial statements. The School covers 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 an organization 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 did not have net unrelated business income for the period from November 16, 2010 (inception) to June 30, 2012.

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. All Forms 990 filed by the School are subject to examination.

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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.

As of June 30, 2012, the School had no temporarily or permanently restricted net assets.

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 governments 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.

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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.

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.

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.

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	3 years
Furniture and fixtures	3 years
Software	3 years
Leasehold improvements	5 years

Refundable Advances

The School records certain government grants and contracts as refundable advances until related services are performed, at which time it is recognized as revenue.

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

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

NOTE 3 - FAIR VALUE MEASUREMENTS

FASB ASC 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly including inputs in markets that are not considered to be active.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The primary uses of fair value measures in the School's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- recurring measurement of investments.

The School had no investments at June 30, 2012.

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2012:

Equipment	\$ 146,086
Furniture and fixtures	158,625
Software	1,137
Leasehold improvements	<u>252,570</u>
	558,418
Less: Accumulated depreciation and amortization	<u>122,433</u>
	<u>\$ 435,985</u>

Depreciation and amortization expense was \$122,433 for the period from November 16, 2010 (inception) to June 30, 2012.

NOTE 5 - RELATED PARTY TRANSACTIONS

The School is an affiliate of Success Academy Charter Schools (the “Network”), a not-for-profit charter management organization dedicated to helping start and manage charter schools, provide management and other administrative support services to the schools.

Pursuant to the terms of the Academic and Business Service Agreement by and between the Network and the School, dated June 2011, the Network shall provide educational management and operational services to the School. As compensation to the Network for these services rendered, the School shall pay to the Network an amount each year equal to the total full-time equivalent enrollment of students in the School multiplied by “the per pupil fee”. The per pupil fee shall be increased or decreased each year by the percentage increase or decrease in the Final Adjusted Expense Per Pupil for charter schools in the New York City school district commencing with and including the 2011-2012 school year. The per pupil fee was \$1,352 for the period from November 16, 2010 (inception) to June 30, 2012. For operational efficiency and purchasing power, the School also shares expenses with eight other charter schools related by common management.

For the period from November 16, 2010 (inception) to June 30, 2012, the School incurred \$228,479 in management fees and there were no material transactions between the School and the related charter schools. The balance due to the Network from the School at June 30, 2012 amounted to \$70,220. This balance represents expenses paid by the Network on behalf of the School. The School fully repaid this balance prior to the issuance of this report.

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

During the period from November 16, 2010 (inception) to June 30, 2012, the School signed a loan agreement with the Network in the amount of \$1,300,000 with annual interest of 3.25% on any unpaid balance. According to the loan agreement, the School received \$500,000 from the Network through June 30, 2012 and will receive the remaining \$800,000 during the year ending June 30, 2013. The loan will be repaid in three annual installments starting January, 2016 through January, 2018. The loan may be prepaid by the School, at any time, in whole or in part, without penalty. The proceeds were used to finance the School's operations. The outstanding principal balance of the loan at June 30, 2012 was \$500,000. The School paid \$16,361 in interest expense on this loan for the period from November 16, 2010 (inception) to June 30, 2012.

NOTE 6 - 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 7 - 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 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.

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 - DONATED SERVICES

Donated services are recognized as contributions in accordance with FASB ASC 605, "Accounts for Contributions Received and Contributions Made," if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School.

The School received legal services at no charge. The value of these services meets the criteria for recognition in the financial statements and was recorded at fair value of \$74,714 for the period from November 16, 2010 (inception) to June 30, 2012.

NOTE 10 - RETIREMENT PLAN

The School maintains a pension plan qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, the School will match employee contributions up to 3% of annual compensation. Employer match for the period from November 16, 2010 (inception) to June 30, 2012 amounted to \$20,354.

NOTE 11 - SUBSEQUENT EVENTS

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 23, 2012, the date the financial statements were available to be issued.

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES
BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1

We have audited the financial statements of Brooklyn Success Academy Charter School 1 as of June 30, 2012 and for the period from November 16, 2010 (inception) to June 30, 2012, and have issued our report thereon dated October 23, 2012, which contained an unqualified 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
October 23, 2012

BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1
(A Not-For-Profit Corporation)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE PERIOD FROM NOVEMBER 16, 2010 (INCEPTION) TO JUNE 30, 2012

	Regular Education	Special Education	Total Program Service	Management and General	Total
Salaries	\$ 965,392	\$ 208,596	\$ 1,173,988	\$ 185,710	\$ 1,359,698
Payroll taxes and employee benefits	180,080	38,911	218,991	34,642	253,633
Professional development	67,837	14,658	82,495	-	82,495
Legal	-	-	-	74,714	74,714
Audit and accounting	-	-	-	11,750	11,750
Professional fees - other	2,223	480	2,703	428	3,131
Travel and entertainment	45,048	9,734	54,782	8,665	63,447
Student food service	97,128	20,987	118,115	-	118,115
Field trips	21,310	4,604	25,914	-	25,914
Instructional supplies and textbooks	316,850	68,463	385,313	-	385,313
Management fee	-	-	-	228,479	228,479
Interest expense	11,617	2,510	14,127	2,234	16,361
Teacher recruitment	53,567	11,575	65,142	-	65,142
Student recruitment	116,671	25,209	141,880	-	141,880
Marketing	21,351	4,613	25,964	-	25,964
Consulting	1,543	333	1,876	297	2,173
Uniforms	2,840	614	3,454	-	3,454
Office supplies	29,883	6,457	36,340	5,748	42,088
Computer supplies	4,496	972	5,468	865	6,333
School culture	11,473	2,479	13,952	-	13,952
Special events	8,447	1,825	10,272	1,625	11,897
Equipment rental	1,292	279	1,571	248	1,819
Student assessments	5,835	1,261	7,096	-	7,096
Telephone and internet services	28,620	6,184	34,804	5,506	40,310
Postage and delivery	8,131	1,757	9,888	1,564	11,452
Insurance	21,095	4,558	25,653	4,058	29,711
Facilities expense	15,072	3,257	18,329	2,900	21,229
Information technology	42,170	9,112	51,282	8,112	59,394
Depreciation and amortization	86,928	18,783	105,711	16,722	122,433
Miscellaneous	954	206	1,160	184	1,344
Total	<u>\$ 2,167,853</u>	<u>\$ 468,417</u>	<u>\$ 2,636,270</u>	<u>\$ 594,451</u>	<u>\$ 3,230,721</u>

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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*

TO THE BOARD OF TRUSTEES
BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1

We have audited the financial statements of Brooklyn Success Academy Charter School 1 (the “School”) as of June 30, 2012 and for the period from November 16, 2010 (inception) to June 30, 2012, and have issued our report thereon dated October 23, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School’s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School’s internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

TO THE BOARD OF TRUSTEES
BROOKLYN SUCCESS ACADEMY CHARTER SCHOOL 1

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*.

This report is intended solely for the information and use of management, Board of Trustees, federal, state and local awarding agencies, The Charter Schools Institute of the State University of New York, The State Education Department of the State University of New York, and others within the School and is not intended to be and should not be used by anyone other than these specified parties.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 23, 2012