

**GIRLS PREPARATORY CHARTER SCHOOL  
OF THE BRONX**

**BRONX, NEW YORK**

**AUDITED FINANCIAL STATEMENTS**

**REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

**AND**

**INDEPENDENT AUDITOR'S REPORTS**

**JUNE 30, 2014**

**(With Comparative Totals for 2013)**



**MENGEL METZGER BARR & CO. LLP**

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Girls Preparatory Charter School of the Bronx

**Report on the Financial Statements**

We have audited the accompanying financial statements of Girls Preparatory Charter School of the Bronx (the "Charter School"), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, 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 Charter 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 Charter 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 Girls Preparatory Charter School of the Bronx 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 Girls Preparatory Charter School of the Bronx's June 30, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2013. 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 Report Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2014 on our consideration of Girls Preparatory Charter School of the Bronx'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 Girls Preparatory Charter School of the Bronx's internal control over other financial reporting and compliance.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
October 27, 2014

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014

(With Comparative Totals for 2013)

<u>ASSETS</u>	<u>June 30,</u>	
	<u>2014</u>	<u>2013</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 1,575,269	\$ 1,204,704
Grants and other receivables	111,631	87,965
Prepaid expenses	159,694	50,366
Related party receivables	<u>12,951</u>	<u>-</u>
TOTAL CURRENT ASSETS	1,859,545	1,343,035
<u>PROPERTY AND EQUIPMENT, net</u>	<u>530,324</u>	<u>367,326</u>
TOTAL ASSETS	<u>\$ 2,389,869</u>	<u>\$ 1,710,361</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 121,904	\$ 96,736
Accrued payroll and benefits	553,415	454,728
Deferred revenue	9,564	-
Related party payables	<u>-</u>	<u>401</u>
TOTAL CURRENT LIABILITIES	684,883	551,865
<u>NET ASSETS, unrestricted</u>	<u>1,704,986</u>	<u>1,158,496</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,389,869</u>	<u>\$ 1,710,361</u>

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

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for 2013)

	<u>Year ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
Operating revenue and support:		
State and local per pupil operating revenue	\$ 6,940,799	\$ 5,551,720
Federal grants	334,456	326,047
State and local grants	30,113	24,978
Contributions	141,783	232,003
Interest income	108	-
TOTAL OPERATING REVENUE AND SUPPORT	<u>7,447,259</u>	<u>6,134,748</u>
Expenses:		
Program:		
Regular education	4,850,237	3,793,125
Special education	1,505,010	1,258,641
Management and general	538,204	440,034
Fundraising and special events	7,318	4,974
TOTAL EXPENSES	<u>6,900,769</u>	<u>5,496,774</u>
CHANGE IN NET ASSETS	546,490	637,974
Unrestricted net assets at beginning of year	<u>1,158,496</u>	<u>520,522</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 1,704,986</u>	<u>\$ 1,158,496</u>

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

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014  
 (With Comparative Totals for 2013)

	Year ended June 30,							2013
	2014							
	Program Services			Supporting Services				
Regular Education	Special Education	Sub-total	Management and general	Fundraising and special events	Sub-total	Total	Total	
Personnel services costs:								
Administrative staff personnel	\$ 159,711	\$ 22,816	\$ 182,527	\$ 289,656	\$ -	\$ 289,656	\$ 472,183	\$ 354,301
Instructional personnel	2,463,353	965,566	3,428,919	-	-	-	3,428,919	2,805,732
Non-instructional personnel	383,235	62,363	445,598	11,808	-	11,808	457,406	244,440
Total personnel services costs	3,006,299	1,050,745	4,057,044	301,464	-	301,464	4,358,508	3,404,473
Fringe benefits and payroll taxes	561,917	196,398	758,315	56,348	-	56,348	814,663	687,585
Retirement	94,898	33,168	128,066	9,516	-	9,516	137,582	104,032
Management company fees	560,157	91,154	651,311	73,181	7,318	80,499	731,810	497,400
Accounting and auditing services	-	-	-	18,978	-	18,978	18,978	17,438
Other professional and consulting services	28,524	4,642	33,166	57,425	-	57,425	90,591	52,623
Facility cost	22,024	7,698	29,722	2,209	-	2,209	31,931	16,573
Insurance	21,382	7,474	28,856	2,144	-	2,144	31,000	25,800
Classroom supplies and materials	173,018	33,154	206,172	-	-	-	206,172	246,251
Equipment and furnishings	5,978	2,023	8,001	564	-	564	8,565	2,248
Staff development	87,131	14,179	101,310	-	-	-	101,310	92,561
Marketing and recruiting	2,614	913	3,527	262	-	262	3,789	42,754
Telephone and internet	22,310	7,798	30,108	2,237	-	2,237	32,345	14,096
Technology	1,445	235	1,680	-	-	-	1,680	4,698
Food service	21,691	3,530	25,221	-	-	-	25,221	14,169
Student services	121,156	10,065	131,221	1,405	-	1,405	132,626	121,013
Office expense	15,655	5,471	21,126	2,038	-	2,038	23,164	32,945
Depreciation and amortization	104,038	36,363	140,401	10,433	-	10,433	150,834	120,115
	<u>\$ 4,850,237</u>	<u>\$ 1,505,010</u>	<u>\$ 6,355,247</u>	<u>\$ 538,204</u>	<u>\$ 7,318</u>	<u>\$ 545,522</u>	<u>\$ 6,900,769</u>	<u>\$ 5,496,774</u>

