

SUMMIT ACADEMY CHARTER SCHOOL

**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 Summit Academy Charter School

Primary Address 27 Huntington Avenue, Brooklyn, NY 11231

Telephone (718) 875-1403 Fax (718) 875-1891

BEDS # 331500860953

District/CSD of Location CSD 15

Charter Entity NYCDOE Chancellor

Date School First Opened for Instruction Fall , 2009

School Leader Natasha Campbell  
(print name)

E-mail Address of School Leader ncampbell@sacsny.org

President, Board of Trustees Robert Brissett  
(print name)

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

## SUMMIT ACADEMY CHARTER SCHOOL

### **Our Mission**

Summit Academy Charter School bridges the gap between aspirations and realities by preparing 6th through 12th grade students to gain acceptance to, excel in and graduate from college by using three pillars of success: mastery of core subjects, character building, and community leadership. By engaging students with an academically rigorous, college-preparatory curriculum and supporting them in a community focused on high academic achievement and strong character building, Summit Academy will prepare our young people to participate meaningfully in the greater economy and expand their choices and opportunities.

### **Student Population**

- **25** percent are special education scholars
- **77** percent of scholars are eligible for free or reduced lunch
- **71** percent of scholars are African-American
- **1** percent of scholars are White/non-Hispanic
- **1** percent of scholars Asian/Pacific
- **27** percent of scholars are Latino
- **75** percent of scholars are eligible for Title I

SUMMIT ACADEMY CHARTER SCHOOL

*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**

<i>Year of Test</i>	Grade 3				Grade 4				Grade 5				Grade 6				Grade 7				Grade 8			
	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4
2009-10 – All Students		NA				NA				NA			<b>17</b>	<b>65</b>	<b>18</b>	<b>0</b>		NA				NA		
General Education Students													<b>11</b>	<b>67</b>	<b>23</b>	<b>0</b>								
Special Education Students													<b>35</b>	<b>61</b>	<b>4</b>	<b>0</b>								
2008-09 – All Students		NA				NA				NA				NA				NA				NA		
General Education Students																								
Special Education Students																								
2007-08 – All Students																								
General Education Students																								
Special Education Students																								
2006-07 – All Students																								
General Education Students																								
Special Education Students																								

SUMMIT ACADEMY CHARTER SCHOOL

*New York State Assessment Results*

**Grades 3 – 8 State Math Assessments Results**

<i>Year of Test</i>	Grade 3				Grade 4				Grade 5				Grade 6				Grade 7				Grade 8			
	L1	L2	L3	L4																				
2009-10 – All Students		NA				NA				NA			13	48	30	9			NA					NA
General Education Students													6	46	35	12								
Special Education Students													39	52	9	0								
2008-09 – All Students		NA					NA					NA												
General Education Students																								
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SUMMIT ACADEMY CHARTER SCHOOL

<b>Progress Towards Goal Attainment 2009-10</b>				
<b>Goal/Objective: Desired Level of Attainment</b>	<b>Actual Result: Observed Level of Attainment</b>	<b>Measure Used to Indicate Attainment of the Goal/Objective</b>	<b>Was the Goal/Objective Met? (Y/N)</b>	<b>Explanation if Not Met/Efforts to be Undertaken</b>
<b>English Language Arts</b>				
Each year, Summit Academy will administer a nationally norm-referenced test of basic skills, such as the Terra Nova or Stanford 10, in September of their first year of enrollment and at the conclusion of each school year. Students will demonstrate longitudinal growth in the core subject of Reading and results for cohorts will be tracked over multiple years. On average, cohorts will average 5 percentiles of growth each year until the cohort reaches the 75th percentile.	Results were compromised.	The Stanford 10 test was administered in Reading.	NA	Unfortunately, the testing service misplaced our tests and we were unable to receive the results. We are working with Pearson to locate the missing tests and we have sent out the new tests for this year (2010-11) and we expect to have that data.
Each year, 75 percent of 6th – 8th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State ELA examination upon completion of at least two years of instruction at Summit Academy.	Not Applicable	NYS ELA Assessment	NA	
For the 2010-11 through 2014-15 school years, grade-level cohorts of students will reduce by one-half the gap between the percent at or above Level 3 on the previous year’s State ELA exam.	Not Applicable	NYS ELA Assessment	NA	
For the 2010-11 through 2014-15 school years, each cohort of students will reduce by one-half the gap between percent passing the ELA Regents examination and the previous cohorts’ passing rate on the ELA Regents examination.	Not Applicable	NYS ELA Assessment	NA	

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Progress Towards 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																								
Each year, the percent of students performing at or above Level 3 on the State ELA exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of the Community School District in which the school is located.	<table border="1"> <thead> <tr> <th colspan="6">NYS ELA Assessment Grade 6 89 Scholars Tested</th> </tr> <tr> <th>Performance Levels</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>Percent Proficient (3&amp;4)</th> </tr> </thead> <tbody> <tr> <td>Summit Academy</td> <td>17</td> <td>65</td> <td>18</td> <td>0</td> <td>18</td> </tr> <tr> <td>District 15</td> <td>14</td> <td>40</td> <td>42</td> <td>4</td> <td>46</td> </tr> </tbody> </table>	NYS ELA Assessment Grade 6 89 Scholars Tested						Performance Levels	1	2	3	4	Percent Proficient (3&4)	Summit Academy	17	65	18	0	18	District 15	14	40	42	4	46				N	Our scholars achieved a mean Scale Score of 653 on the NYS ELA Assessment. Until this year 650 was the proficiency cutoff. Close analysis of ELA test results indicate that 37 scholars in our inaugural class scored 4 points below the newly established benchmark for proficiency, and 13 additional scholars scored 1 point below this benchmark. Summit Academy did our best work with scholars who came in the most behind. The average scholar who did not test as proficient in the prior year gained 7 points in ELA. Nearly 80 percent of non-proficient scholars gained ground in ELA. Our students were assessed four times over the course of the year using the Fountas & Pinnell benchmark assessment system. As a school, we had a 1.7-year reading growth after one year of rigorous instruction. We will
NYS ELA Assessment Grade 6 89 Scholars Tested																														
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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
				continue to use data to drive our instruction and reinforce the skills necessary to get the students above the new proficiency levels.
Each year, the percent of students performing at or above a score of 65 on the State English Regents exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of the Community School District in which the school is located.	Not Applicable	This will be measured by an analysis of performance compared to CSDs conducted by NYCDOE.	NA	
Each year, the percent of students in the high school accountability cohort passing an English Regents exam with a score of 65 or above by the end of their fourth year will exceed that of the students in the high school accountability cohort from a group of similar schools.	Not Applicable	This will be measured by an analysis of performance compared to CSDs conducted by NYCDOE.	NA	
Each year, the school's aggregate Performance Index on the State ELA exam will meet its Adequate Yearly Progress set forth in the State's No Child Left Behind (NCLB) accountability system.	Not Applicable	NYSED Report	NA	

