

**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** South Bronx Classical Charter School

**Primary Address** 977 Fox St. Bronx, NY 10459

**Telephone** 718-860-4340 **Fax** 718-860 4125

**BEDS #** 321200860898

**District/CSD of Location** District 12

**Charter Entity** New York City Department of Education

**Date School First Opened for Instruction** 8/23/06

**School Leader** Lester Long

(print name)

**E-mail Address of School Leader** LLONG@SOUTHBRONXCLASSICAL.ORG

**President, Board of Trustees** C. Stephen Baldwin

(print name)

**E-mail Address and Phone Number of Board President** csbaldwin@hotmail.com

## ***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](mailto:charterschools@mail.nysed.gov) and James Conway in the Office of Audit Services at [fsandals33@mail.nysed.gov](mailto: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](mailto: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**

<i>Year of Test</i>	<b>Grade 3</b>				<b>Grade 4</b>				<b>Grade 5</b>				<b>Grade 6</b>				<b>Grade 7</b>				<b>Grade 8</b>			
	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4
<b>2009-10 – All Students</b>	4	46	44	7	0	53	47	0																
<b>General Education Students</b>	4	42	47	8	0	51	49	0																
<b>Special Education Students</b>	0	0	100	0	0	0	100	0																
<b>2008-09 – All Students</b>	0	14	81	5																				
<b>General Education Students</b>	0	8	87	5																				
<b>Special Education Students</b>	0	100	0	0																				
<b>2007-08 – All Students</b>																								
<b>General Education Students</b>																								
<b>Special Education Students</b>																								
<b>2006-07 – All Students</b>																								
<b>General Education Students</b>																								
<b>Special Education Students</b>																								

*New York State Assessment Results*

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

<i>Year of Test</i>	<b>Grade 3</b>				<b>Grade 4</b>				<b>Grade 5</b>				<b>Grade 6</b>				<b>Grade 7</b>				<b>Grade 8</b>			
	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4
<b>2009-10 – All Students</b>	0	16	51	33	9	19	56	25	1															
<b>General Education Students</b>	0	13	53	34	0		57	26																
<b>Special Education Students</b>	0	50	25	25	0	100	0	0																
<b>2008-09 – All Students</b>																								
<b>General Education Students</b>	0	0	81	19																				
<b>Special Education Students</b>	0	0	79	21																				
<b>2007-08 – All Students</b>	0	0	100	0																				
<b>General Education Students</b>																								
<b>Special Education Students</b>																								
<b>2006-07 – All Students</b>																								
<b>General Education Students</b>																								
<b>Special Education Students</b>																								

**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>	
<b>Listening &amp; Speaking (Gr. K-1)</b>	2009-10																
	2008-09	8	0	0	63	38	8	0	0	63	38	0	NA	NA	NA	NA	
	2007-08																
	2006-07																
<b>Reading &amp; Writing (Gr. K-1)</b>	2009-10																
	2008-09	8	0	0	75	25	8	0	0	75	25	0	NA	NA	NA	NA	
	2007-08																
	2006-07																
<b>Listening &amp; Speaking (Gr. 2-4)</b>	2009-10																
	2008-09	18	0	0	6	94	16	0	0	0	100	2	0	0	50	50	
	2007-08																
	2006-07																
<b>Reading &amp; Writing (Gr. 2-4)</b>	2009-10																
	2008-09	18	0	28	67	6	16	0	31	63	6	2	0	0	100	0	
	2007-08																
	2006-07																
<b>Listening &amp; Speaking (Gr. 5-6)</b>	2009-10																
	2008-09																
	2007-08																
	2006-07																
<b>Reading &amp; Writing (Gr. 5-6)</b>	2009-10																
	2008-09																
	2007-08																
	2006-07																

**Other Student Assessment Data  
2009-10**

Name of Test: TERRANOVA

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	6/8/10-6/9/10	69	0	0	0	63	Passing, On Grade Level	98.6%	
1	6/8/10-6/9/10	55	0	0	0	55	Passing, On Grade Level	92.7%	
2	6/8/10-6/9/10	49	0	0	0	49	Passing, On Grade Level	87.8%	
3	6/8/10-6/9/10	57	0	0	0	57	Passing, On Grade Level	80.7%	
4	6/8/10-6/9/10	36	0	0	0	36	Passing, On Grade Level	88.9%	

\* 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.”

**Other Student Assessment Data  
2009-10**

Name of Test: TERRANOVA

Subtest: Language

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	6/8/10-6/9/10	69	0	0	0	63	Passing, On Grade Level	92.9%	
1	6/8/10-6/9/10	55	0	0	0	55	Passing, On Grade Level	96.4%	
2	6/8/10-6/9/10	49	0	0	0	49	Passing, On Grade Level	100%	
3	6/8/10-6/9/10	57	0	0	0	57	Passing, On Grade Level	86.0%	
4	6/8/10-6/9/10	36	0	0	0	36	Passing, On Grade Level	86.1%	

\* 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 assessment

**Other Student Assessment Data  
2009-10**

Name of Test: TERRANOVA

Subtest: Math

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	6/8/10-6/9/10	69	0	0	0	63	Passing, On Grade Level	100%	
1	6/8/10-6/9/10	55	0	0	0	55	Passing, On Grade Level	100%	
2	6/8/10-6/9/10	49	0	0	0	49	Passing, On Grade Level	98.0%	
3	6/8/10-6/9/10	57	0	0	0	57	Passing, On Grade Level	86.0%	
4	6/8/10-6/9/10	36	0	0	0	36	Passing, On Grade Level	94.4%	

