

GREEN TECH HIGH CHARTER SCHOOL

FINANCIAL STATEMENTS

JUNE 30, 2010

GREEN TECH HIGH CHARTER SCHOOL

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JOHN A. CIMINO, CPA, OF COUNSEL

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Green Tech High Charter School

We have audited the accompanying statement of financial position of Green Tech High Charter School as of June 30, 2010 and the related statements of activities and change in net assets, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Green Tech High Charter 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 Green Tech High Charter School as of June 30, 2010, and the change in its net assets and 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 October 28, 2010 on our consideration of Green Tech High Charter 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 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 28, 2010

GREEN TECH HIGH CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010

ASSETS

Current Assets

Cash	\$ 172,385
Grants and Contracts Receivable	64,852
Accounts Receivable	182,767
Prepaid Expense	359
Inventory	<u>3,740</u>

Total Current Assets 424,103

Property and Equipment - Net 186,107

Total Assets \$ 610,210

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 231,724
Accrued Payroll and Benefits	152,694
Deferred Income	<u>10,000</u>

Total Current Liabilities 394,418

Long-Term Liabilities

Compensated Absences 7,282

Total Liabilities 401,700

Net Assets

Unrestricted 208,510

Total Liabilities and Net Assets \$ 610,210

GREEN TECH HIGH CHARTER SCHOOL
 STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Other Support:			
Public School District			
Resident Student Enrollment	\$ 1,744,696	\$ -	\$ 1,744,696
Students with Disabilities	106,061	-	106,061
Grants and Contracts			
Federal - Title and IDEA	156,906	-	156,906
Federal - Other	449,943	-	449,943
Food Service/Children Nutrition Program	<u>76,671</u>	<u>-</u>	<u>76,671</u>
Total Revenue, Gains and Other Support	<u>2,534,277</u>	<u>-</u>	<u>2,534,277</u>
Expenses:			
Program Services			
Regular Education	1,805,338	-	1,805,338
Special Education	521,113	-	521,113
Other Programs	<u>168,283</u>	<u>-</u>	<u>168,283</u>
Total Program Services	2,494,734	-	2,494,734
Management and General	570,767	-	570,767
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>3,065,501</u>	<u>-</u>	<u>3,065,501</u>
Deficit from School Operations	<u>(531,224)</u>	<u>-</u>	<u>(531,224)</u>
Support and Other Revenue:			
Contributions			
Foundations	313,595	-	313,595
Individual	2,560	-	2,560
Corporations	2,393	-	2,393
Fundraising	1,043	-	1,043
Interest Income	530	-	530
Miscellaneous Income	<u>129,097</u>	<u>-</u>	<u>129,097</u>
Total Support and Other Revenue	449,218	-	449,218
Decrease in Net Assets	(82,006)	-	(82,006)
Net Assets, Beginning of Year	<u>290,516</u>	<u>-</u>	<u>290,516</u>
Net Assets, End of Year	<u>\$ 208,510</u>	<u>\$ -</u>	<u>\$ 208,510</u>

GREEN TECH HIGH CHARTER SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

Cash Flows Provided by Operating Activities:

Decrease in Net Assets \$ (82,006)

Adjustments to Reconcile Decrease in Net Assets
to Net Cash Provided by Operating Activities:

Depreciation 44,432

Changes in Operating Assets and Liabilities

Decrease (Increase) in Assets

Grants and Contracts Receivable (23,714)

Accounts Receivable (131,643)

Prepaid Expense 3,328

Inventory (3,740)

(Decrease) Increase in Liabilities

Accounts Payable and Accrued Expenses 200,198

Accrued Payroll and Benefits 51,895

Deferred Income 10,000

Compensated Absences 1,727

Net Cash Provided by Operating Activities 70,477

Cash Flows Used in Investing Activities

Purchase of Property and Equipment (108,934)

Net Decrease in Cash and Cash Equivalents (38,457)