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<b>Progress Towards Goal Attainment 2009-10</b>				
<b>Goal/Objective: Desired Level of Attainment</b>	<b>Actual Result: Observed Level of Attainment</b>	<b>Measure Used to Indicate Attainment of the Goal/Objective</b>	<b>Was the Goal/Objective Met? (Y/N)</b>	<b>Explanation if Not Met/Efforts to be Undertaken</b>
<b>Mathematics</b>				
Each year, Summit Academy will administer a nationally norm-referenced test of basic skills, such as the Terra Nova or Stanford 10, in September of their first year of enrollment and at the conclusion of each school year. Students will demonstrate longitudinal growth in the core subject of Math and results for cohorts will be tracked over multiple years. On average, cohorts will average 5 percentiles of growth each year until the cohort reaches the 75 <sup>th</sup> percentile.	Results were compromised.	The Stanford 10 test was administered in Math.	NA	Unfortunately, the testing service misplaced our tests and we were unable to receive the results. We are working with Pearson to locate the missing tests and we have sent out the new tests for this year (2010-11) and we expect to have that data.
Each year, 75 percent of 6th – 8th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Mathematics examination upon completion of at least two years of instruction at Summit Academy.	Not Applicable	NYS Math Assessment	NA	
Each year, 75 percent of 9 <sup>th</sup> – 10 <sup>th</sup> grade cohorts will pass the New York State Regents examinations in Math.	Not Applicable	NYS Math Assessment	NA	
For the 2010-11 through 2014-15 school years, grade-level cohorts of students will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State Math exam.	Not Applicable	NYS Math Assessment	NA	
For the 2010-11 through 2014-15 school years, each cohort of students will reduce by one-half the gap between percent passing the Math Regents examination and the previous cohorts' passing rate on the Math Regents examination.	Not Applicable	NYS Regents Math Assessment	NA	

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Progress Towards 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																								
For Years 2 through 5, grade-level cohorts of the same students will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State Math exam (baseline) and 75 percent at or above Level 3 on the current year's State Math exam. If the percentage of students scoring above proficiency in a grade-level cohort exceeded 75 percent on the previous year's Math exam, the school is expected to demonstrate growth (above 75 percent) in the current year.	Not Applicable	The difference will be calculated by subtracting the percentage of students who scored proficient on the NYS Math test enrolled at the school on BEDS day of year 1 from the percentage of the same students who scored proficient on the NYS Math test in year 2 and were continuously enrolled for two consecutive years on BEDS day.)	NA																									
Each year, the percent of students performing at or above Level 3 on the State Math exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of the Community School District in which the school is located.	<table border="1"> <thead> <tr> <th colspan="6">NYS Math Assessment Grade 6 87 Scholars Tested</th> </tr> <tr> <th>Performance Levels</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>Percent Proficient (3&amp;4)</th> </tr> </thead> <tbody> <tr> <td>Summit Academy</td> <td>13</td> <td>48</td> <td>30</td> <td>9</td> <td>39</td> </tr> <tr> <td>District 15</td> <td>8</td> <td>32</td> <td>34</td> <td>26</td> <td>60</td> </tr> </tbody> </table>		NYS Math Assessment Grade 6 87 Scholars Tested						Performance Levels	1	2	3	4	Percent Proficient (3&4)	Summit Academy	13	48	30	9	39	District 15	8	32	34	26	60		Our scholars achieved a mean scale score of 668 on the NYS Math Assessment. Until this year, a scale score of 650 was the cutoff score for proficiency. Close analysis of Math test results indicate 13 scholars scored 4 points or less below the newly established benchmark for proficiency. Summit Academy did our best work with scholars who came in the most behind. The average scholar who did not test as proficient in the prior year gained 15 points in math. 70% of non-proficient scholars gained ground in math. We will continue to use
NYS Math Assessment Grade 6 87 Scholars Tested																												
Performance Levels	1	2	3	4	Percent Proficient (3&4)																							
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<b>Goal/Objective: Desired Level of Attainment</b>	<b>Actual Result: Observed Level of Attainment</b>	<b>Measure Used to Indicate Attainment of the Goal/Objective</b>	<b>Was the Goal/Objective Met? (Y/N)</b>	<b>Explanation if Not Met/Efforts to be Undertaken</b>
				data to drive our instruction and reinforce the skills necessary to get the students above the new proficiency levels.
Each year, the percent of students in the high school accountability cohort passing an Math Regents exam with a score of 65 or above by the end of their fourth year will exceed that of the students in the high school accountability cohort from a group of similar schools.	Not Applicable	This will be measured by an analysis of the performance compared to CSDs conducted by NYCDOE.	NA	
Each year, the school's aggregate Performance Index on the State Math exam will meet its Adequate Yearly Progress set forth in the State's No Child Left Behind (NCLB) accountability system.	Not Applicable	NYSED Report	NA	
<b>Science</b>				
Each year, 75 percent of 9th – 10th grade who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Science examination upon completion of at least two years of instruction at Summit Academy.	Not Applicable	NYS Science 8 Assessment	NA	
Each year, the percent of students in the high school accountability cohort passing an Science Regents exam with a score of 65 or above by the end of their fourth year will exceed that of the students in the high school accountability cohort from a group of similar schools.	Not Applicable	This will be measured by an analysis of performance compared to CSDs conducted by NYCDOE.	NA	