\* 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 Goals 2009-2010

Charter School Name: SOUTH BRONX CLASSICAL CHARTER SCHOOL  
School Year: 2009-2010

Goal/Objective: Desired Level of Attainment	Actual Result: Observed Level of Attainment	Measure Used To Indicate Attainment of The Goal/Objective	Met? (Y/N)	Explanation if Not Met
80% of SBCCS students will score Level 3 or higher on the State ELA  80% of SBCCS third graders will score Level 3 or higher on the City-Wide ELA Test;  the SBCCS average score on the State ELA will exceed the average score of District 7 and District 9, of Region 1, and of the City as a whole; and	49.5%  N/A  SBC: 49.5% D7: 23.1% D9: 25.4% D12: 27.1% R2: N/A City: 42.3% State: %	State ELA  State ELA	N  Y	SBCCS experienced a significant decline in the 2010 State ELA exam, compared to 2009 (86% of SBCCS students scored a Level 3 or higher). While this was largely due State-Wide changes in the cut scores, SBCCS has revamped its K-5 ELA curriculum in the 2010-2011 school year.
beginning in grade 2, each cohort of SBCCS students will improve their literacy scores by an average of 4 percentiles per year, as	Average fourth grade NCE in 2010 (77.3%) minus average third grade NCE in 2008 (67.6%) =	TerraNova	Y	

measured by the Stanford-10 exam.	9.7%	Average third grade NCE in 2010 (65.6%) minus average second grade NCE in 2009 (67.1) = -1.5%	TerraNova	N	Our second grade performed far better than expected this year, while our third grade focused on success on the State tests.
80% of all SBCCS students will score at Level 3 or higher on the State Math Test;	82.8%	State Math Test	Y		
80% of all SBCCS third grade students will score at Level 3 or higher on the City-Wide Math Test;	N/A	TerraNova	Y		
the SBCCS average score on the State Math Test will exceed the average score of District 7 and District 9, of Region 1, and of the City as a whole; and	SBC: 82.8% D7: 35% D9: 30.5% D12: 37.1% R2: N/A City: 54% State: %	State Math Test	Y		
beginning in grade 2, each cohort of SBCCS students will improve their math scores by an average of 4 percentiles per year, as measured by the Stanford-10 exam.	Average fourth grade NCE in 2010 (93.8%) minus average third grade NCE in 2009 (81.7%) = 12.1%	TerraNova	Y		
60% of all SBCCS fourth grade students will score at Level 3 or higher on the State Science Test.	Average third grade NCE in 2010 (66.3%) minus average second grade NCE in 2009 (73.5%) = -7.2%	TerraNova	N	Our second grade performed far better than expected this year, while our third grade focused on success on the State tests.	
60% of all SBCCS fifth grade students will score at Level 3 or higher on the State Social Studies Test.	N/A	TerraNova	N/A	N/A	

<p>100% of SBCCS students will perform age-appropriate service in the community for 4 hours per month.</p> <p>85% of visitors to SBCCS, utilizing a common rubric, will indicate that students exhibited strong social skills, character, or citizenship during their visit.</p>	<p>4 hours</p> <p>&gt;85%</p>	<p>Length of community gathering and projects; instruction by teachers and Dean of Students</p> <p>General conversation with parents, chartering authorities, various organizations, and other visitors</p>	<p>Y</p>	
<p>90% of students being promoted to the next grade will demonstrate proficiency in all core subjects as evidenced by scoring a Level 3 or Level 4 on all applicable City and State assessments or achieving proficiency on the Developmental Reading Assessment, an attendance rate of at least 93%, and successful completion and mastery of all assigned coursework and homework.</p>	<p>State ELA scores</p> <p>State Math scores</p> <p>DIBELS and TerraNova assessments</p> <p>Attendance Rates</p> <p>Coursework review</p>			
<p>The average daily attendance ("ADA") rate will be at least 95% each year</p>	<p>95.5%</p>	<p>Powerschool student information system</p>	<p>Y</p>	
<p>the SBCCS waiting list will exceed 1.5 applications per available seat</p>	<p>400 applicants on waitlist for 75 seats</p> <p>5.3</p>	<p>Aggregate of Wait List across all grades</p>	<p>Y</p>	
<p>SBCCS will retain its students at an annual rate of 90% or more during the term of its charter</p>	<p>39 students were discharged with a total of 267 = 85.4%</p>	<p>Powerschool student information system</p>	<p>N</p>	<p>A larger number of SBCCS families moved out of the city and/or state than in previous years. Additionally, we found that several students in the upper grades left SBCCS to attend</p>

				charter schools that offer 6 <sup>th</sup> -8 <sup>th</sup> grades.
SBCCS will use GAAP independently verified through an annual external audit; and  SBCCS will produce financial reports demonstrating fiscal transparency and sound financial standing.	Hired auditing firm.  Exceeded all financial goals as set forth by the Department of Education:	Fruchter, Rosen, and Company, P.C.	Y	
85% of SBCCS parents through an annual anonymous survey will consider SBCCS a "safe" school.  85% of SBCCS parents through an annual anonymous survey will indicate strong communication between school and home regarding student achievement.	99%  99%	2009 – 2010 New York City Department of Education Learning Environment Survey  2009 – 2010 New York City Department of Education Learning Environment Survey	Y  Y	