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

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for 2013)

	<u>Year ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
<b><u>CASH FLOWS - OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 546,490	\$ 637,974
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation and amortization	150,834	120,115
Loss on disposal of property and equipment	-	554
Changes in certain assets and liabilities affecting operations:		
Grants and other receivables	(23,666)	(59,118)
Prepaid expenses	(109,328)	24,082
Related party receivables	(12,951)	-
Accounts payable and accrued expenses	25,168	47,351
Accrued payroll and benefits	98,687	8,931
Deferred revenue	9,564	(28,384)
Related party payables	(401)	(15,736)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	684,397	735,769
<b><u>CASH FLOWS - INVESTING ACTIVITIES</u></b>		
Purchases of property and equipment	(313,832)	(201,916)
NET CASH USED FOR INVESTING ACTIVITIES	(313,832)	(201,916)
NET INCREASE IN CASH	370,565	533,853
Cash at beginning of year	1,204,704	670,851
CASH AT END OF YEAR	<u>\$ 1,575,269</u>	<u>\$ 1,204,704</u>

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

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter School

Girls Preparatory Charter School of the Bronx (the “Charter School”), is an educational corporation operating as a charter school in the borough of Bronx, New York City. On February 23, 2009, the Board of Regents of the University of the State of New York granted the Charter School a provisional charter valid for a term of five years and renewable upon expiration. The Charter School retained a renewal through January 2017.

The Charter School was established to prepare underserved elementary and middle school students for higher education, civic involvement and lifelong success through a structured, caring environment of high academic expectations.

Financial Statement presentation

The financial statements of the Charter School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The Charter 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.

These classes of net assets are defined as follows:

*Permanently restricted* – Net assets resulting from contributions and other inflows of assets whose use by the Charter School is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Charter School. The Charter School had no permanently restricted net assets at June 30, 2014 and 2013.

*Temporarily restricted* – Net assets resulting from contributions and other inflows of assets whose use by the Charter School is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Charter School pursuant to those stipulations. The Charter School had no temporarily restricted net assets at June 30, 2014 and 2013.

*Unrestricted* – The net assets over which the Governing Board has discretionary control to use in carrying on the Charter School’s operations in accordance with the guidelines established by the Charter School. The Board may designate portions of the current unrestricted net assets for specific purposes, projects or investment.

Revenue and support recognition

Revenue from state and local governments resulting from the Charter School’s charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement.

Revenue from federal, state and local government grants and contracts are recorded by the Charter School when qualifying expenditures are incurred and billable.

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2014 AND 2013

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,

Cont'd

Contributions

Contributions received are recorded as unrestricted, temporarily or permanently restricted support depending on the existence of any donor restrictions. A contribution that is received and expended in the same year for a specific purpose is classified as unrestricted revenue.

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, 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.

Cash

Cash balances are maintained at financial institutions located in New York and are insured by the FDIC up to \$250,000 at each institution. In the normal course of business, the account balances at any given time may exceed insured limits. However, the Charter School has not experienced any losses in such accounts and does not believe it is exposed to any significant risk in cash.

Grants and other receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on its assessment of the current status of individual receivables from grants, agencies and others. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts. There was no allowance for doubtful accounts at June 30, 2014 and 2013.

Property and equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to ten years.

Deferred revenue

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

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2014 AND 2013

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,

Cont'd

Tax exempt status

The Charter School is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income. The Charter School has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

The Charter School files Form 990 in the U.S. federal jurisdiction. With few exceptions, as of June 30, 2014, the Charter School is no longer subject to U.S. federal income tax examinations by tax authorities for the years ended prior to June 30, 2011. Tax returns for the years ended June 30, 2011 through June 30, 2014 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

Contributed services

The Charter School receives contributed services from volunteers to develop its academic program and to serve on the Board of Trustees. In addition the Charter School received transportation services, special education services and speech therapy classes for the students from the local district. These services are not valued in the financial statements.

Marketing and recruiting costs

The Charter School expenses marketing and recruiting costs as they are incurred. Total marketing and recruiting costs approximated \$3,800 and \$42,800 for the years ended June 30, 2014 and 2013, respectively.

Use of estimates in the preparation of financial statements

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. Actual results could differ from those estimates.