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Each year, the school’s aggregate Performance Index on the State Science exam will meet its Adequate Yearly Progress set forth in the State’s No Child Left Behind (NCLB) accountability system.	Not Applicable	NYSED Report	NA	
<b>Social Studies</b>				
Each year, 75 percent of 9th – 10th grade who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Social Studies examination upon completion of at least two years of instruction at Summit Academy.	Not Applicable	NYS Social Studies Regents Exam	NA	
Each year, 75 percent of 9th – 10th grade cohorts will pass the New York State Regents examinations in Social Studies.	Not Applicable	NYS Social Studies Regents Exam	NA	
Each year, the percent of students in the high school accountability cohort passing an Social Studies Regents exam with a score of 65 or above by the end of their fourth year will exceed that of the students in the high school accountability cohort from a group of similar schools.	Not Applicable	This will be measured by an analysis of performance compared to CSDs conducted by NYCDOE.	NA	
<b>Foreign Language Goals</b>				
Each year, the percent of students in the high school accountability cohort passing an Language other than English Regents exam with a score of 65 or above by the end of their fourth year will exceed that of the students in the high school accountability cohort from a group of similar schools.	Not Applicable	NYS Foreign Language Assessments	NA	

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<b>School Goals</b>				
From years 2-4, the school will receive a “B” or higher on the Student Progress section of the NYCDOE Progress report.	Not Applicable	NYCDOE Progress Report	NA	
Each year, the school will be deemed “In Good Standing.”	Not Applicable	New York State AYP Determination of the Federal Title I component of the state’s “school accountability system.”	NA	
Each year, the school will have a daily student attendance rate of at least 95 percent.	94%	This will be measured by school reported data from an attendance tracking system. This figure will be calculated by: sum of the total number of days absent for each child in the school divided by the total number of possible school days times the total number of students.	N	We will continue to monitor the students who are frequently absent from school to determine if the reason is illness or other. A plan for habitually absent students will be developed and agreed upon by the family and Summit Academy.
Each year, 95 percent of all students enrolled on the last day of the school year will return the following September, exclusive of students who have moved outside of New York City.	93%	This will be measured by school reported data including reasons given when students transfer to another school.	N	Summit Academy tracks the reasons given by families when scholars do not return. As the school grows, so will the culture we are creating for our students. Our hope is that all scholars will become more committed to the learning environment and the college opportunities that Summit Academy can offer.

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Each year, Summit Academy will comply with all applicable laws, rules, regulations and contract terms including, but not limited to, the New York Charter Schools Act, the New York Freedom of Information Law, the New York Open Meetings Law, the federal Individuals with Disabilities Education Act, and federal Family Educational Rights and Privacy Act.	Summit Academy has generally and substantially complied with all applicable laws, rules and regulations. The school's staff has been trained with respect to all applicable procedures and systems. The staff is empowered to identify and address any possible legal or compliance issues and report these matters to the Board or its counsel.	Board Policies and Meetings	Y	
Each year, 100% of Summit Academy students will perform age-appropriate service in the community for one hour per month.	<b>100% of our scholars performed community service.</b> 54% completed greater than 10 hours throughout the school year, an average of one hour per month. However, some students completed significantly more than 10 hours per year.	Service will be assigned by the Dean of Student Life and community service partners will complete school issued documentation to track student service. Community Service will be performed after school and on the weekends. Students who do not complete monthly community service will receive Afterschool Administrative Consequences.	N	Scholar community service is non-curriculum-based and recognized by and/or arranged through the school. Community service is: mandatory; includes explicit learning objectives, organized reflection or critical analysis activities; and may include activities that take place on or off of school grounds depending on the grade. This year, offered several community service opportunities including: canned food drive, toy drive, caroling and pediatric ward visitation, administrative

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				assistance on campus, and Prospect Park clean up, IKEA Walk for Cancer. 100% of our scholars participated in community service, but we will continue to work to get them out <b>each month</b> to contribute, learn and benefit from the program.
Each year, 85% of visitors to Summit Academy, utilizing a common rubric, will indicate that students exhibit strong social skills, character or citizenship during their visit.	100% of visitors who completed the survey answered Satisfactory, Good or Exemplary to the 9 questions regarding what they witnessed at school. 90% indicated they would return or recommend SACSNY to a friend or potential scholar.	Visitors will complete a visitor survey at the completion of visit.	Y	
Each year, student enrollment will be within 15% of full enrollment as defined in the school's contract.	The chartered enrollment for 2009-10 is 100 students, and the actual ending student enrollment is 95, 5% less.	This will be measured each year by an analysis of student enrollment figures in ATS.	Y	
Upon completion of Summit Academy's first year of operation and every year thereafter, the school will undergo an independent financial audit that will result in an unqualified opinion and no major findings.	No Material Findings	Independent Financial Audit Findings	Y	