## ***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	7	2	4
Number of students leaving for geographic reasons (e.g., out of state/district relocation)	20	5	9	4
Number of students leaving for more restrictive special education setting	1	2	0	2
Number of students leaving due to parental choice (e.g., school transfer closer to residence, local elementary school, parent convenience)	11	8	4	3
Number leaving for other reasons (undetermined)	7	0	0	0
Total number of students leaving.	39	22	15	13
Highest Number Enrolled (July 1 – June 30)	274	234	201	143
<b>Total Percent Attrition</b>	<b>14.2%</b>	<b>9.4%</b>	<b>7.5%</b>	<b>9.5%</b>

**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	17	15	12	9
Number of Special Area Teachers	3	3	1	1
Total Number of Teachers	20	18	13	10
Total Number of Teachers Leaving	3	5	3	2
<b>Total Percent Attrition</b>	<b>15%</b>	<b>28%</b>	<b>23%</b>	<b>20%</b>

	<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)	2	0	2	0
Number of teachers leaving to take a position in a school district	0	0	0	1
Number of teachers leaving to take a position in another charter school	0	0	0	0
Number of teachers not retained	0	1	1	1
Number of teachers leaving for other reasons (or undetermined)	1	4	3	0

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### Section III

## Guidelines for Audits of the Financial Statements of Charter Schools

The New York charter schools act of nineteen hundred ninety-eight requires that a charter school “shall be subject to the financial audits, the audit procedures, and the audit requirements set forth in the charter. Such procedures and standards shall be applied consistent with generally accepted accounting and audit standards. Independent fiscal audits shall be required at least once annually.”

These guidelines are provided to assist charter schools in New York State and their auditors through the annual audit process. The guidelines are also intended to provide some uniformity in the reporting by charter schools and to assist the Board of Regents in meeting its responsibilities for ensuring accountability over public funds and for reporting annually to the Governor and Legislature on the status of charter schools.

Each audit should meet the following minimum standards:

#### Audit Requirements:

- An independent and licensed Certified Public Accountant or Public Accountant should perform the audit.
- The audits should be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.
- If the charter school spends \$500,000 or more in federal awards during the fiscal year, an independent audit as prescribed in the federal Office of Management and Budget Circular A-133 must also be completed and filed with the federal government and the State Education Department.

#### Reporting Requirements:

- The sample format for the financial statements is provided in accordance with Section 2851 of the Education Law.
- The financial statements should be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for not-for-profit organizations.
- All statements required by Financial Accounting Standards Board (FASB) Statement No. 117, *Financial Statements of Not-for-Profit Organizations*, should be presented including a Statement of Financial Position, Statement of Activities and Statement of Cash Flows. Required note disclosures and others that are deemed appropriate should be included.
- A supplemental schedule of functional expenses, in a format consistent with the attached, should be included and subject to the auditing procedures applied in the audit of the general purpose financial statements. Such supplemental schedule is not a required part of the general purpose financial statements and should be included for the purposes of additional analysis.
- When applicable, the auditor should prepare and submit a management letter. A copy of the management letter should be submitted with the financial statements along with the school’s corrective action plan to address any weaknesses identified in the report or the management letter.

- Reports (the independent auditor's report on the financial statements, report on compliance, report on internal control over financial reporting, management letter, and federal Single Audit, if applicable) must be submitted in electronic form within 120 days of the end of the charter school fiscal year to the following addresses:

State Education Department  
Office of Audit Services  
89 Washington Avenue Room 524 EB  
Albany, New York 12234  
[fsandals33@mail.nysed.gov](mailto:fsandals33@mail.nysed.gov)

State Education Department  
Charter School Office  
89 Washington Avenue Room 462 EBA  
Albany, New York 12234  
[charterschools@mail.nysed.gov](mailto:charterschools@mail.nysed.gov)

**SOUTH BRONX CLASSICAL CHARTER SCHOOL**

**FINANCIAL STATEMENTS**

**JUNE 30, 2010**

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
FINANCIAL STATEMENTS  
JUNE 30, 2010

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FRUCHTER ROSEN & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
156 WEST 56<sup>TH</sup> STREET  
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600  
FAX: (212) 957-3696

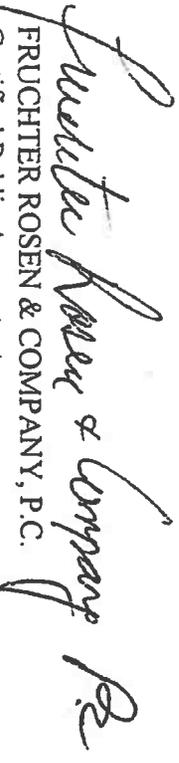
INDEPENDENT AUDITORS' REPORT  
TO THE BOARD OF TRUSTEES  
SOUTH BRONX CLASSICAL CHARTER SCHOOL

We have audited the accompanying statement of financial position of South Bronx Classical Charter School (the "School") (a not-for-profit corporation) as of June 30, 2010 and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2010 and the changes in its net assets and its cash flows for the year then ended, 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 August 24, 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 on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

