

The State Education Department
The University of the State of New York

Office of Innovative School Models

Charter Schools Office
462 EBA
Albany, New York 12234
518-474-1762

Charter School Annual Report
2009 - 2010

Charter School Information and Cover Page

Name of Charter School Explore Charter School

Primary Address 15 Snyder Avenue, Brooklyn, NY 11226

Telephone 7187034484 **Fax** 7187038550

BEDS # 331700860841

District/CSD of Location CSD 17

Charter Entity New York City Department of Education

Date School First Opened for Instruction September 9, 2009

School Leader Tracy Rebe
(print name)

E-mail Address of School Leader TRebe@explorenetwork.org

President, Board of Trustees Tim Taylor
(print name)

E-mail Address and Phone Number of Board President ttaylor212@gmail.com and
9178817746

General Instructions

1. Read and follow all instructions. Please be sure to provide all requested information. Do not provide data that are not requested.
2. Questions regarding the completion of these forms should be directed to the appropriate program office:

For assistance with student/teacher attrition rates, call the Charter Schools Office at 518-474-1762.

For assistance with the audit forms, call the Office of Audit Services at 518-473-4516.

All audits for the 2009-10 school year are due to the Department by **5:00 p.m. on November 1, 2010**. Please ensure that they are sent in **electronic form** to both the Charter Schools Office at charterschools@mail.nysed.gov and James Conway in the Office of Audit Services at fsandals33@mail.nysed.gov. Please put "Audit Report" in the subject line of the e-mail.

3. Each person who was a member of a charter school's Board of Trustees during the 2009-10 school year must complete and submit the Disclosure of Financial Interest questionnaire.

4. Submit the annual report as a PDF file (except where otherwise noted) to the Charter Schools Office by **5:00 p.m. November 1, 2010** at charterschools@mail.nysed.gov. Please put "Annual Report" in the subject line of the e-mail. ***Faxed versions will not be accepted.*** The original signed Statement of Assurances must be sent to the Charter Schools Office at the address provided on the cover page above.

Section I

Student Assessment Data

This section refers to the academic achievement of your students on all standardized tests, per your charter, including all State exams. For the State Assessment results in grades 3 - 8, please provide the percent of students scoring at Levels 1 – 4 on each State Assessment in English Language Arts and Mathematics. Longitudinal data are being requested back through the 2006-07 school year. If the school was not in operation during any of the previous years, or if it did not serve students in grades for which there was a State exam, please leave those rows blank or enter “NA.”

You must also provide data for grades 9-12 as well (as applicable).

For all other standardized assessment results, provide the following information for each assessment, by grade, using the chart provided:

1. the full name of each assessment (not an acronym). Include portfolios and any performance-based assessment as well;
2. the name of each sub-test that was given (if applicable);
3. the grade of the students being tested;
4. the date the assessment was given;
5. the number of students enrolled in the grade on the date the assessment was given;
6. the number of students who were absent on the date that the assessment was administered;
7. the number of students who were exempted from such assessment per their IEP;
8. the number of students who were exempted from such assessment as a result of their ELL status;
9. the number of students who were actually assessed (this figure must equal the number of students in the grade on the date the test was given minus those who were absent or exempted);
10. the score obtained for each grade level (be sure to indicate the type of score being reported, e.g., percentile, normal curve equivalent, percent passing);
11. if applicable, include the qualitative levels of the scores (e.g. percent passing with distinction, percent achieving mastery); and,
12. any other evaluative data that describe the performance of your students on the assessments given.

Complete a separate chart for each subtest.

***Student Assessment Data
New York State Assessment Results
Grades 3 – 8 ELA and Math
2009-10 Annual Report***

**Grades 3 – 8 State ELA Assessments Results
*New York State Assessment Results***

Year of Test	3rd				4th				5th				6th				7th				8th			
	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4
2009-2010 All	7	60	31	2	4	56	40	0	8	43	35	14	7	42	49	2	2.4	61.9	33.3	2.4	0	45.7	48.6	5.7
Gen. Ed.	9	49	40	2	2	54	44	0	5	39	39	17	0	42	55	3	0	59	38	3	0	40	53	7
Sp. Ed	0	100	0	0	9	64	27	0	25	62.5	12.5	0	30	40	30	0	10	70	20	0	0	80	20	0
2008-2009 All	2	13	79	6	0	19	77	4	0	12	81	7	0	17	78	5	0	9	88	3	0	25	75	0
Gen. Ed.	0	10	85	5	0	12	83	5	0	3	88	9	0	14	79	7	0	8	88	4	0	19	81	0
Sp. Ed	10	30	50	10	0	45	55	0	0	40	60	0	0	25	75	0	0	14	86	0	0	60	40	0
2007-2008 All	0	32	59	9	5	18	70	7	2	20	76	2	0	29	68	3	0	11	89	0	0	36	64	0
Gen. Ed.	0	27	62	11	0	12	79	9	0	12	85	3	0	17	80	3	0	13	87	0	0	19	81	0
Sp. Ed	0	55	45	0	18	37	45	0	8	42	50	0	0	100	0	0	0	0	100	0	0	86	14	0
2006-2007 All	14	22	62	2	2	39	57	2	2	48	50	0	0	54	43	3	0	43	57	0	N/A	N/A	N/A	N/A
Gen. Ed.	11	17	69	3	0	35	62	3	3	41	56	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sp. Ed	33	50	17	0	14	57	29	0	0	100	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Grades 3 – 8 State Math Assessments Results

Year of Test	3rd				4th				5th				6th				7th				8th			
	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4
2009-2010 All	2	45	42	11	5.8	30.8	51.9	11.5	6	29	52	13	0	26	44	30	0	31	36	33	0.0	14.3	71.4	14.3
Gen. Ed.	0	39.53	48.84	11.63	2	27	59	12	2	24	59	15	0	15.15	48.48	36.36	0.0	21.9	40.6	37.5	0	13	70	17
Sp. Ed	8	67	17	8	18.18	45.45	27.27	9.09	29	57	14	0	0	60	30	10	0	60	20	20	0	20	80	0
2008-2009 All	0	0	84	16	0	2	67	31	0	2	64	34	0	7	70	23	0	0	69	31	0	3	84	13
Gen. Ed.	0	0	83	17	0	0	67	33	0	0	61	39	0	0	71	29	0	0	62	38	0	0	85	15
Sp. Ed	0	0	90	10	0	10	70	20	0	10	70	20	0	25	67	8	0	0	100	0	0	20	80	0
2007-2008 All	0	4	71	25	0	7	68	25	0	4	85	11	0	0	54	46	3	11	63	23	4	21	68	7
Gen. Ed.	0	2	74	24	0	3	67	30	0	0	85	15	0	0	50	50	0	10	63	27	0	19	71	10
Sp. Ed	0	9	64	27	0	18	73	9	0	17	83	0	0	0	80	20	20	20	60	0	14	29	57	0
2006-2007 All	0	10	66	24	5	14	69	12	5	29	48	18	8.5	28.5	60	3	7	37	53	3	N/A	N/A	N/A	N/A
Gen. Ed.	0	6	68	26	0	14	72	14	3	28	48	21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sp. Ed	0	33	50	17	29	14	57	0	20	40	40	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