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<b>Progress Towards Goal Attainment 2009-10</b>				
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Each year, Summit Academy will operate on a balanced budget and maintain a stable cash flow.	The school maintained a positive operating and cash surplus throughout the year and kept within the limits of the budget of operating expenses throughout the school year.	Monthly and weekly financial statements are prepared and analyzed by the Controller or Director of Accounting and then distributed to the school admin and board of directors. Year Ending June 30, 2010 Audited Financial Statement	Y	
Each year, parents will express satisfaction with the school’s program, based on the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic Expectations, Communication, Engagement, and Safety and Respect. The school will only have met this goal if 50% or more parents participate in the survey.	24% of the school’s parents responded as follows: Academic Expectations: 8.5 Communication: 8.0 Engagement: 8.1 Safety and Respect: 8.0  The school also administered an internal parent survey to gain a better understanding of the parent perspective. 90% of our current students’ parents responded and 96% of them answered favorably when asked about the school.	NYCDOE Learning Environment Survey & Internally administered parent survey.	N	The parents who responded to the DOE survey averaged scores greater than 7.5 in each of the four categories. Unfortunately, only 24% of our parents responded to the DOE. We gained additional insight from our scholars’ parents when they responded to the internal survey. In the future, we will monitor the response rate and provide the opportunity to complete the DOE survey at school during a well attended function.
Each year, teachers will express satisfaction with school leadership and professional development opportunities as determined by the teacher section of the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic	60% of the school’s teachers responded as follows: Academic Expectations: 8.5 Communication: 8.4 Engagement: 8.2 Safety and Respect: 8.5	NYCDOE Learning Environment Survey	Y	

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Expectations, Communication, Engagement, and Safety and Respect. The school will only have met this goal if 50% or more teachers participate in the survey.				
Each year, students will express satisfaction with the school as determined by the student section of the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic Expectations, Communication, Engagement, and Safety and Respect. The school will only have met this goal if 50% or more of students enrolled participate in the survey.	82% of the school's students responded as follows: Academic Expectations: 8.1 Communication: 6.7 Engagement: 7.6 Safety and Respect: 6.8  Our scholars also responded to the internal student survey. 92% responded favorably to a variety questions regarding the quality of the school and its programs.	Students in grade 6-12 take the NYCDOE School Survey & Internal Student Survey	N	Although our scholars responded very favorably to the internal survey, there were two domains that did not meet 7.5 on the DOE survey. The two categories that received scores slightly below 7.5 were Communication and Safety & Respect. After analyzing the data, we plan to spend time on character education. We want to make sure our scholars feel comfortable approaching any adult in the school with a problem. We will also focus on respecting oneself, teachers and one another.

SUMMIT ACADEMY CHARTER SCHOOL

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

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Number of students leaving for lack of transportation	0	NA	NA	NA
Number of students leaving for geographic reasons (e.g., out of state/district relocation)	5	NA	NA	NA
Number of students leaving for more restrictive special education setting	1	NA	NA	NA
Number of students leaving due to parental choice (e.g., school transfer closer to residence, local elementary school, parent convenience)	1	NA	NA	NA
Number leaving for other reasons (undetermined)	1	NA	NA	NA
Total number of students leaving.	8	NA	NA	NA
Highest Number Enrolled <i>(July 1 – June 30)</i>	103	NA	NA	NA
<b>Total Percent Attrition</b>	<b>13%</b>	NA	NA	NA

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

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Number of Classroom Teachers	7	NA	NA	NA
Number of Special Area Teachers	3	NA	NA	NA
Total Number of Teachers	10	NA	NA	NA
Total Number of Teachers Leaving	4	NA	NA	NA
<b>Total Percent Attrition</b>	<b>40%</b>	NA	NA	NA

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Number of teachers leaving for geographic reasons (out of state/relocation)	0	NA	NA	NA
Number of teachers leaving to take a position in a school district	1	NA	NA	NA
Number of teachers leaving to take a position in another charter school	1	NA	NA	NA
Number of teachers not retained	2	NA	NA	NA
Number of teachers leaving for other reasons (or undetermined)	<b>0</b>	NA	NA	NA

**Summit Academy  
Charter School**

Financial Report

June 30, 2010

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## Independent Auditor's Report

To the Board of Trustees  
Summit Academy Charter School  
Brooklyn, New York

We have audited the accompanying statements of financial position of Summit Academy Charter School (the "School") as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2010 and for the period from December 16, 2008 (inception date) to June 30, 2009. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Summit Academy Charter School as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the year ended June 30, 2010 and for the period from December 16, 2008 (inception date) to June 30, 2009 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2010 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 audits.

*McGladrey & Pullen, LLP*

New York, New York  
November 1, 2010

**Summit Academy Charter School**

**Statements of Financial Position  
June 30, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Cash	\$ 237,572	\$ 275,222
Restricted Cash	20,013	20,003
Grants, Contracts and Other Receivables	175,332	20,463
Prepaid Expenses and Other Assets	11,443	-
Property and Equipment, net	<u>270,014</u>	<u>1,870</u>
<b>Total assets</b>	<b><u>\$ 714,374</u></b>	<b><u>\$ 317,558</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 206,253</u>	<u>\$ 43,074</u>
<b>Total liabilities</b>	<u>206,253</u>	<u>43,074</u>
Commitment and Contingency		
Net Assets:		
Unrestricted	508,121	224,484
Temporarily restricted	<u>-</u>	<u>50,000</u>
<b>Total net assets</b>	<u>508,121</u>	<u>274,484</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 714,374</u></b>	<b><u>\$ 317,558</u></b>

See Notes to Financial Statements.