New York, New York  
August 24, 2010

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2010

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,819,202
Grants and contracts receivable	61,692
Prepaid expenses	4,806
Total current assets	<u>2,885,700</u>
Property and equipment, net of accumulated depreciation and amortization of \$276,004	263,745
Restricted cash	<u>70,674</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,220,119</u></b>
LIABILITIES AND UNRESTRICTED NET ASSETS	
Current liabilities:	
Accounts payable and accrued expenses	\$ 58,821
Accrued payroll and payroll taxes	<u>158,808</u>
Total current liabilities	<u>217,629</u>
Contingency	-
Unrestricted net assets:	
Undesignated	2,702,490
Board-designated for facility fund	<u>300,000</u>
Total unrestricted net assets	<u>3,002,490</u>
<b>TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS</b>	<b><u>\$ 3,220,119</u></b>

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

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

Revenue and support:	\$	3,471,523
State and local per pupil operating revenue		285,532
Federal grants		36,806
State and city grants		29,450
Contributions		7,710
Interest income		<u>3,831,021</u>
Total revenue and support		
Expenses:		
Program services		2,313,779
Regular education		170,850
Special education		<u>2,484,629</u>
Total program services		
Supporting services		499,022
Management and general		3,500
Fundraising		<u>2,987,151</u>
Total expenses		
Change in unrestricted net assets		843,870
Unrestricted net assets - beginning of year		<u>2,158,620</u>
Unrestricted net assets - end of year	\$	<u><u>3,002,490</u></u>

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

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	\$		843,870
Change in unrestricted net assets			
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:			
Depreciation and amortization		111,810	
Abandonment of property and equipment		(1,114)	
Changes in certain assets and liabilities:			
Decrease in grants and contracts receivable		51,398	
Decrease in in prepaid expenses		19,279	
(Increase) in restricted cash		(70,674)	
Increase in accounts payable and accrued expenses		3,816	
Increase in accrued payroll and payroll taxes		40,380	
NET CASH PROVIDED BY OPERATING ACTIVITIES			998,765
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property and equipment		(90,730)	
NET INCREASE IN CASH AND CASH EQUIVALENTS			908,035
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		1,911,167	
CASH AND CASH EQUIVALENTS - END OF YEAR			\$ 2,819,202

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

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

Nature of Organization

South Bronx Classical Charter School (the "School") is a New York State, not-for-profit educational corporation that was incorporated on October 7, 2005 to operate a charter school pursuant to Article 56 of the Education Law of the State of New York. The School was granted a provisional charter on October 7, 2005, valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The School's mission is to provide its students with a solid foundation for academic success, through achievement that exceeds citywide averages and meets or exceeds New York State standards and national norms in all curriculum areas tested, especially in mathematics and language arts. The School provided education to approximately 270 students in kindergarten through fourth grade in the 2009-2010 academic year.

The School shares space with a New York City public school beginning in August 2006. The School is not responsible for rent, utilities, custodial services, maintenance and school safety services other than security related to the School's programs that take place outside the district's school day. As of June 30, 2010, the Board of Trustees has designated \$300,000 as a facility fund to be available to meet future needs of the School.

Food and Transportation

The New York City Department of Education provides free lunches directly to some of the School's students. Such costs are not included in these financial statements. The School covers the unreimbursed cost of lunches for children not entitled to the free lunches. The Office of Pupil Transportation provides free transportation to the majority of the students during the district's school days.

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as a School described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii).

Basis of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") No. 958-205 which provides guidance for the classification of net assets. The amounts for each of the three classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

Basis of Presentation (Continued)

Unrestricted

Unrestricted net assets of the School are assets whose use has not been restricted by an outside donor or by law. The unrestricted net assets represent the portion of expendable funds that are available for the support of the operations of the School.

Temporarily Restricted

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time or period or for a specific purpose. Temporarily restricted gifts are recorded as additions to temporarily restricted net assets in the period received. When restricted net assets are expended for their stipulated purpose, temporarily restricted net assets become unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

Permanently Restricted

Permanently restricted net assets are those contributions and other inflows of assets whose use by the School is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by actions of the School. The income derived from these permanently restricted funds is usually classified as unrestricted and can be used for the general purpose of the School.

The School has no temporarily or permanently restricted net assets at June 30, 2010.

Revenue and Support

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations. Restricted contributions and grants that are made to support the School's current year activities are recorded as unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value.

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agency.

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

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

Concentration of Credit Risk

Financial instruments which potentially subject the School to concentrations of credit risk are cash and cash equivalents. The School places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of \$250,000 per institution at various times during the year. The School believes that there is little risk in any losses and has not experienced any losses in such accounts.

Property and Equipment

Purchased property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding, whereas the government agency retains legal title to the long lived asset is expensed as incurred. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Furniture and fixtures	7 years
Computer equipment	5 years
Library books	3 years
Software	5 years

Restricted Cash

Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution should it occur.

Deferred Revenue

The School records certain government operating revenue as deferred revenue until related services are performed, at which time they are recognized as revenue.

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

Recent Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the School has updated references to GAAP in its financial statements issued for the year ending June 30, 2010. The adoption of FASB ASC 105 did not impact the School's financial position or results of operations.