Comparatives for the period ended June 30, 2013

The financial statements include certain prior year summarized comparative information in total but not by functional classification. 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 Charter School's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2014 AND 2013

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,

Cont'd

Subsequent events

The Charter School has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 27, 2014, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

NOTE B: RELATED PARTY TRANSACTIONS

The Charter School has related party receivables and/or payables to three related organizations; Girls Preparatory Charter School of New York, Friends of Girls Preparatory Charter School of New York, Inc., and Public Preparatory Network, Inc. Girls Preparatory Charter School of New York, Friends of Girls Preparatory Charter School of New York, Inc., and the Charter School have common Board members on their Boards of Trustees.

Public Preparatory Network, Inc., a not-for-profit organization, provides management and other administrative support services to the Charter School. The Charter School entered into an annual agreement with Public Preparatory Network, Inc., dated August 12, 2009, under which the Charter School pays a service fee of a set percentage of the year end student enrollment full time equivalents at the school multiplied by the approved per pupil operating expenses for the school year. The percentage is 12% and 10% for the years ended June 30, 2014 and 2013, respectively. The agreement is able to be renewed annually. The fee incurred for the years ended June 30, 2014 and 2013 was \$731,810 and \$497,400, respectively.

Amounts due (to) from these related parties were as follows:

	<u>June 30,</u>	
	<u>2014</u>	<u>2013</u>
Due from (to) Public Preparatory Network, Inc.	\$ 12,160	\$ (1,192)
Due from Friends of Girls Preparatory Charter School of New York, Inc.	<u>791</u>	<u>791</u>
	<u>\$ 12,951</u>	<u>\$ (401)</u>
Related party receivables	\$ 12,951	\$ -
Related party payables	<u>-</u>	<u>(401)</u>
	<u>\$ 12,951</u>	<u>\$ (401)</u>

NOTE C: SCHOOL FACILITY

As part of the New York City Chancellor's Charter School Initiative, the New York City Department of Education has committed space to the Charter School at no charge through a verbal agreement.

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2014 AND 2013

NOTE D: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30,	
	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 250,460	\$ 181,349
Equipment	161,489	121,603
Computer equipment	315,005	229,923
Leasehold improvements	<u>294,496</u>	<u>174,743</u>
	1,021,450	707,618
Less accumulated depreciation and amortization	<u>491,126</u>	<u>340,292</u>
	<u>\$ 530,324</u>	<u>\$ 367,326</u>

NOTE E: OPERATING LEASES

The Charter School leases office equipment under non-cancelable lease agreements expiring at various dates through November 2015. The future minimum payments on these agreements are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2015	\$ 5,343
2016	<u>2,226</u>
	<u>\$ 7,569</u>

NOTE F: RETIREMENT PLAN

The Charter School sponsors a defined contribution 403(b) plan covering all regular employees. The Charter School matches employees' contributions up to 5% of base salary. The Charter School's total contribution to the Plan for the years ended June 30, 2014 and 2013 was \$137,582 and \$104,032, respectively.

NOTE G: CONTINGENCY

Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowance of costs submitted for reimbursement by the Charter School. Management is of the opinion that such 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.

GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2014 AND 2013

NOTE H: CONCENTRATIONS

At June 30, 2014 and 2013, approximately 71% and 34%, respectively, of grants and other receivables are due from the federal government relating to certain grants. At June 30, 2014, approximately 26% of grants and other receivables are due from Yonkers school district.

During the years ended June 30, 2014 and 2013, 93% and 90%, respectively, of total operating revenue and support came from per-pupil funding provided by New York State. The per-pupil rate is set annually by the State based on the school district in which the Charter School's students are located.

NOTE I: MERGER

On April 24, 2014, the Charter School's Board of Trustees unanimously approved the merger of Boys Preparatory Charter School of New York, Girls Preparatory Charter School of New York and Girls Preparatory Charter School of the Bronx. On June 4, 2014, the SUNY Board of Trustees approved the merger. The Charter School is awaiting approval from the New York State Education Department. The merger is expected to take effect October 1, 2014.

**GIRLS PREPARATORY CHARTER SCHOOL OF THE BRONX**

**REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S 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

Board of Trustees  
Girls Preparatory Charter School of the Bronx

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 Girls Preparatory Charter School of the Bronx, which comprise the statement of financial position as of June 30, 2014 and the related statement of activities and changes in net assets, 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 27, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Girls Preparatory Charter School of the Bronx'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Girls Preparatory Charter School of the Bronx's internal control. Accordingly, we do not express an opinion on the effectiveness Girls Preparatory Charter School of the Bronx'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 Charter 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 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 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 Girls Preparatory Charter School of the Bronx'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*.

We noted certain matters that we have reported to management of Girls Preparatory Charter School of the Bronx in a separate letter dated October 27, 2014.

## **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 Charter 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 Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

## **Restricted Use**

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

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
October 27, 2014