**Summit Academy Charter School**

**Statements of Activities**

**Year Ended June 30, 2010 and Period From December 16, 2008 (Inception Date) to June 30, 2009**

	2010			2009		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Operating Support and Revenue:						
State and local per pupil operating revenue	\$ 1,335,629	\$ -	\$ 1,335,629	\$ -	\$ -	\$ -
Government grants and contracts	<u>633,315</u>	<u>-</u>	<u>633,315</u>	<u>72,400</u>	<u>-</u>	<u>72,400</u>
<b>Total support and revenue</b>	<u>1,968,944</u>	<u>-</u>	<u>1,968,944</u>	<u>72,400</u>	<u>-</u>	<u>72,400</u>
Expenses:						
Program services:						
Regular education	931,868	-	931,868	92,538	-	92,538
Special education	<u>466,771</u>	<u>-</u>	<u>466,771</u>	<u>30,685</u>	<u>-</u>	<u>30,685</u>
<b>Total program services</b>	<b>1,398,639</b>	<b>-</b>	<b>1,398,639</b>	<b>123,223</b>	<b>-</b>	<b>123,223</b>
Management and general	<u>316,881</u>	<u>-</u>	<u>316,881</u>	<u>76,454</u>	<u>-</u>	<u>76,454</u>
<b>Total operating expenses</b>	<u>1,715,520</u>	<u>-</u>	<u>1,715,520</u>	<u>199,677</u>	<u>-</u>	<u>199,677</u>
<b>Net revenue (deficit) from school operations</b>	<b>253,424</b>	<b>-</b>	<b>253,424</b>	<b>(127,277)</b>	<b>-</b>	<b>(127,277)</b>
Contributions	51	-	51	355,477	50,000	405,477
Other Miscellaneous Income	10	-	10	7	-	7
Fund-Raising Expenses	(19,848)	-	(19,848)	(3,723)	-	(3,723)
Net Assets Released From Temporary Restrictions	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	<b>283,637</b>	<b>(50,000)</b>	<b>233,637</b>	<b>224,484</b>	<b>50,000</b>	<b>274,484</b>
Net Assets:						
Beginning	<u>224,484</u>	<u>50,000</u>	<u>274,484</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending	<u>\$ 508,121</u>	<u>\$ -</u>	<u>\$ 508,121</u>	<u>\$ 224,484</u>	<u>\$ 50,000</u>	<u>\$ 274,484</u>

See Notes to Financial Statements.

Summit Academy Charter School

Statements of Functional Expenses

Year Ended June 30, 2010 and Period From December 16, 2008 (Inception Date) to June 30, 2009

	2010							2009						
	Program Services			Management and General	Fund- Raising	Total Supporting Services	Total Expenses	Program Services			Management and General	Fund- Raising	Total Supporting Services	Total Expenses
	Regular Education	Special Education	Total					Regular Education	Special Education	Total				
Salaries	\$ 475,086	\$ 259,630	\$ 734,716	\$ 153,110	\$ 13,708	\$ 166,818	\$ 901,534	\$ 27,584	\$ 10,329	\$ 37,913	\$ 7,337	\$ 2,917	\$ 10,254	\$ 48,167
Payroll taxes and employee benefits	99,281	54,256	153,537	31,996	2,865	34,861	188,398	5,608	2,100	7,708	1,492	593	2,085	9,793
Professional fees	25,757	50,451	76,208	86,230	1,400	87,630	163,838	30,742	9,183	39,925	7,112	-	7,112	47,037
Audit fees	-	-	-	3,940	-	3,940	3,940	-	-	-	-	-	-	-
Instructional supplies and materials	152,315	45,496	197,811	-	-	-	197,811	4,401	1,315	5,716	-	-	-	5,716
Office supplies	27,930	9,177	37,107	2,275	517	2,792	39,899	11,715	3,849	15,564	1,004	167	1,171	16,735
Technology	22,290	7,324	29,614	2,229	-	2,229	31,843	285	94	379	28	-	28	407
Insurance	3,773	1,240	5,013	377	-	377	5,390	1,335	439	1,774	134	-	134	1,908
Staff development	56,179	17,446	73,625	21,375	-	21,375	95,000	6,065	1,812	7,877	21,600	-	21,600	29,477
Advertising and recruitment	30,355	9,378	39,733	1,042	-	1,042	40,775	1,520	486	2,006	106	-	106	2,112
Postage, printing and copying	2,871	943	3,814	246	41	287	4,101	3,221	1,058	4,279	276	46	322	4,601
Student meals	3,083	921	4,004	-	-	-	4,004	-	-	-	-	-	-	-
Travel	10,621	3,173	13,794	179	-	179	13,973	62	20	82	6	-	6	88
Depreciation	19,782	6,500	26,282	1,978	-	1,978	28,260	-	-	-	-	-	-	-
Dues, fees and subscriptions	-	-	-	1,650	-	1,650	1,650	-	-	-	750	-	750	750
Repair and maintenance	2,545	836	3,381	254	-	254	3,635	-	-	-	-	-	-	-
Other pre-authorization and miscellaneous expenses	-	-	-	10,000	-	10,000	10,000	-	-	-	36,609	-	36,609	36,609
Events	-	-	-	-	1,317	1,317	1,317	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 931,868</b>	<b>\$ 466,771</b>	<b>\$ 1,398,639</b>	<b>\$ 316,881</b>	<b>\$ 19,848</b>	<b>\$ 336,729</b>	<b>\$ 1,735,368</b>	<b>\$ 92,538</b>	<b>\$ 30,685</b>	<b>\$ 123,223</b>	<b>\$ 76,454</b>	<b>\$ 3,723</b>	<b>\$ 80,177</b>	<b>\$ 203,400</b>

See Notes to Financial Statements.