The School adopted the provisions of ASC 740, Income Taxes, as of July 1, 2009. This standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements and prescribes a recognition threshold and measurement standard for the financial statement recognition and measurement of income tax position taken or expected to be taken in a tax return. The School has reviewed its tax positions for open tax years and has concluded that the adoption of this standard did not have an impact on the financial statements of the School.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE  
Grants and contracts receivable consist of federal and city entitlements. The School expects to collect these receivables within one year.

NOTE 3 - PROPERTY AND EQUIPMENT

Furniture and fixtures	\$	168,547
Computer equipment		157,638
Library books		161,468
Software		<u>52,096</u>
Less: Accumulated depreciation and amortization		276,004
		<u>\$ 263,745</u>

Depreciation and amortization expense was \$111,810 for the year ended June 30, 2010.

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

NOTE 4 - RELATED PARTY TRANSACTIONS

The School is an affiliate of Friends of South Bronx Classical Inc. ("Friends of SBC"), a New York State not-for-profit corporation. Friends of SBC supports the School through technical and financial assistance. There were no transactions between the School and Friends of SBC for the year ended June 30, 2010, and there were no outstanding balances due from/to Friends of SBC at June 30, 2010. Friends of SBC ceased operations during the year ended June 30, 2010.

NOTE 5 - CONTINGENCY

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

NOTE 6 - REVENUE CONCENTRATION

The School receives a substantial portion of its support and revenue from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

NOTE 7 - FUNCTIONAL ALLOCATION OF EXPENSE

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expense includes those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

NOTE 8 - PENSION PLAN

The School maintains a pension plan qualified under Internal Revenue Code 401(k) for the benefit of its eligible employees. Under the plan, the School provided matching contributions of 4% to the plan. The amount charged to operations for fees and matching contributions to this plan amounted to \$26,050 for the year ended June 30, 2010.

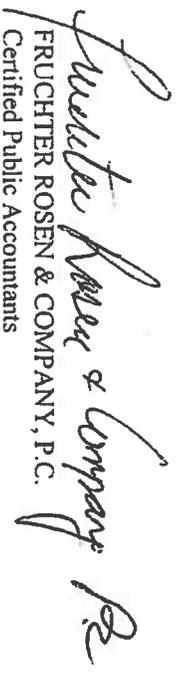
FRUCHTER ROSEN & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
156 WEST 56<sup>TH</sup> STREET  
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600  
FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT  
ON ADDITIONAL INFORMATION

TO THE BOARD OF TRUSTEES  
SOUTH BRONX CLASSICAL CHARTER SCHOOL

Our report on our audit of the basic financial statements of South Bronx Classical Charter School (a not-for-profit corporation) for year ended June 30, 2010 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

New York, New York  
August 24, 2010

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010

	Regular Education	Special Education	Total Program Service	Management and General	Fundraising	Total
Salaries	\$ 1,624,051	\$ 83,251	\$ 1,707,302	\$ 311,004	\$ -	\$ 2,018,306
Benefits and taxes	327,015	16,655	343,670	62,559	-	406,229
Staff development	26,501	1,133	27,634	5,860	-	33,494
Consultants - Education	61,132	56,733	117,865	-	-	117,865
Consultants - Professional	-	-	-	20,113	3,500	23,613
Accounting/Auditing Fees	-	-	-	20,280	-	20,280
Textbooks/Curriculum	28,879	1,235	30,114	-	-	30,114
Student transportation	10,357	443	10,800	-	-	10,800
Food	17,769	760	18,529	-	-	18,529
Communication/Technology	20,563	1,054	21,617	4,088	-	25,705
Equipment rental/Lease	17,809	913	18,722	3,540	-	22,262
Printing and copying	900	46	946	179	-	1,125
Marketing/Recruiting	5,195	266	5,461	1,033	-	6,494
Supplies and materials	57,013	2,437	59,450	37,745	-	97,195
Travel	1,003	-	1,003	251	-	1,254
Insurance	20,481	1,050	21,531	4,070	-	25,601
Facility	4,507	231	4,738	895	-	5,633
Repairs and maintenance	1,156	59	1,215	230	-	1,445
Depreciation and amortization	89,448	4,584	94,032	17,778	-	111,810
Miscellaneous	-	-	-	9,397	-	9,397
<b>Total expenses</b>	<b>\$ 2,313,779</b>	<b>\$ 170,850</b>	<b>\$ 2,484,629</b>	<b>\$ 499,022</b>	<b>\$ 3,500</b>	<b>\$ 2,987,151</b>

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CERTIFIED PUBLIC ACCOUNTANTS  
156 WEST 56<sup>TH</sup> STREET  
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600  
FAX: (212) 957-3696

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  
SOUTH BRONX CLASSICAL CHARTER SCHOOL

We have audited the financial statements of South Bronx Classical Charter School (“the School”) as of and for the year ended June 30, 2010, and have issued our report thereon dated August 24, 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.

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 controls such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

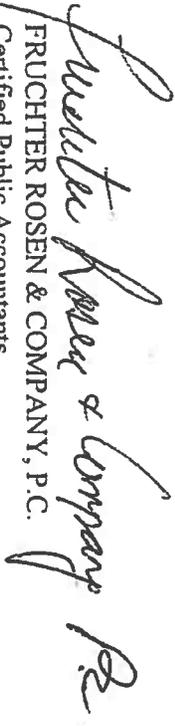
TO THE BOARD OF TRUSTEES  
SOUTH BRONX CLASSICAL CHARTER SCHOOL

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*.