New York State Assessment Results

Regents Exam	Year	All Students				General Education Students				Students with Disabilities						
		Total Tested	% Scoring:				Total Tested	% Scoring:				Total Tested	% Scoring at or above:			
			≤54	55-64	65-84	≥85		≤54	55-64	65-84	≥85		≤54	55-64	65-84	≥85
Comprehensive English	2009-10															
	2008-09															
	2007-08															
	2006-07															
Math A	2009-10															
	2008-09															
	2007-08															
	2006-07															
Math B	2009-10															
	2008-09															
	2007-08															
	2006-07															
Global History & Geography	2009-10															
	2008-09															
	2007-08															
	2006-07															
US History & Gov't.	2009-10															
	2008-09															
	2007-08															
	2006-07															

New York State Assessment Results

	<i>Year</i>	<i>All Students</i>				<i>Total Tested</i>	<i>General Education Students</i>				<i>Total Tested</i>	<i>Students with Disabilities</i>							
		<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring at or above:</i>						
			<i>≤54</i>	<i>55- 64</i>	<i>65-84</i>			<i>≥85</i>	<i>≤54</i>	<i>55-64</i>			<i>65-84</i>	<i>≥85</i>	<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥ 85</i>	
Living Environment	2009-10																		
	2008-09																		
	2007-08																		
	2006-07																		
Phys. Setting/ Earth Science	2009-10																		
	2008-09																		
	2007-08																		
	2006-07																		
Phys. Setting/ Chemistry	2009-10																		
	2008-09																		
	2007-08																		
	2006-07																		
Phys. Setting/ Physics	2009-10																		
	2008-09																		
	2007-08																		
	2006-07																		

New York State Assessment Results

<i>Regents Exam</i>	<i>Year</i>	<i>All Students</i>				<i>General Education Students</i>				<i>Students with Disabilities</i>						
		<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring at or above:</i>			
			<i>≤54</i>	<i>55- 64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥ 85</i>
Comp. French	2009-10															
	2008-09															
	2007-08															
	2006-07															
Comp. German	2009-10															
	2008-09															
	2007-08															
	2006-07															
Comp. Hebrew	2009-10															
	2008-09															
	2007-08															
	2006-07															
Comp. Italian	2009-10															
	2008-09															
	2007-08															
	2006-07															
Comp. Latin	2009-10															
	2008-09															
	2007-08															
	2006-07															
Comp. Spanish	2009-10															
	2008-09															
	2007-08															
	2005-06															

New York State Assessment Results

<i>Regents Competency Test</i>	<i>Year</i>	<i>All Students</i>				<i>General Education Students</i>				<i>Students with Disabilities</i>						
		<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring at or above:</i>			
			<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>
Mathematics	2009-10															
	2008-09															
	2007-08															
	2006-07															
Science	2009-10															
	2008-09															
	2007-08															
	2006-07															
Reading	2009-10															
	2008-09															
	2007-08															
	2006-07															
Writing	2009-10															
	2008-09															
	2007-08															
	2006-07															
Global Studies	2009-10															
	2008-09															
	2007-08															
	2006-07															
US History & Gov't.	2009-10															
	2008-09															
	2007-08															
	2006-07															

New York State Assessment Results

<i>Second Language Proficiency Exams</i>	<i>Year</i>	<i>All Students</i>				<i>General Education Students</i>				<i>Students with Disabilities</i>						
		<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring at or above:</i>			
			<i>≤54</i>	<i>55- 64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥ 85</i>
French	2009-10															
	2008-09															
	2007-08															
	2006-07															
German	2009-10															
	2008-09															
	2007-08															
	2006-07															
Italian	2009-10															
	2008-09															
	2007-08															
	2006-07															
Latin	2009-10															
	2008-09															
	2007-08															
	2006-07															
Spanish	2009-10															
	2008-09															
	2007-08															
	2006-07															

New York State Assessment Results

<i>NYS English as a Second Language Achievement Test</i>	<i>Year</i>	<i>All Students</i>				<i>General Education Students</i>				<i>Students with Disabilities</i>						
		<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring at or above:</i>			
			<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>
Listening & Speaking (Gr. K-1)	2009-10	4	0	0	50	50	3	0	0	33	67	1	0	0	100	0
	2008-09	4	0	0	0	100	4	0	0	0	100					
	2007-08	5	0	0	60	40	5	0	0	60	40					
	2006-07	4	0	25	75	0	3	0	0	100	0	1	0	100	0	0
Reading & Writing (Gr. K-1)	2009-10	4	25	0	25	50	3	0	0	33	67	1	100	0	0	0
	2008-09	4	25	50	0	25	4	25	50	0	25					
	2007-08	5	20	20	40	20	5	20	20	40	20					
	2006-07	4	25	50	0	25	3	0	67	0	33	1	100	0	0	0
Listening & Speaking (Gr. 2-4)	2009-10															
	2008-09	3	0	0	33	67	3	0	0	33	67					
	2007-08															
	2006-07	1	0	100	0	0						1	0	100	0	0
Reading & Writing (Gr. 2-4)	2009-10															
	2008-09	3	0	67	33	0	3	0	67	33	0					
	2007-08															
	2006-07	1	100	0	0	0						1	0	0	100	0
Listening & Speaking (Gr. 5-6)	2009-10															
	2008-09															
	2007-08															
	2006-07															
Reading & Writing (Gr. 5-6)	2009-10															
	2008-09															
	2007-08															
	2006-07															

New York State Assessment Results

<i>NYS English as a Second Language Achievement Test</i>	<i>Year</i>	<i>All Students</i>				<i>General Education Students</i>				<i>Students with Disabilities</i>						
		<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring at or above:</i>			
			<i>≤54</i>	<i>55- 64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥85</i>		<i>≤54</i>	<i>55-64</i>	<i>65-84</i>	<i>≥ 85</i>
Listening & Speaking (Gr. 7-8)	2009-10	1	0	0	0	100	1	0	0	0	100					
	2008-09															
	2007-08															
	2006-07															
Reading & Writing (Gr. 7-8)	2009-10	1	0	0	0	100	1	0	0	0	100					
	2008-09															
	2007-08															
	2006-07															
Listening & Speaking (Gr. 9-12)	2009-10															
	2008-09															
	2007-08															
	2006-07															
Reading & Writing (Gr. 9-12)	2009-10															
	2008-09															
	2007-08															
	2006-07															

New York State Alternate Assessment Results

<i>NYS Alternate Assessments</i>	<i>Year</i>	<i>All Students</i>				
		<i>Total Tested</i>	<i>% Scoring:</i>			
			<i>L1</i>	<i>L2</i>	<i>L3</i>	<i>L4</i>
Elementary Social Studies	2009-10					
	2008-09					
	2007-08					
	2006-07					
Middle Level Social Studies	2009-10					
	2008-09					
	2007-08					
	2006-07					
Secondary Level Social Studies	2009-10					
	2008-09					
	2007-08					
	2006-07					
Secondary Level Science	2009-10					
	2008-09					
	2007-08					
	2006-07					