## Summit Academy Charter School

### Statements of Cash Flows

Year Ended June 30, 2010 and Period From December 16, 2008 (Inception Date) to June 30, 2009

	2010	2009
Cash Flows From Operating Activities:		
Change in net assets	\$ 233,637	\$ 274,484
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	28,260	-
Changes in operating assets and liabilities:		
Increase in restricted cash	(10)	(20,003)
Increase in grants, contracts and other receivables	(154,869)	(20,463)
Increase in prepaid expenses and other assets	(11,443)	-
Increase in accounts payable and accrued expenses	163,179	43,074
<b>Net cash provided by operating activities</b>	<b>258,754</b>	277,092
Cash Used in Investing Activity - acquisition of property and equipment	(296,404)	(1,870)
<b>Net (decrease) increase in cash</b>	<b>(37,650)</b>	275,222
Cash:		
Beginning	275,222	-
Ending	<u>\$ 237,572</u>	<u>\$ 275,222</u>

See Notes to Financial Statements.

## Summit Academy Charter School

### Notes to Financial Statements

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#### Note 1. Principal Business Activity and Summary of Significant Accounting Policies

Principal Business Activity: Summit Academy Charter School (the "School") is a New York State, not-for-profit educational corporation operating as a charter school in the borough of Brooklyn, New York. On December 16, 2008, the Board of Regents of the University of the State of New York granted the School a provisional charter valid for a term of five years and renewable upon expiration. The School's charter states that it will provide instruction to students in the sixth through twelfth grades for a period of five years.

The School bridges the gap between aspirations and realities by preparing sixth through twelfth grade students to gain acceptance to, excel in and graduate from college by using three pillars of success: mastery of core subjects, character building, and community leadership. By engaging students with an academically rigorous, college-preparatory curriculum and supporting them in a community focused on high academic achievement and strong character building, the School prepares the young people to participate meaningfully in the greater economy and expand their choices and opportunities.

Basis of Financial Statement Presentation: The financial statements of the School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Cash and Concentration of Credit Risk: The School's cash in bank accounts is maintained with one financial institution, and balances at times may exceed federally insured limits. The School has not experienced any losses in such accounts.

Grants and Refundable Advances: Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Revenue from federal, state and local grants and contracts is recognized when qualifying expenditures are incurred. Cash received in excess of expenditures incurred is recognized as refundable advances.

Contributions: The School reports gifts of cash and other assets 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 time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Temporarily restricted contributions are recognized as unrestricted when the donor restrictions are met in the same accounting period. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Contributed Services: Contributed services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

A number of volunteers have made a contribution of their time to the School to develop academic and other programs and to serve on the board of trustees. The value of this contributed time is not reflected in the financial statements as such services either do not require specialized skills or would not be typically purchased had they not been provided as donations.

Property and Equipment and Related Depreciation: Property and equipment is recorded at cost. Additions and improvements in excess of \$1,000 with an estimated useful life of more than one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Property and equipment acquired with certain government contract funds is recorded as expenses pursuant to the terms of the contract.

## Summit Academy Charter School

### Notes to Financial Statements

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#### **Note 1. Principal Business Activity and Summary of Significant Accounting Policies (Continued)**

Accounting Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported 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 these estimates.

Subsequent Events: The School evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was November 1, 2010 for these financial statements.

Income Taxes: The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). As a nonprofit organization, the School is subject to unrelated business income tax ("UBIT"), if applicable. For the tax years ended June 30, 2010 and 2009, the School did not owe any UBIT.

On July 1, 2009, the School 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 School 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 technical merits of the position. The tax benefits 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 derecognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Management evaluated the School's tax positions and concluded that the School had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.

New Accounting Standard: In June 2009, the Financial Accounting Standards Board (the "FASB") established the FASB Accounting Standards Codification ("ASC" or the "Codification") as the source of authoritative generally accepted accounting principles ("GAAP") recognized by the FASB to be applied to nongovernmental entities, and rules and interpretative releases of the Securities and Exchange Commission (the "SEC") as authoritative GAAP for SEC registrants. The Codification superseded all the existing non-SEC accounting and reporting standards upon its effective date and, subsequently, the FASB will not issue new standards in the form of statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. This guidance also replaced the prior guidance regarding the GAAP hierarchy given that the guidance within the Codification carries the same level of authority. The Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The guidance is limited to disclosure in the financial statements and the names by which the School refers to GAAP authoritative literature. There was no impact on the School's financial statements.

#### **Note 2. Restricted Cash**

The School maintains an escrow account, pursuant to its charter agreement, to pay off expenses in the event of dissolution of the School.

## Summit Academy Charter School

### Notes to Financial Statements

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#### Note 3. Agreement for School Facility

The School has entered into a verbal agreement (the "Agreement") with the New York City Department of Education for dedicated and shared space at P.S. 27, Agnes Humphrey Campus, a New York City Public School located at 27 Huntington Street, Brooklyn, New York 11231. The Agreement commenced on August 1, 2009 and will terminate in 2013 when the School's charter expires. Pursuant to the terms of the Agreement, the School shall pay \$1 per annum for the use of the shared facility during regular opening hours. The School shall be responsible for any overtime-related costs for services provided beyond regular opening hours.

#### Note 4. Property and Equipment, Net

Property and equipment, at cost, consists of the following as of June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Estimated Useful Life</u>
Furniture and fixtures	\$ 110,115	\$ 1,870	7 years
Computer equipment	107,928	-	3 - 5 years
Construction-in-progress	<u>80,231</u>	<u>-</u>	
	298,274	1,870	
Less accumulated depreciation	<u>(28,260)</u>	<u>-</u>	
	<u>\$ 270,014</u>	<u>\$ 1,870</u>	

During fiscal year 2010, the School signed a term sheet for a 20-year facility lease at 255 Butler Street, Brooklyn, New York 11217. The School is required to pay a one-time fee of \$40,000 to the landlord to hold the space open until July 1, 2011. The School paid \$10,000 at the time of signing of the term sheet and the remaining \$30,000 will be payable upon signing of the actual lease agreement.