We noted certain matters that we reported to the management of the School in a separate letter dated August 24, 2010.

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

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

New York, New York  
August 24, 2010

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
MANAGEMENT LETTER

JUNE 30, 2010

FRUCHTER ROSEN & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
156 WEST 56<sup>TH</sup> STREET  
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600  
FAX: (212) 957-3696

August 24, 2010

Audit Committee of the Board of Trustees  
South Bronx Classical Charter School  
977 Fox Street  
Bronx, NY 10459

In planning and performing our audit of the financial statements of South Bronx Classical Charter School (the "School") as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting (internal control) 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. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

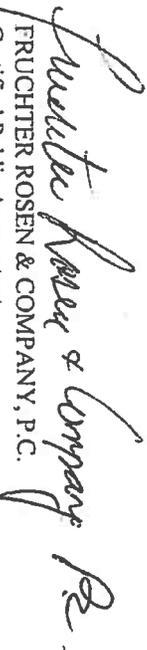
Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Exhibit 1 that accompanies this letter summarizes corrective actions taken by the School on prior year observations.

Audit Committee of the Board of Trustees  
South Bronx Classical Charter School

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

We appreciate your cooperation and the assistance we received during the course of our audit.

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

New York, New York  
August 24, 2010

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
MANAGEMENT LETTER  
JUNE 30, 2010

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**EXHIBIT I – CORRECTIVE ACTIONS TAKEN ON PRIOR YEAR OBSERVATIONS**

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<b>B. Credit Card Expense</b>	<b>2</b>
<b>C. Registration with the Charities Bureau</b>	<b>2</b>
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SOUTH BRONX CLASSICAL CHARTER SCHOOL  
MANAGEMENT LETTER

EXHIBIT 1 – CORRECTIVE ACTIONS TAKEN ON PRIOR YEAR OBSERVATIONS

In conjunction with performing the audit of the School's financial statements for the year ended June 30, 2010, we followed up on the status of implementation of audit recommendations made for the year ended June 30, 2009. The status update on those matters is summarized below.

A. ESCROW ACCOUNT FOR DISSOLUTION

Observation

Under the provision of its charter, the School must establish an escrow account to pay for legal and audit expenses that would be associated with a dissolution should it occur. The School established a separate interest bearing money market account and is in compliance with the annual reserve requirements. Accounts set up in lieu of an escrow account (e.g. savings, checking, money market, and certificate of deposit, etc.) are deemed unacceptable with recently updated NYC Department of Education policy.

Recommendation

The School should establish an escrow account where monies are held by an escrow agent (usually an attorney) to pay for legal and audit expenses associated with dissolution should it occur. The escrow agent should hold the funds in an interest bearing account where the School may withdraw the interest earned. This will improve the School's cash management practices when preparing an operating budget and cash projections.

Management's Response

Management is in agreement and will implement the recommendation.

Current Year Status

The NYC Department of Education has not enforced this policy and has not provided further guidance and clarification regarding the proper set up of the escrow account. The School established an escrow that is controlled by the Board of Trustees.

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
MANAGEMENT LETTER

B. CREDIT CARD EXPENSE

Observation

During our audit, we reviewed four monthly credit card statements issued to the School's Executive Director. Even though all credit card payments were adequately supported by receipts, invoices, and other documentation, there was no written documentation supporting approval for payment by an independent person serving on the governing body.

Recommendation

The School should establish a process requiring written evidence of approval of the Executive Director's credit card charges by a person on the Board of Trustees (e.g. treasurer or a finance committee member).

Management's Response

Management is in agreement and will implement the recommendation.

Current Year Status

Management has implemented the recommendation. During our test of credit card statements for fiscal 2010, we did not note any material exceptions.

C. REGISTRATION WITH THE CHARITIES BUREAU

Observation

The School did not register with the New York State Charities Bureau.

Recommendation

Even though the School is exempt from filing a New York State annual report (form Char 500), the School should register with the New York State Charities Bureau. A proper registration will establish the School as an organization exempt from annual state filings and the assigned state registration number might be useful for future reference, grant applications, and other business activities. The form used to register is Char 410.

Management's Response

Management is in agreement and will implement the recommendation.

Current Year Status

The School has implemented the recommendation.

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
MANAGEMENT LETTER

D. UPDATING THE FINANCIAL POLICIES AND PROCEDURES MANUAL

Observation

Although the School previously adapted and implemented a formal financial policies and procedures manual (the “manual”), we concluded pursuant to our review of these written policies and procedures, that certain procedures should be included in the manual in order to achieve a sufficient internal control structure. The following procedures, comments and suggestions, among others, will help improve the School’s ability to process, record, summarize and report financial information.