High School Completion Rates

<i>High School Completion</i>	<i>Year</i>	<i>All Students</i>		<i>General Education Students</i>		<i>Students with Disabilities</i>	
		<i>Number Of Students</i>	<i>Percent Graduating</i>	<i>Number Of Students</i>	<i>Percent Graduating</i>	<i>Number Of Students</i>	<i>Percent Graduating</i>
Total Graduates	2009-10						
	2008-09						
	2007-08						
	2006-07						
Rec'd. a Regents Diploma	2009-10						
	2008-09						
	2007-08						
	2006-07						
Rec'd. a Regents Diploma w/Adv. Designation	2009-10						
	2008-09						
	2007-08						
	2006-07						
Rec'd. IEP Diploma	2009-10						
	2008-09						
	2007-08						
	2006-07						
To 4-Year College	2009-10						
	2008-09						
	2007-08						
	2006-07						
To 2-Year College	2009-10						
	2008-09						
	2007-08						
	2006-07						

<i>High School Completion</i>	<i>Year</i>	<i>All Students</i>		<i>General Education Students</i>		<i>Students with Disabilities</i>	
		<i>Number Of Students</i>	<i>Percent Of Graduates</i>	<i>Number Of Students</i>	<i>Percent Of Graduates</i>	<i>Number Of Students</i>	<i>Percent of Graduates</i>
To Other Post-Secondary	2009-10						
	2008-09						
	2007-08						
	2006-07						
<hr/>							
Dropped Out	2009-10						
	2008-09						
	2007-08						
	2006-07						
<hr/>							
Entered Approved HS Equivalency Prep Program	2009-10						
	2008-09						
	2007-08						
	2006-07						
<hr/>							
Total Non-Completers	2009-10						
	2008-09						
	2007-08						
	2006-07						
<hr/>							

**Other Student Assessment Data
2009-10**

Name of Test: Fountas and Pinnell Leveled Literacy Intervention System

Subtest: Reading

Grade	Date of Test (DOT)	# Enrolled in Grade on DOT	# Absent on Grade on DOT	# Exempted in Grade by IEP	# Exempted in Grade by ELL Status	# Students Assessed in Grade*	Score (Indicate Type of Score, e.g., NCE)	Qualitative Level and Percent Attaining**	Other ***
K	June 2010	61	-	-	-	61		Level B-1 Level C-5 Level D-16 Level E-28 Level F- 6 Level G- 3 Level H- 1 Level K-1	Level D= at grade level at the end of Kindergarten. 90% of Kindergarten reached F&P grade level.
1	June 2010	60	-	-	-	60		Level D-1 Level H-2 Level I- 13 Level J-13 Level K-12 Level L-8 Level M-5 Level N-6	Level I= at grade level at the end of First grade. 95% of First grade reached F&P grade level.
2	June 2010	57	-	-	-	57		Level G-1 Level I-3 Level K- 3	Level M= at grade level at the end of

								Level L-4 Level M-19 Level L-8 Level M-5 Level N-14 Level O-10 Level P-3	Second grade. 81% of Second grade reached F&P grade level.
3	June 2010	55	-	-	-	55		Level N-4 Level O-8 Level P-15 Level Q-9 Level R-12 Level S- 5 Level T-2	Level P= at grade level at the end of Third grade. 78% of Third grade reached F&P grade level.
4	June 2010	53	-	-	-	53		Level L-2 Level O-2 Level P-3 Level Q-2 Level R-20 Level S- 11 Level T-10 Level U-2 Level V-1	Level S= at grade level at the end of Fourth grade. 45% of Fourth grade reached F&P grade level.
5	June 2010	48	-	-	-	48		Level K-1 Level N-1 Level P-1 Level Q-1 Level R-1 Level S-2 Level T-3 Level U-5 Level V-12	Level V= at grade level at the end of Fifth grade. 69% of Fifth grade reached F&P grade level.

								Level W-13 Level X-5 Level Y-2 Level Z-1	
6	June 2010	43	-	-	-	43		Level O-2 Level R-3 Level S-1 Level U-6 Level V-2 Level W-7 Level X-8 Level Y-10 Level Z-4	Level X= at grade level at the end of Sixth grade. 51% of Sixth grade reached F&P grade level.
7	June 2010	42	-	-	-	42		Level S-1 Level W-1 Level X-1 Level Y-1 Level Z-38	Level Z= at grade level at the end of Seventh grade. 90% of Seventh grade reached F&P grade level.
8	June 2010	36	-	-	-	36		Level W-1 Level X-1 Level Z-34	Level Z= at grade level at the end of Eighth grade. 94% of Eighth grade reached F&P grade level.

* This number should equal the number of students enrolled on the day of the test, minus the number absent and the number exempted by either their IEP or their ELL status.

**If the assessment provides qualitative levels of achievement, e.g., “with honors,” indicate the applicable levels and the percent of students who took the test in each grade who attained each level. If not applicable, enter “NA.”

*** For any other evaluative data that describe the performance of your students on the assessments given. If not applicable, enter “NA.”

Progress Toward Goal Attainment

Using the table provided below, state each goal as listed in your approved charter, and provide a narrative that describes the type and amount of progress made toward attaining that goal. Provide specific examples, and indicate the measures that were used to determine such progress. These measures must also be the same as those listed in your approved charter. If the goal has not been met, describe why you think it was not met, and the efforts that you will undertake in the following year to attain it.

Charter schools authorized by the Trustees of the State University of New York may attach a copy of their Accountability Plan and a report of the progress made towards meeting the goals and objectives described in the Plan.

Progress Toward Goal Attainment 2009-10

Goal/Objective Desired Level of Attainment	Actual Result: Observed Level of Attainment	Measure Used to Indicate Attainment of the Goal/Objective	Was the Goal/ Objective Met? (Y/N)	Explanation if Not Met/Efforts to be Undertaken
In 09-10, 75% of students will earn a “3” or a “4” on the New York State Math, ELA, Science, and Social Studies assessments.	All students: ELA: 43% Math: 67% Science: 84% Social Studies: 84% 3 rd grade: ELA: 33% Math: 53% 4 th grade: ELA: 40% Math: 63% Science: 81% 5 th grade: ELA: 49% Math: 65% Social Studies: 86% 6 th grade: ELA: 51% Math: 74% 7 th grade: ELA: 36% Math: 69% 8 th grade: ELA: 54% Math: 86% Science: 88% Social Studies: 80%	ECS student results on NYS assessments.	No, except for 4 th grade Science, 8 th grade Science, 5 th grade Social Studies, 8 th grade Social Studies and 8 th grade Math	On average, there was no significant change in Explore students’ scaled scores on the New York State Math and ELA Exams, as compared to the school’s 2009 results. Due to the recent increase in rigor at the state level, there was a decline in Explore students’ performance level scores. Explore identified 4 areas in need of improvement: math instruction, differentiated reading instruction, instructional planning, and use of data to drive instruction. Current efforts undertaken to achieve the goal include: <ul style="list-style-type: none"> • Full K-5 implementation of the TERC math program to further develop our students’ critical-thinking abilities and math problem-solving abilities • Launch of the A-Net interim assessment system in ELA in order to quickly see interim data and to receive coaching to better translate the data into instructional action • Increased focus and professional development to support teachers’ ability to develop “backwards-designed” unit plans • Professional development to support differentiated guided reading at all grade levels.
95% or more of students who do not have an IEP will earn a “2” or higher on the NYS Math, ELA, Science, and Social Studies assessments.	All students: ELA: 97% Math: 99% Science: 99% Social Studies: 94%	ECS student results on NYS assessments.	Yes, except for 3 rd grade ELA and 8 th grade Social Studies.	9% of 3 rd graders who did not have an IEP did not earn a “2” or higher. This number represents 4 students. Of those 4 students, 1 student is currently being evaluated for an IEP. Another student fell asleep during the exam due to being