The School entered into agreements with several contractors for planning, design, and construction of improvements at this facility. At June 30, 2010, construction-in-progress included costs incurred in connection with the planning and design of approximately 55,000 square feet of classroom and office space at 255 Butler Street.

#### Note 5. Grants, Contracts and Other Receivables

Grants, contracts and other receivables are due in full within one year. Management has evaluated these receivables and concludes that all of these receivables will be collected and no allowance for uncollectible receivables is necessary.

#### Note 6. Contingency

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

## Summit Academy Charter School

### Notes to Financial Statements

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#### **Note 7. Pension Plan**

The School sponsors a 401(k) retirement plan (the "Plan") for its employees. All employees of the School are eligible to participate. Contributions made to the Plan are credited to each individual participant's account maintained under a group annuity contract issued by American Funds. The School matches 100% of the employee's contributions. The School's contribution does not become vested until its second year, when it becomes 50% vested and then is 100% vested after three years. During the year ended June 30, 2010, the School contributed approximately \$22,000 to the Plan.

#### **Note 8. Commitment**

At June 30, 2010, the School has a remaining commitment of approximately \$115,000 with a planning and design contractor for its future facility (see Note 4).

#### **Note 9. Related Party Transactions**

Friends of Summit, Inc., a not-for-profit organization under Section 501(c)(3) of the Code, was established to provide support to social, cultural and educational alternative programs for inner city youth, in Brooklyn, New York, and to sponsor new and the growth of existing programs for youth in Red Hook and South Brooklyn.

An officer of Friends of Summit, Inc. is also an officer of the School. Friends of Summit, Inc. assisted with the establishment of the School and in obtaining its charter. In 2009, the School reimbursed \$35,000 to Friends of Summit, Inc. for costs incurred by the latter in connection with the establishment and other pre-authorization activities performed on behalf of the School.

#### **Note 10. Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2009 consist of contributions restricted for fiscal year 2010.



**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  
Summit Academy Charter School  
Brooklyn, New York

We have audited the financial statements of Summit Academy Charter School (the "School") as of June 30, 2010 and 2009, and for the year ended June 30, 2010 and for the period from December 16, 2008 (date of inception) to June 30, 2009, and have issued our report thereon dated November 1, 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 School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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 and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

*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. We consider the deficiencies described in the accompanying schedule of findings and recommendations as Findings 2010-01, 2010-02 and 2010-03 to be material weaknesses.

*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. We consider the deficiency described in the accompanying schedule of findings and recommendations as Finding 2010-04 to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, the Charter Schools Institute of the State University of New York, and the State Education Department of the University of the State 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  
November 1, 2010

## Summit Academy Charter School

### Schedule of Findings and Recommendations

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#### 2010-01. Accounting for Operating Support Grants

##### Criteria

FASB ASC 958-605-55 stipulates that asset transfers from foundations and other types of entities are contributions if the resource providers receive no value in exchange for the assets transferred. A grant made by a resource provider to a not-for-profit organization would likely be a contribution if the activity specified by the grant is to be planned and carried out by the not-for-profit organization. Under FASB ASC 958-605-25-2, contributions shall be recognized as revenues in the period received.

##### Condition

In fiscal year 2009, the School received pre- and post-authorization grants amounting to approximately \$295,000 from various foundations and other not-for-profit entities. The School recognized a refundable advance of approximately \$295,000 in the 2009 financial statements. The refundable advance of \$295,000 was reclassified as revenue in the 2010 financial statements when the School became fully operational and expenses were incurred.

Our review of the supporting grant agreements and other documentation disclosed that these grants were intended to support the School and they meet the requirements for recognition of contributions revenue under FASB ASC 958-605-25 in fiscal year 2009.

Management has made the necessary adjustments to correct the 2009 and 2010 financial statements.

##### Cause

It appears that the requirements for recognizing grants as contributions revenue or exchange transactions were not properly considered.

##### Effect

If left uncorrected, the 2010 and 2009 financial statements would have been misstated, as follows:

	Misstatement -	
	(Under) Over Statement	
	<u>2010</u>	<u>2009</u>
Liabilities	\$ -	\$ 295,000
Net Assets	-	(295,000)
Revenue	<b>295,000</b>	(295,000)
Change in Net Assets	<b>295,000</b>	(295,000)

##### Recommendation

Going forward, we recommend that there should be a careful review of the grant agreements and an assessment of the characteristics of the grant transaction, from the perspectives of the resource provider and the School, to determine whether a contribution or an exchange transaction has occurred and ensure proper accounting. The School may refer to FASB ASC 958-605-55-8 or Par. 5.41 of the Accounting and Audit Guide for Not-for-Profit Organizations for determining whether the grants received are contributions, exchange transactions or a combination of both.

##### Management's Response

These transactions were recorded as liabilities until the related expenses were incurred because management treated this funding as it treats cost reimbursement grants. Management appreciates the information provided under FASB ASC 958-605-55 and has noted this for future grants that are similar in nature.

## Summit Academy Charter School

### Schedule of Findings and Recommendations

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#### 2010-02. Related Party Transaction

##### Criteria

Transactions with related parties should be properly documented.

##### Condition

During our audit, we noted that a pre-authorization grant amounting to \$35,000 that was solicited by the School to cover certain pre-authorization expenses was not recognized in the 2009 draft financial statements and trial balance that were initially provided to us. Verification disclosed that the said amount was recorded as 2009 contributions revenue by Friends of Summit, Inc. Certain officers of the School are also officers of Friends of Summit, Inc.

Friends of Summit, Inc. assisted in the establishment of the School and in obtaining its charter. The amount of \$35,000 paid for the expenses that Friends of Summit, Inc. incurred in connection with the pre-authorization activities of the School.