- *Revenue recognition* - The manual states procedures for processing and recording cash receipts and deposits. The manual does not establish any policies and procedures for recording revenue on an accrual basis which is required by accounting principles generally accepted in the United States of America (GAAP).  
Following are key components of the revenue recognition function:
  - Reconciliation of revenue to books and records
  - Accounting for per-pupil funding
  - Accounting for government cost reimbursement grants
  - Pledges and present value discounting
  - Donated services, goods, long-lived assets and facilities
  - Accounting for unrestricted and restricted pledges
  - Recording and valuation of stock contributions from donors
  - Requirement for an audit under the guidance of OMB Circular A-133 when federal support for the fiscal year exceeds \$500,000.
  - Recognition of advances on grants or contracts recorded as liabilities to the School until earned.
- *Grant and contract management* - To ensure that the School is in compliance with specific grant requirements and with government laws and regulations, the following procedures should be incorporated in the manual:
  - Grant management procedures should be performed on a monthly basis to ensure that grant billings are adequately supported, recorded on a timely basis and reflect the terms and conditions of the grant.
  - Program cost are posted in the accounting software for each funding source and ensure that revenue, deferred revenue and grants receivable are properly recorded on the statement of financial position.
  - Structuring the accounting software to incorporate cost centers in its general ledger where grant expenditures are tracked, summarized, and reviewed for grant compliance.
- *Budgeting procedures* - Policies and procedures on budget management should be added. The budget should be consistent with prior experience and programmatic priorities and should be in a format to allow for comparison to actual and prior year results.  
Procedures should also include:
  - Development of the School’s budget
  - Details on projected enrollment, per pupil funding, federal grants and any other revenue
  - Details on budgeted expenses
  - Approval by the Board of Trustees of the final budget and any material changes during the year

SOUTH BRONX CLASSICAL CHARTER SCHOOL  
MANAGEMENT LETTER

D. UPDATING THE FINANCIAL POLICIES AND PROCEDURES MANUAL (Continued)

- *Employee files and payroll* - Policies and procedures only include steps for processing payroll; the School should also include the following policies and procedures:
  - Establishment, maintenance and securing of employee files
  - New employee procedures - an investigation, including checking prospective employee's former employers and references should be made for all candidates.
  - Policy and methodology for calculating bonus payments to employees.
  - Periodic reconciliation of gross payroll from the payroll register to the accounting records in the general ledger.
  - The School should maintain a "desk-top procedures" manual for key personnel who have the sole understanding of a given job, accounting, and computer function. This will help in the unplanned loss of personnel.
- *Closing of books and records*
  - Generating of a monthly financial package for the Board of Trustees
  - Account analysis
- *Computer systems* - Develop a formal, detailed data processing contingency plan that addresses pertinent actions and responsibilities in the event of a major system malfunction
- *Record retention policies*
- *Cash management*
- *Capital assets policy*

Recommendation

Many daily procedures inevitably become known only to the individuals who perform them and the departure of any of these individuals could have a significant negative impact on the School's operations. We recommend that consideration be given to updating the manual wherein finance and accounting policies and procedures are clearly defined. Such a manual should also include, among others, a description of methods and procedures to be followed, including explanations and illustrations.

Management's Response

Although management is currently practicing most of the recommended procedures, management is in agreement and will implement the recommendations.

Current Year Status

The School developed and implemented a new formal policies and procedures manual during the 2010 fiscal year that included all observations listed above. The manual was reviewed and approved by the Board of Trustees.

Section IV

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

Name (print) C. STEPHEN BALDWIN

Name of Charter School South Bronx Vocational Charter School

Charter Entity NYC DOE

Home Address 110 Riverside Drive, Apt. 12-F, NY NY 10024

Business Address Same

Daytime Phone 212 496-6267

E-Mail Address c.baldwin@hotmail.com

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

Board Chair, 2006-present

2. Is the trustee an employee of the School? \_\_\_ Yes X 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 X No

5. Is the trustee an employee or agent of any institutional partner of the School? \_\_\_ Yes X 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
N/A			

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
N/A			

*C. Stephen Robinson*  
 \_\_\_\_\_  
*Signature*

*27 October 2010*  
 \_\_\_\_\_  
*Date*

Section IV

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

Name (print) Melissa Brown

Name of Charter School SOUTH BRONX CLASSICAL CHARTER SCHOOL

Charter Entity NEW YORK CITY DEPARTMENT OF EDUCATION

Home Address 300 W 55th Street, Apt 502, New York, NY 10019

Business Address 745 7th Avenue, New York, NY 10019

Daytime Phone 413-281-9720

E-Mail Address melb\_jam@hotmail.com

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

Treasurer - Sept 2009 - 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.  NOT APPLICABLE

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/T 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	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

Missie Sporn  
Signature

10/25/2010  
Date

Section IV

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

Name (print) Wei Deng

Name of Charter School SOUTH BRONX CLASSICAL CHARTER SCHOOL

Charter Entity NEW YORK CITY DEPARTMENT OF EDUCATION

Home Address 144 West 10th St. Apt. 15 New York, NY 10014

Business Address 346 Park Ave. Floor 5 New York, NY 10022

Daytime Phone 502-645-2834

E-Mail Address Xiao.wen.deng@gmail.com

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

Board member

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. NOT APPLICABLE

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/TTransaction</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* \_\_\_\_\_

*Date* 10/22/19

*Section IV*

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

Name (print) Kathryn Moore Heleniak

Name of Charter School SOUTH BRONX CLASSICAL CHARTER SCHOOL

Charter Entity NEW YORK CITY DEPARTMENT OF EDUCATION

Home Address 1035 Park Ave, Apt. 11 A, NY, NY 10028

Business Address Art History & Music Department, Fordham University, Bronx, NY 10458