	<p>3rd grade: ELA: 91% Math: 100%</p> <p>4th grade: ELA: 98% Math: 98% Science: 98%</p> <p>5th grade: ELA: 95% Math: 98% Social Studies: 95%</p> <p>6th grade: ELA: 100% Math: 100%</p> <p>7th grade: ELA: 100% Math: 100%</p> <p>8th grade: ELA: 100% Math: 100% Science: 100% Social Studies: 93%</p>			<p>out very late the night before. The 3rd student has behavior needs; however, the parents have refused a CSE evaluation. The 4th student has been receiving academic intervention for the last two years. School staff is working with the families of these students to ensure the students are getting the supports they require to achieve the goals.</p> <p>7% of 8th graders who did not have an IEP did not earn a “2” or higher on the Social Studies exam. This represents 2 students. Both students enrolled at Explore for the first time in 2009. Explore created structures to better support students who enrolled in the intermediate grades.</p>
<p>In 09-10, 75% of students in Kindergarten through 2nd grade will be reading on grade level, as assessed by a teacher administered, research-based assessment.</p>	<p>K-90% 1-95% 2-81%</p>	<p>ECS student results on the Fountas & Pinnell assessment.</p>	<p>Yes</p>	
<p>The percentage of cohort students who meet the standard on New York State assessments will annually increase by 3 percentage points. This goal will be capped if 90% of the students meet the goal. <i>A cohort is defined as students enrolled at Explore for two full consecutive years.</i></p>	<p>4th grade ELA: 41% decline Math: 30% decline</p> <p>5th grade ELA: 29% decline Math: 32% decline</p> <p>6th grade ELA: 33% decline Math: 17% decline</p> <p>7th grade ELA: 41% decline Math: 24% decline</p> <p>8th grade ELA: 34% decline Math: 3% decline</p>	<p>ECS student results on NYS assessments.</p>	<p>No</p>	<p>On average, there was no significant change in Explore students’ scaled scores on the New York State Math and ELA Exams, as compared to the school’s 2009 results. Due to the recent increase in rigor at the state level, there was a decline in Explore students’ performance level scores.</p> <p>Explore identified 4 areas in need of improvement: math instruction, differentiated reading instruction, instructional planning, and use of data to drive instruction.</p> <p>Current efforts undertaken to achieve the goal include:</p> <ul style="list-style-type: none"> • Full K-5 implementation of the TERC math program to further develop our

				<p>students' critical-thinking abilities and math problem-solving abilities</p> <ul style="list-style-type: none"> • Launch of the A-Net interim assessment system in ELA in order to quickly see interim data and to receive coaching to better translate the data into instructional action • Increased focus and professional development to support teachers' ability to develop "backwards-designed" unit plans • Professional development to support differentiated guided reading at all grade levels. 																		
The percentage of students who meet the standard on the New York State Math and ELA assessments will exceed the percentage of students attending public schools in Community School District 17 who meet the standard.	<p>Math Explore: 67% District 17: 43%</p> <p>ELA Explore: 43% District 17: 34%</p>	ECS student results and District 17 student results on NYS assessments.	Yes																			
The percentage of students who meet the standard on the New York State Math and ELA assessments will exceed the percentage of students attending New York City public schools who meet the standard.	<p>Math Explore: 67% NYC: 54%</p> <p>ELA Explore: 43% NYC: 42%</p>	ECS student results and NYC student results on NYS assessments.	Yes																			
Explore will achieve Adequate Yearly Progress, based on the results of the New York State assessments.	<table border="1"> <thead> <tr> <th>Subject</th> <th>Student Group</th> <th>Met AYP</th> </tr> </thead> <tbody> <tr> <td>ELA</td> <td>All Students</td> <td>Y</td> </tr> <tr> <td>ELA</td> <td>Black or African American Students</td> <td>Y</td> </tr> <tr> <td>ELA</td> <td>Students with Disabilities</td> <td>N</td> </tr> <tr> <td>ELA</td> <td>Economically Disadvantaged</td> <td>Y</td> </tr> <tr> <td>Math</td> <td>All Students</td> <td>Y</td> </tr> </tbody> </table>	Subject	Student Group	Met AYP	ELA	All Students	Y	ELA	Black or African American Students	Y	ELA	Students with Disabilities	N	ELA	Economically Disadvantaged	Y	Math	All Students	Y	New York State Adequate Yearly Progress Accountability results.	Yes, except for students with disabilities on the ELA New York State Exam.	This year our Student Support Services Team is focusing on improving instruction in ELA. The primary focus is to ensure that students are receiving high-quality differentiated reading instruction. To achieve this goal, teachers are receiving professional development and focused feedback on their planning and delivery of guided reading at all grade levels.
Subject	Student Group	Met AYP																				
ELA	All Students	Y																				
ELA	Black or African American Students	Y																				
ELA	Students with Disabilities	N																				
ELA	Economically Disadvantaged	Y																				
Math	All Students	Y																				

	<table border="1"> <tr> <td>Math</td> <td>Black or African American Students</td> <td>Y</td> </tr> <tr> <td>Math</td> <td>Students with Disabilities</td> <td>Y</td> </tr> <tr> <td>Math</td> <td>Economically Disadvantaged</td> <td>Y</td> </tr> <tr> <td>Science</td> <td>All Students</td> <td>Y</td> </tr> </table>	Math	Black or African American Students	Y	Math	Students with Disabilities	Y	Math	Economically Disadvantaged	Y	Science	All Students	Y			
Math	Black or African American Students	Y														
Math	Students with Disabilities	Y														
Math	Economically Disadvantaged	Y														
Science	All Students	Y														
The yearly attendance rate will be 90%, or higher than the attendance rate of elementary and middle school students in Region 6, whichever is higher.	Explore: 96% Regions in the New York City Department of Education were disbanded in the 2007-2008 school year.	Average attendance rate of Explore students for the 2009-2010 school year.	Yes													
Completed end-of-year parent surveys will report 80% or more parents as “satisfied” or “very satisfied” on pre-selected questions.	My child’s safety: 99% Overall satisfaction with the education my child received this year: 97% How well the school communicates with me: 96%	Explore reported on this goal using the NYC DOE Learning Environment Survey.	Yes													
Annually, 95% of students will be promoted to the next grade level.	K- 98% (1 retention) 1- 98% (1 retention) 2- 95% (3 retentions) 3- 96% (2 retentions) 4- 94% (3 retentions) 5- 98% (1 retention) 6- 95% (2 retentions) 7- 93% (3 retentions) Total retention: 16/426 96% Promoted	Assessed the number of students, who were promoted to the next grade level as of July, 2010.	Yes													
65% of parents of graduating 8 th graders will report that their children were prepared to succeed in high school.	% of parents that agreed with the following statement: Explore prepared my child for high school in the following subject areas: Math: 86% English: 96% Global Studies: 94% Science: 88%	Parent Survey	Yes													

Section II

Charter School Student and Teacher Attrition Rates

Instructions

Separate tables are included for students and teachers. For students, please provide the total **number** who left for the reasons identified in the table. Then provide the highest number of students enrolled during the course of the year. Using that enrollment figure and the total number of students who left during the year (July 1 – June 30), calculate the percent of students who left the school each year (2006-07 through 2009-10). Do not provide averages or FTEs.