Management has corrected the School's 2009 financial statements to reflect the grant revenue and the pre-authorization expenses incurred by Friends of Summit, Inc. on behalf of the School.

##### Cause

Friends of Summit, Inc. incurred the pre-authorization expenses on behalf of the School and no accounting for these transactions was done at the School's financial statement level.

##### Effect

If left uncorrected, the School's 2009 revenue and expenses would have been understated by \$35,000.

##### Recommendation

Going forward, we recommend that supporting grant agreements and other documents should be carefully reviewed to determine whether the School or the related entity could recognize the revenue. We further recommend that there should be a written agreement between the School and the related entity to outline the services that the related entity may provide to the School and that the School may have to reimburse the related entity to cover the costs of such services.

##### Management's Response

Management is in agreement and will implement the recommendation.

## Summit Academy Charter School

### Schedule of Findings and Recommendations

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#### 2010-03. Fiscal Year 2011 Expenses Recognized at June 30, 2010

##### Criteria

Expenses should be recognized in the period incurred.

##### Condition

We noted that fiscal year 2011 expenses amounting to approximately \$69,000 were accrued at June 30, 2010. Management has made the necessary adjustments to the 2010 financial statements to correct this error.

##### Cause

This appeared to be an oversight in recording fiscal year 2011 expenses for items purchased and not yet received as of year-end.

##### Effect

If left uncorrected, the 2010 liabilities and expenses would have been overstated by approximately \$69,000.

##### Recommendation

We recommend that the School strengthen its review procedures for expenses accrued at year-end.

##### Management's Response

Management is in agreement and will implement the recommendation.

#### 2010-04. Control Over Wire Transfer Payments

##### Criteria

As with cash disbursements, wire transfer payments should be properly authorized.

##### Condition

While we noted no instances of improper payments during our test of disbursements, we noted that wire transfer payments were not reviewed and authorized prior to actual transmittal.

When the matter was brought to its attention, management made the necessary arrangements with its bank to set up controls to ensure that a duly authorized officer of the School approves the wire transfer prior to actual transmittal.

##### Cause

The authorization control was not set up when wire transfer arrangements were made with the bank.

##### Effect

Absence of proper authorization control could lead to improper payments.

##### Recommendation

We recommend that the newly adopted authorization control over wire transfer payments be consistently enforced.

##### Management's Response

Management is in agreement and will implement the recommendation.

Section IV

Disclosure of Financial Interest by a Charter School Trustee  
Annual Report 2009-10

Name (print) Robert Brissett

Name of Charter School Summit Academy Charter School

Charter Entity \_\_\_\_\_

Home Address 999 Lennox Road. Brooklyn, NY, 11212

Business Address \_\_\_\_\_

Daytime Phone \_\_\_\_\_

E-Mail Address Rbrissett@gmail.com

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

Board chair, vice chair facilities committee

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.

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

  
 \_\_\_\_\_  
 Signature

10/29/2010  
 \_\_\_\_\_  
 Date

Section IV

Disclosure of Financial Interest by a Charter School Trustee  
Annual Report 2009-10

Name (print) Dorothy Shields

Name of Charter School Summit Academy Charter School

Charter Entity SACS Board Member

Home Address 124 Bush Street. BK, NY, 11231 Apt 1B

Business Address \_\_\_\_\_

Daytime Phone (718) 522-1452

E-Mail Address \_\_\_\_\_

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

Community Outreach

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.

<b>Date(s)</b>	<b>Nature of Financial Interest/Transaction</b>	<b>Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)</b>	<b>Name of person holding interest or engaging in transaction and relationship to yourself</b>
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			

*Dorothy Shields*  
 \_\_\_\_\_  
 Signature

10/30/10  
 \_\_\_\_\_  
 Date

Section IV

Disclosure of Financial Interest by a Charter School Trustee  
Annual Report 2009-10

Name (print) Chaka Pilgrim

Name of Charter School Summit Academy Charter School

Charter Entity \_\_\_\_\_

Home Address 2820 Farragut Road, Brooklyn, NY, 11216

Business Address \_\_\_\_\_

Daytime Phone \_\_\_\_\_

E-Mail Address Chakanork@yphos.com

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

Fundraising committee

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.

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

*Chaka Ferguson*  
 \_\_\_\_\_  
 Signature

10/21/10  
 \_\_\_\_\_  
 Date

Section IV

Disclosure of Financial Interest by a Charter School Trustee  
Annual Report 2009-10

Name (print) Gene Moore -

Name of Charter School Summit Academy Charter School

Charter Entity \_\_\_\_\_

Home Address 40 WETLANDS PL.

Business Address 80 JAMAICA AVE

Daytime Phone 917-985-3989

E-Mail Address moorewetlands@yahoo.com

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

CO-CHAIR FACILITIES COM -

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.

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

*Signature* Gene Moore

*Date* 10/27/10

Section IV

Disclosure of Financial Interest by a Charter School Trustee  
Annual Report 2009-10

Name (print) Floyd Mitchell

Name of Charter School Summit Academy Charter School

Charter Entity \_\_\_\_\_

Home Address 178 E. 117<sup>th</sup> Street Apt 2A New York, NY 10035

Business Address 2000 Purchase St Purchase, NY 10577

Daytime Phone (914) 249-3998

E-Mail Address Floyd.Mitchell@gmail.com

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

- Board Ties

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 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	None	None	None

*Floyd Mitchell*  
 \_\_\_\_\_  
 Signature

Oct. 25, 2010  
 \_\_\_\_\_  
 Date

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.

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

*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.

Natasha Campbell  
Print Name, School Leader

Natasha Campbell 10/19/10  
Signature and Date

ROBERT BRISNET  
Print Name, President, Board of Trustees

Robert Brunt 10/20/10  
Signature and Date



Juan Carlos Soto