Daytime Phone 212-722-6863

E-Mail Address Kheleniak@aol.com

1. List all positions, current or past, with dates, held on the board (e.g., officer (specify), committee chair, parent representative):  
Vice-Chair, 2010-; Committee member (Education, Development)  
\_\_\_\_\_  
\_\_\_\_\_

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. NOT APPLICABLE

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	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

*Kathryn M. Delanick*  
 \_\_\_\_\_  
*Signature*

23 Oct, 2010  
 \_\_\_\_\_  
*Date*

Section IV

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

Name (print) William F. Higgins

Name of Charter School SOUTH BRONX CLASSICAL CHARTER SCHOOL

Charter Entity NEW YORK CITY DEPARTMENT OF EDUCATION

Home Address 1192 Park Ave APT 14B

Business Address 1192 Park Ave APT 1E

Daytime Phone 212-426-7757, 201-444-4467

E-Mail Address billhiggins.net

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

Development Committee / Finance 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. NOT APPLICABLE

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

Oct 22, 2010  
 \_\_\_\_\_  
 Date

Section IV

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

Name (print) Lawrence G. Hirsch

Name of Charter School SOUTH BRONX CLASSICAL CHARTER SCHOOL

Charter Entity NEW YORK CITY DEPARTMENT OF EDUCATION

Home Address 357 Beek Spring Road, South Orange, NJ 07074

Business Address 46 Hudson Federal Plaza NYC NY 10278

Daytime Phone (202) 542-7147

E-Mail Address lhirsch02@msn.com

1. List all positions, current or past, with dates, held on the board (e.g., officer (specify), committee chair, parent representative):  
former Vice-President  
\_\_\_\_\_  
\_\_\_\_\_
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. NOT APPLICABLE
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	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

10/25/10  
 \_\_\_\_\_  
 Date

*Section IV*

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

Name (print) LESTER LONG

Name of Charter School SOUTH BRONX CLASSICAL CHARTER SCHOOL

Charter Entity NEW YORK CITY DEPARTMENT OF EDUCATION

Home Address 785 WEST END AVE NEW YORK NEW YORK 10025

Business Address 977 FOX STREET BRONX NEW YORK 10459

Daytime Phone 718 860 4125

E-Mail Address LLONG@SOUTHBRONXCLASSICAL.ORG

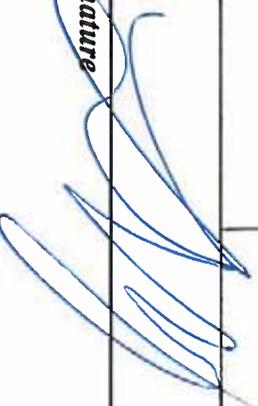
1. List all positions, current or past, with dates, held on the board (e.g., officer (specify), committee chair, parent representative):  
TRUSTEE 2006 -PRESENT  
\_\_\_\_\_  
\_\_\_\_\_
2. Is the trustee an employee of the School?  X  Yes  No
3. If you checked Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date. EXECUTIVE DIRECTOR 2006 - PRESENT
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*

10/25/2010  
 \_\_\_\_\_  
*Date*

Section IV

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

Name (print) VICTOR LOPEZ

Name of Charter School South Bronx Classical Charter School

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

Home Address RALB SCHEURZ AVE. # 84 Bx. N.Y. 10465

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

Daytime Phone 1-718-509-5486

E-Mail Address Vlopez888@gmail.com

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

BOARD MEMBER

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

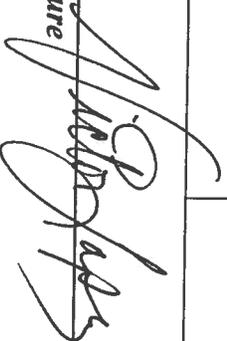
5. Is the trustee an employee or agent of any institutional partner of the School? \_\_\_ Yes  No

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

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

Signature 

Date 10-26-10

*Section IV*

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

Name (print) J. Kevin Murphy

Name of Charter School SOUTH BRONX CLASSICAL CHARTER SCHOOL

Charter Entity NEW YORK CITY DEPARTMENT OF EDUCATION

Home Address 1170 Fifth Avenue, New York, New York 10029-6527

Business Address P.S. /M.S. 96 Joseph C. Lanzetta School, 216 E.120<sup>th</sup> St., N.Y. N.Y. 10035

Daytime Phone 917-502-0765

E-Mail Address murphy.jkevin@gmail.com

1. List all positions, current or past, with dates, held on the board (e.g., officer (specify), committee chair, parent representative):  
Secretary, Education Committee Chair, 2005-2010  
\_\_\_\_\_  
\_\_\_\_\_
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. NOT APPLICABLE
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	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

*P. Kevin Murphy*  
 \_\_\_\_\_  
*Signature*

*10/22/2010*  
 \_\_\_\_\_  
*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.

Lester Long \_\_\_\_\_  
Print Name, School Leader

 \_\_\_\_\_  
Signature and Date

10/27/10

C. STEPHEN BALDWIN  
Print Name, President, Board of Trustees

C. Stephen Baldwin 10/27/10  
Signature and Date

State of: NY  
County of: BROOK  
Subscribed and sworn to before me this  
27 day of October, 2010  
Rosalind Pooran  
ROSALIND POORAN, Notary Public  
My Commission Expires January 8, 2011

ROSALIND POORAN  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01PO6158678  
Qualified in Queens County  
My Commission Expires January 08, 2011