For teachers, provide the total number of classroom teachers (e.g., grades K-6, or secondary subject matter classroom teachers). Do not include guidance counselors, social workers, etc. Do not provide FTEs. A part-time teacher is counted as one teacher. If one person teaches more than one subject area, count them once. Also provide the number of special area teachers (e.g., music, technology, special education). Again, count each such teacher only once. Then, provide the total number of teachers who were retained at the end of each school year. For example, if you had seven classroom teachers (e.g., one each K-6) and three special area teachers (for a total of ten teachers), and three were let go (or otherwise decided not to return in 2010-11) at the end of the 2009-10 school year, your teacher attrition rate would be 30 percent. A teacher on leave is not counted toward the attrition rate.

If you have any questions, please call the Charter School Office at 518-474-1762.

**Charter School Student Attrition Rates
2009-10**

	2009-10	2008-09	2007-08	2006-07
Number of students leaving for lack of transportation	0	4	1	3
Number of students leaving for geographic reasons (e.g., out of state/district relocation)	13	8	7	8
Number of students leaving for more restrictive special education setting	3	0	1	6
Number of students leaving due to parental choice (e.g., school transfer closer to residence, local elementary school, parent convenience)	14	11	11	4
Number leaving for other reasons (undetermined)	2	2	2	2
Total number of students leaving.	32	25	22	23
Highest Number Enrolled (July 1 – June 30)	470	435	431	373
Total Percent Attrition	6.8%	5.7%	5.1%	6.2%

**Charter School Teacher Attrition Rates
2009-10**

	2009-10	2008-09	2007-08	2006-07
Number of Classroom Teachers	32	31	27	19
Number of Special Area Teachers	11	10	12	9
Total Number of Teachers	43	41	39	28
Total Number of Teachers Leaving	14	8	8	9
Total Percent Attrition	33%	16%	21%	32%

	2009-10	2008-09	2007-08	2006-07
Number of teachers leaving for geographic reasons (out of state/relocation)	1	5	6	5
Number of teachers leaving to take a position in a school district	2			
Number of teachers leaving to take a position in another charter school				
Number of teachers not retained			1	1
Number of teachers leaving for other reasons (or undetermined)	11	3	1	3

Explore Charter School and Affiliate

Consolidated Financial Report

June 30, 2010

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Independent Auditor's Report

To the Board of Trustees
Explore Charter School
The Friends of Explore Charter School, Inc.
New York, New York

We have audited the accompanying consolidated statement of financial position of Explore Charter School (the "School") and Affiliate ("Friends") (collectively referred to as the "Organization") as of June 30, 2010, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the Organization's 2009 financial statements and in our report, dated October 27, 2009, we expressed an unqualified opinion on those financial statements.

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Explore Charter School and Affiliate as of June 30, 2010, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 27, 2010, on our consideration of the Organization's internal control over financial reporting and on our tests of their 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 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 considered in assessing the results of our audit.



New York, New York
October 27, 2010

Explore Charter School and Affiliate

Consolidated Statements of Financial Position June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and Cash Equivalents	\$ 1,218,611	\$ 1,219,383
Restricted Cash	70,000	70,000
Grants and Other Receivables	90,020	93,623
Prepaid Expenses	101,880	65,175
Note Receivable	125	19,143
Property and Equipment, net	<u>309,890</u>	<u>293,456</u>
Total assets	<u>\$ 1,790,526</u>	<u>\$ 1,760,780</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 806,227	\$ 866,547
Refundable advances	<u>10,505</u>	<u>10,505</u>
Total liabilities	<u>816,732</u>	<u>877,052</u>
Contingencies		
Net Assets:		
Unrestricted	928,951	832,009
Temporarily restricted	<u>44,843</u>	<u>51,719</u>
Total net assets	<u>973,794</u>	<u>883,728</u>
Total liabilities and net assets	<u>\$ 1,790,526</u>	<u>\$ 1,760,780</u>

See Notes to Consolidated Financial Statements.

Explore Charter School and Affiliate

Consolidated Statements of Activities

(with summarized comparative financial information for the year ended June 30, 2009)

Years Ended June 30, 2010 and 2009

	2010		2009	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Summarized Total</u>
Operating Revenue:				
State and local per pupil operating revenue	\$ 6,018,025	\$ -	\$ 6,018,025	\$ 5,600,653
Federal grants	501,258	-	501,258	378,712
State and local grants	37,376	-	37,376	31,352
Other revenue	9,959	-	9,959	25,688
Total operating revenue	<u>6,566,618</u>	<u>-</u>	<u>6,566,618</u>	<u>6,036,405</u>
Expenses:				
Program services - School operations	5,462,722	-	5,462,722	5,360,769
General and administrative	1,296,924	-	1,296,924	517,602
Total operating expenses	<u>6,759,646</u>	<u>-</u>	<u>6,759,646</u>	<u>5,878,371</u>
(Deficit) surplus on School operations from government funding	<u>(193,028)</u>	<u>-</u>	<u>(193,028)</u>	<u>158,034</u>
Support and Other Revenue:				
Contributions:				
Foundations	7,350	-	7,350	3,315
Individuals	17,019	200	17,219	67,673
Other contributions and grants	1,911	-	1,911	-
Contributed services	255,162	-	255,162	9,810
Interest income	5,384	-	5,384	20,616
Fund-raising expenses	(3,932)	-	(3,932)	(7,984)
Net assets released from restrictions	7,076	(7,076)	-	-
Total support and other revenue	<u>289,970</u>	<u>(6,876)</u>	<u>283,094</u>	<u>93,430</u>
Change in net assets	96,942	(6,876)	90,066	251,464
Net Assets:				
Beginning	832,009	51,719	883,728	632,264
Ending	<u>\$ 928,951</u>	<u>\$ 44,843</u>	<u>\$ 973,794</u>	<u>\$ 883,728</u>

See Notes to Consolidated Financial Statements.

Explore Charter School and Affiliate

Consolidated Statements of Functional Expenses
 (with summarized comparative financial information for the year ended June 30, 2009)
 Years Ended June 30, 2010 and 2009

	2010				2009	
	Program Services - School Operations	Supporting Services				Summarized Total
		General and Administrative	Fund- Raising	Total	Total	
Salaries	\$ 3,721,612	\$ 305,770	\$ 788	\$ 306,558	\$ 4,028,170	\$ 4,014,196
Employee benefits and payroll taxes	829,320	67,919	61	67,980	897,300	825,095
Accounting fees	-	46,144	-	46,144	46,144	14,571
Advertising and recruiting	-	13,100	-	13,100	13,100	15,454
Outside services	413,598	463,588	-	463,588	877,186	241,738
Conferences and meetings	87,392	15,296	-	15,296	102,688	174,419
Curriculum and classroom	159,927	-	-	-	159,927	208,845
School fund-raising	-	-	3,083	3,083	3,083	4,671
Equipment rental	-	17,439	-	17,439	17,439	15,573
Food service	35,476	4,761	-	4,761	40,237	14,421
Student and family services	2,373	-	-	-	2,373	3,660
Insurance	31,652	5,586	-	5,586	37,238	50,344
Legal	-	255,926	-	255,926	255,926	9,810
Maintenance and repairs	6,594	1,164	-	1,164	7,758	16,299
Occupancy	1	-	-	-	1	1
Postage and shipping	-	5,347	-	5,347	5,347	6,834
Office supplies	-	68,473	-	68,473	68,473	80,821
Miscellaneous	26,620	5,017	-	5,017	31,637	22,143
Telephone and communications	43,996	7,764	-	7,764	51,760	40,154
Student transportation	26,922	-	-	-	26,922	36,818
Depreciation	77,239	13,630	-	13,630	90,869	90,488
	<u>\$ 5,462,722</u>	<u>\$ 1,296,924</u>	<u>\$ 3,932</u>	<u>\$ 1,300,856</u>	<u>\$ 6,763,578</u>	<u>\$ 5,886,355</u>

See Notes to Consolidated Financial Statements.

Explore Charter School and Affiliate

**Consolidated Statements of Cash Flows
Years Ended June 30, 2010 and 2009**

	2010	2009
Cash Flows From Operating Activities:		
Change in net assets	\$ 90,066	\$ 251,464
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	90,869	90,488
Bad debt expense	26,814	-
Changes in operating assets and liabilities:		
Increase in grants and other receivables	(23,211)	(34,281)
Increase in prepaid expenses	(36,705)	(25,865)
(Decrease) increase in accounts payable and accrued expenses	(60,320)	202,923
Decrease in refundable advances	-	(31,876)
	<u>87,513</u>	<u>452,853</u>
Net cash provided by operating activities	87,513	452,853
Cash Flows From Investing Activities:		
Increase in restricted cash	-	(70,000)
Purchase of property and equipment	(107,303)	(49,930)
Repayment of (issuance of) notes receivable, net	19,018	(19,143)
	<u>(88,285)</u>	<u>(139,073)</u>
Net cash used in investing activities	(88,285)	(139,073)
Net (decrease) increase in cash and cash equivalents	(772)	313,780
Cash and Cash Equivalents:		
Beginning	<u>1,219,383</u>	<u>905,603</u>
Ending	<u>\$ 1,218,611</u>	<u>\$ 1,219,383</u>

See Notes to Consolidated Financial Statements.

Explore Charter School and Affiliate

Notes to Consolidated Financial Statements

Note 1. Description of Organization

Explore Charter School (the "School") is an educational corporation that operates a charter school in the borough of Brooklyn, New York. The School was granted a provisional charter on June 12, 2001, 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. After a review process in April 2006, the charter was renewed for a full five-year term expiring on June 11, 2011. The School was established to provide its students with the academic skills and critical thinking abilities they need to succeed in a college preparatory high school.

The School operates classes for students in kindergarten and grades 1 through 8. Furthermore, the School was established to prepare such underserved students for higher education, civic involvement and lifelong success through a structured, caring environment of high academic expectations.

The Friends of Explore Charter School, Inc. ("Friends") was organized under the laws of the State of New York on November 10, 2000 as a not-for-profit corporation under subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law. Friends is a not-for-profit organization with a majority of the same trustees as the School. The School's board of trustees controls the appointment of trustees to Friends' board of trustees. Friends was involved in maintaining community relations and making contributions to the School. In August 2010, Friends filed an application to be dissolved in the state of New York.

Note 2. Summary of Significant Accounting Policies

The School and Friends are under common management, share the same executive director and a majority of the same board of trustees and share a common goal of improving the educational opportunities for school-aged children. Accordingly, the accompanying consolidated financial statements include the accounts of the School and Friends (collectively referred to as the "Organization"). All intercompany accounts and transactions between these entities have been eliminated. The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Accordingly, net assets are classified as unrestricted, temporarily restricted or permanently restricted based on the designation of donors.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents consist of insured high yield savings accounts.

Property and equipment is recorded at cost. The Organization capitalizes all purchases of fixed assets in excess of \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

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

Revenue from federal, state and local government grants are recorded by the School when expenditures are incurred or when the required services have been provided. Cash received in excess of revenue recognized is recorded as refundable advances.

Revenue from federal government grants includes amounts not currently being monitored through the Single Audit Act which amounted to \$37,209 and \$22,349 for the years ended June 30, 2010 and 2009, respectively.

Explore Charter School and Affiliate

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions are recognized as revenue in the year the pledge promise is received and documented.

Contributions and unconditional promises to give are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support, which increases those net asset classes. When the specified purpose of donor-restricted contributions is met, the net asset is released from restriction and transferred to unrestricted net assets. However, donor-restricted support whose restrictions are met in the same reporting period are reported as unrestricted support. Contributions of assets other than cash are recorded at their estimated fair value.

Contributed services are recorded at their fair value when such services are rendered. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills and would otherwise be purchased by the Organization and (c) are measurable. Legal services were provided by individuals to the School only, at no charge. The value of such contributed legal services for the years ended June 30, 2010 and 2009 amounted to \$255,162 and \$9,810, respectively.

A number of volunteers have made a contribution of their time to the Organization to develop its programs and to serve on the board of trustees. The value of this contributed time is not reflected in these financial statements since it does not meet the criteria for recognition.

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 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.

The consolidated statements of activities and functional expenses include certain prior-year summarized comparative information in total but not by net asset class or 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 Organization's consolidated financial statements for the year ended June 30, 2009 from which the summarized information was derived.

Income Taxes: The School and Friends are exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (the "Code") and, accordingly, are not subject to income taxes. Additionally, the School and Friends as non-profit entities are subject to unrelated business income tax ("UBIT"), if applicable. For the tax years ended June 30, 2010 and 2009 the School and Friends did not owe any UBIT.

On July 1, 2009, the Organization adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits to be recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2006, which is the standard statute of limitations look-back period.

Explore Charter School and Affiliate

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Subsequent Events: The Organization evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was October 27, 2010 for these financial statements.

Note 3. Grants and Other Receivables

Grants and other receivables are primarily comprised of balances due on grants with certain federal, state and local government agencies for services rendered and qualifying expenditures incurred in connection with the School's operation. The School expects to collect these receivables within one year.

Note 4. Property and Equipment, Net

Property and equipment, net, at cost or fair value at date of donation, consists of the following as of June 30:

	<u>2010</u>	<u>2009</u>	Estimated Useful Life
Furniture, fixtures and office equipment	\$ 260,938	\$ 221,643	5 to 7 years
Library fixtures, equipment and books	96,361	95,332	10 years
Computers and software	<u>433,461</u>	<u>366,482</u>	3 to 5 years
	790,760	683,457	
Less accumulated depreciation	<u>(480,870)</u>	<u>(390,001)</u>	
	<u>\$ 309,890</u>	<u>\$ 293,456</u>	

Note 5. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
Library media center	\$ 6,735	\$ 6,735
Mentoring program	<u>38,108</u>	<u>44,984</u>
	<u>\$ 44,843</u>	<u>\$ 51,719</u>

During 2010, Friends transferred \$38,108 to the School as a restricted contribution in accordance with the donor wishes. During 2010 and 2009, net assets released from restrictions for expenditures incurred on the mentoring program amounted to \$7,076 and \$9,387, respectively.

Note 6. Agreement for School Facility

The School has an agreement with the New York City Department of Education ("NYCDOE") to use public school open space at a cost of \$1 per year. The School's management does not anticipate this agreement will be terminated in the near future.

Explore Charter School and Affiliate

Notes to Consolidated Financial Statements

Note 7. Restricted Cash

The NYCDOE requires the School to maintain \$70,000 in a separate cash account to have funds available to ensure an orderly liquidation, dissolution or transition process if the School's charter were to be terminated or the School was closed for other reasons.

Note 8. Contingencies

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.

The School is involved in legal actions arising in the ordinary course of business. Management is of the opinion that the ultimate outcome of this matter would not have a material adverse impact on the Organization's consolidated financial position or consolidated results of its activities.

Note 9. Retirement Plan

The School maintains a defined contribution 403(b) plan covering all eligible employees. Under this plan, employer contributions are discretionary and are based on a percentage of employees' salaries as determined by the School's board of trustees. The School matched 50% of the employees' elective contributions not to exceed 10% of the employee's salary for the year ended June 30, 2010. Additionally, the School matched 100% of the employee's elective contributions not to exceed 5% of the employee's salary for the year ended June 30, 2009. Pension expense incurred by the School for the years ended June 30, 2010 and 2009 amounted to \$51,249 and \$100,699, respectively.

Note 10. Related Party Transactions

During fiscal year 2009, Explore Schools, Inc. ("ESI") was established under the laws of the State of New York on July 31, 2008 as a not-for-profit corporation under subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law. ESI is a not-for-profit organization with certain common trustees as the School and Friends, established to provide talent management, strategic planning, board governance support, financial oversight, human resources and other operations support, advocacy, policy and external relations support and academic performance standards support. Friends advanced funds to ESI to assist with covering its start-up costs and has an outstanding note receivable amounting to \$19,143 due from ESI as of June 30, 2009. The balance of this note as of June 30, 2010 is \$125.

During fiscal year 2010, the School entered into an agreement with ESI, effective July 1, 2009, for a one-year period to receive academic and business services. The total expense of this agreement amounted to \$636,180. Subsequent to year-end, the School and ESI renewed their agreement for another year.

**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***

To the Board of Trustees
Explore Charter School
The Friends of Explore Charter School, Inc.
New York, New York

We have audited the consolidated financial statements of Explore Charter School (the "School") and Affiliate ("Friends") (collectively referred to as the "Organization") as of and for the year ended June 30, 2010, and have issued our report thereon dated October 27, 2010. 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 Organization'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 Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 over financial reporting 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. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as Finding 2010-01 that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the Organization'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*.

We noted certain matters that we reported to the management of the Organization in a separate letter dated October 27, 2010.

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Organization's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, board of trustees, management, the New York State Department of Education and the Charter Schools Institute of the State University of New York and is not intended to be, and should not be, used by anyone other than these specified parties.

McGladrey & Pullen, LLP

New York, New York
October 27, 2010

Explore Charter School and Affiliate

Schedule of Findings and Responses

Current-Year Finding:

Finding 2010-01

Criteria

Account reconciliation is a significant part of internal control, such that failure or the delayed performance of this control activity is considered to be a reportable condition under *Government Auditing Standards*, Paragraph 3.05, Reporting Standards for Financial Audits.

Condition

Although efforts were made to perform the necessary year-end closing procedures and provide us with adjusted books and records for both the School and Friends, we noted the following during our audit: 1) amounts reflected on detailed schedules and analyses were not in agreement with the balances reflected in the general ledgers, 2) errors in the original submission of the annual reconciliation for the general and special education per-pupil funding to the NYCDOE were identified as a result of the student FTE equivalents being calculated using improper student withdrawal dates, 3) fund-raising revenues and expenses between a related entity and Friends were recorded on a net basis instead of a gross basis, and 4) a discretionary employer-matching contribution was not accrued. Audit adjustments were proposed and recorded by the School and Friends to correct the errors identified above.

Cause

The fiscal staff at the School and Friends required additional time in preparing for the annual audit and will reevaluate the steps required, the appropriate time allotment and assistance needed from ESI going forward.

Effect or Potential Effect

Without a formal closing process of their books and records, the risk significantly increases that errors and/or fraud related to the year-end balances could occur and not be detected on a timely basis or at all.

Recommendation

We recommend that both the School and Friends implement a formal quarterly closing process of their books and records, requiring reconciliations and other schedules/analyses to be prepared and reviewed by management to source documents. Additionally, all fund-raising related activities should be recorded on a gross basis. Accrued expenses should be evaluated quarterly and if actual information is not available then an estimate based on prior periods should be utilized in arriving at the accruals. Also, written evidence of a final signoff on the reconciliations and schedules/analyses should be maintained.

Responsible Official's Response

The School's and Friends' management will work with ESI to reevaluate the current month-end closing process and make enhancements, including the implementation of a formal quarterly closing process. A revised general and special education per-pupil funding reconciliation was prepared and submitted to the NYCDOE.

Explore Charter School and Affiliate

Supplementary Information

Consolidating Statements of Financial Position

June 30, 2010 and 2009

See Auditor's Report

	2010			2009	
	Explore Charter School	The Friends of Explore Charter School, Inc.	Eliminations	Total	Summarized Total
ASSETS					
Cash and Cash Equivalents	\$ 1,171,548	\$ 47,063	\$ -	\$ 1,218,611	\$ 1,219,383
Restricted Cash	70,000	-	-	70,000	70,000
Grant and Other Receivables	89,875	145	-	90,020	93,623
Due From Affiliate	-	8,000	(8,000)	-	-
Prepaid Expenses	101,880	-	-	101,880	65,175
Note Receivable	-	125	-	125	19,143
Property and Equipment, net	309,890	-	-	309,890	293,456
Total assets	\$1,743,193	\$ 55,333	\$ (8,000)	\$ 1,790,526	\$1,760,780
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued expenses	\$ 806,227	\$ -	\$ -	\$ 806,227	\$ 866,547
Refundable advances	10,505	-	-	10,505	10,505
Due to affiliate	8,000	-	(8,000)	-	-
Total liabilities	824,732	-	(8,000)	816,732	877,052
Contingency					
Net Assets:					
Unrestricted	873,618	55,333	-	928,951	832,009
Temporarily restricted	44,843	-	-	44,843	51,719
Total net assets	918,461	55,333	-	973,794	883,728
Total liabilities and net assets	\$1,743,193	\$ 55,333	\$ (8,000)	\$ 1,790,526	\$1,760,780

Explore Charter School and Affiliate

Supplementary Information

Consolidating Statements of Activities
(with summarized comparative financial information for the year ended June 30, 2009)
Years Ended June 30, 2010 and 2009
See Auditor's Report

	2010			2009	
	Explore Charter School	The Friends of Explore Charter School, Inc.	Eliminations	Total	Summarized Total
Operating Revenue:					
State and local per pupil operating revenue	\$ 6,018,025	\$ -	\$ -	\$ 6,018,025	\$ 5,600,653
Federal grants	501,258	-	-	501,258	378,712
State and local grants	37,376	-	-	37,376	31,352
Other revenue	9,959	-	-	9,959	25,688
Total operating revenue	<u>6,566,618</u>	<u>-</u>	<u>-</u>	<u>6,566,618</u>	<u>6,036,405</u>
Expenses:					
Program services - School operations	5,449,334	58,231	(44,843)	5,462,722	5,360,769
General and administrative	1,271,974	24,950	-	1,296,924	517,602
Total operating expenses	<u>6,721,308</u>	<u>83,181</u>	<u>(44,843)</u>	<u>6,759,646</u>	<u>5,878,371</u>
(Deficit) surplus on School operations from government funding	<u>(154,690)</u>	<u>(83,181)</u>	<u>44,843</u>	<u>(193,028)</u>	<u>158,034</u>
Support and Other Revenue:					
Contributions:					
Foundations	44,108	1,350	(38,108)	7,350	3,315
Individuals	16,114	1,105	-	17,219	67,673
Other contributions and grants	8,646	-	(6,735)	1,911	-
Contributed services	255,162	-	-	255,162	9,810
Interest income	4,281	1,103	-	5,384	20,616
Fund-raising expenses	(3,053)	(879)	-	(3,932)	(7,984)
Total support and other revenue	<u>325,258</u>	<u>2,679</u>	<u>(44,843)</u>	<u>283,094</u>	<u>93,430</u>
Change in net assets	<u>170,568</u>	<u>(80,502)</u>	<u>-</u>	<u>90,066</u>	<u>251,464</u>
Net Assets:					
Beginning	<u>747,893</u>	<u>135,835</u>	<u>-</u>	<u>883,728</u>	<u>632,264</u>
Ending	<u>\$ 918,461</u>	<u>\$ 55,333</u>	<u>\$ -</u>	<u>\$ 973,794</u>	<u>\$ 883,728</u>

Explore Charter School and Affiliate

Supplementary Information

Statements of Functional Expenses - Explore Charter School
 (with summarized comparative financial information for the year ended June 30, 2009)
 Years Ended June 30, 2010 and 2009
 See Auditor's Report

	2010				2009	
	Program Services - School Operations	Supporting Services			Total	Summarized Total
		General and Administrative	Fund- Raising	Total		
Salaries	\$ 3,720,824	\$ 304,196	\$ -	\$ 304,196	\$ 4,025,020	\$ 4,003,412
Employee benefits and payroll taxes	829,259	67,796	-	67,796	897,055	822,628
Accounting fees	-	24,144	-	24,144	24,144	14,571
Advertising and recruiting	-	13,100	-	13,100	13,100	14,786
Outside services	413,598	463,588	-	463,588	877,186	241,738
Conferences, meetings and staff development	86,678	15,296	-	15,296	101,974	165,853
Curriculum and classroom	150,475	-	-	-	150,475	151,012
School fund-raising	-	-	3,053	3,053	3,053	-
Equipment rental	-	17,439	-	17,439	17,439	15,573
Food service	35,476	3,827	-	3,827	39,303	12,365
Insurance	31,652	5,586	-	5,586	37,238	50,344
Legal	-	255,926	-	255,926	255,926	9,810
Maintenance and repairs	6,594	1,164	-	1,164	7,758	16,299
Occupancy	1	-	-	-	1	1
Postage and shipping	-	5,347	-	5,347	5,347	6,348
Office supplies	-	68,473	-	68,473	68,473	80,821
Miscellaneous	26,620	4,698	-	4,698	31,318	21,386
Telephone, technology and communications	43,996	7,764	-	7,764	51,760	39,496
Student transportation	26,922	-	-	-	26,922	36,818
Depreciation	77,239	13,630	-	13,630	90,869	90,488
	\$ 5,449,334	\$ 1,271,974	\$ 3,053	\$ 1,275,027	\$ 6,724,361	\$ 5,793,749

Explore Charter School and Affiliate

Supplementary Information

Statements of Functional Expenses - The Friends of Explore Charter School, Inc.
 (with summarized comparative financial information for the year ended June 30, 2009)
 Years Ended June 30, 2010 and 2009
 See Auditor's Report

	2010				2009	
	Program Services - School Operations	Supporting Services				Summarized Total
		General and Administrative	Fund- Raising	Total	Total	
Salaries	\$ 788	\$ 1,574	\$ 788	\$ 2,362	\$ 3,150	\$ 10,784
Employee benefits and payroll taxes	61	123	61	184	245	2,467
Accounting fees	-	22,000	-	22,000	22,000	-
Advertising and recruiting	-	-	-	-	-	668
Conferences, meetings and staff development	714	-	-	-	714	8,566
Curriculum and classroom	9,452	-	-	-	9,452	57,833
School fund-raising	-	-	30	30	30	4,671
Food service	-	934	-	934	934	2,056
Student and family services	2,373	-	-	-	2,373	3,660
Postage and shipping	-	-	-	-	-	486
Miscellaneous	-	319	-	319	319	757
Grants to Explore Charter School	44,843	-	-	-	44,843	-
Telephone, technology and communications	-	-	-	-	-	658
	\$ 58,231	\$ 24,950	\$ 879	\$25,829	\$ 84,060	\$ 92,606

Section IV

Disclosure of Financial Interest by a Charter School Trustee
Annual Report

Name (print) Tim Taylor

Name of Charter School Explore Charter School

Charter Entity NYC Department of Education

Home Address 32 Gramercy Park South #17D NY, NY 10003

Business Address NA

Daytime Phone 917.881-7746

E-Mail Address ttaylor212@gmail.com

1. List all positions, current or past, with dates, held on the board (e.g., officer (specify), committee chair, parent representative):

Chairman of Board 9/09-present; Vice Chairman of the Board 9/08-9/09
Real Estate Committee Chair 4/09-present

2. Is the trustee an employee of the School? ___ Yes No

3. If you checked Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

4. Is the trustee an employee or agent of the management company? ___ Yes No

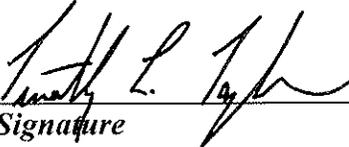
5. Is the trustee an employee or agent of any institutional partner of the School? ___ Yes No

Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school during the time you have served on the board, and in the six month period prior to such service. If there has been no such financial interest or transaction, write **none**. Please note that if you answered **yes** to Question 2, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
NONE			

Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the School **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the School that is doing business with the School through a management or services agreement, you need not list every transaction between such organization and the School that is pursuant to such agreement. Instead, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write **none**.

Organization Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee/ Immediate Family/Member of Household Holding an Interest in the Organization Conducting Business with the School and the Nature of the Interest
None			



Signature

10-29-10

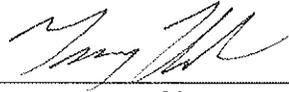
Date

Statement of Assurances

Our signatures below attest that all of the information contained herein is truthful and accurate, and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in any part of this report is found to have been deliberately misrepresented, that will constitute grounds for the revocation of our charter.

TRACY REBE

Print Name, Principal of Explore Charter School

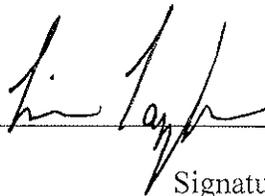


10-29-10

Signature and Date

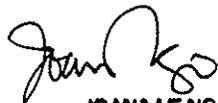
TIM TAYLOR

Print Name, Chair of Explore Charter School
Board of Trustees



10-29-10

Signature and Date



JOANA LE NGO
Notary Public, State of New York
No. 01NG8221904
Qualified in New York County
Term Expires May 10, 2014