Cash and Cash Equivalents, Beginning of Period 210,842

Cash and Cash Equivalents, End of Period \$ 172,385

GREEN TECH HIGH CHARTER SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Program Services</u>			<u>Supporting Services</u>	<u>Total</u>
	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Programs</u>	<u>Management and General</u>	
Salaries	\$ 805,067	\$ 385,789	\$ -	\$ 252,766	\$ 1,443,622
Benefits and Payroll Taxes	143,841	68,052	-	39,088	250,981
Contracted Services	20,713	-	77,982	55,811	154,506
Educational Materials	67,587	2,128	325	20,071	90,111
Extracurricular Activities	1,459	-	-	-	1,459
Field Trips	6,923	-	200	-	7,123
Insurance	13,070	1,307	1,867	2,106	18,350
Maintenance and Repairs	70,386	7,130	9,871	13,954	101,341
Marketing and Recruitment	-	-	-	28,632	28,632
Miscellaneous	1,359	-	-	8,810	10,169
Postage and Delivery	-	-	-	5,319	5,319
Professional Services	-	-	-	11,200	11,200
Rent	476,070	47,608	68,010	88,412	680,100
Sports	18,118	-	-	-	18,118
Staff Development	4,941	656	-	1,325	6,922
Supplies and Materials	14,741	161	-	22,787	37,689
Telephone and Internet	12,222	1,988	-	8,023	22,233
Textbooks	58,878	-	-	-	58,878
Transportation (Student)	130	-	-	-	130
Travel (General)	592	-	-	2,768	3,360
Uniforms	14,651	-	-	578	15,229
Utilities	38,917	3,892	5,560	7,228	55,597
Depreciation	<u>35,673</u>	<u>2,402</u>	<u>4,468</u>	<u>1,889</u>	<u>44,432</u>
Total Expenses	<u>\$ 1,805,338</u>	<u>\$ 521,113</u>	<u>\$ 168,283</u>	<u>\$ 570,767</u>	<u>\$ 3,065,501</u>

1. ORGANIZATION AND PURPOSE

Organization

The mission of the Green Tech High Charter School (the “School”) is to prepare young men to complete high school with a Regents diploma so they will have the opportunity to attend college or choose an alternative, responsible career path as they enter adulthood. The School will succeed in this mission by providing a complete college preparatory high school curriculum that ensures every student will attain the skills and coursework necessary for a Regents diploma, including the use of computer technology with an added knowledge and understanding of the environment.

The School is exempt from Federal and State income tax under §501(c)(3) of the Internal Revenue Code and comparable New York State Law. The School is designated as a publicly supported organization which is not a private foundation under §509(a) of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The financial statements of the School have been prepared in accordance with the accrual basis of accounting.

Support and Expenses

Grants and pledges received are measured at their fair values and reported as an increase in net assets. The School reports grants and pledges as restricted when a portion of their value is assigned to a long-term future use, long-term meaning in excess of one year for the purpose of these statements.

The School reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donated Services and Goods

No amounts have been reflected in the financial statements for donated services, while the School has received donated rent as described later. The School pays for services requiring specific expertise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants, Contracts and Accounts Receivable

The School utilizes the allowance method to determine the allowance for doubtful accounts. At June 30, 2010 management determined no allowance was necessary based upon their review of the specific receivables.

Property, Equipment and Depreciation

Property and equipment are reflected at cost, with depreciation provided on a straight-line basis over an estimated useful life of 7 years for furniture, 5 years for equipment and 3 years for software. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Conditional and Unconditional Promises to Give

At June 30, 2010 the School had not received any conditional or unconditional promises to give.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs benefitted. Salaries are allocated based on estimates of total time spent, while other expenses are allocated based on estimates of the resources used.

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 certain reported amounts and disclosures. Actual results could differ from these estimates.

Fair Value Measurement - Definition and Hierarchy

In 2009, the School adopted the provisions of FASB ASC 820-10, (formerly SFAS No. 157), *Fair Value Measurements*. FASB ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement - Definition and Hierarchy (Continued)

The School uses various valuation techniques in determining fair value. FASB ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the School. Unobservable inputs are inputs that reflect the School's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the School has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

The School's cash and cash equivalents are primarily valued utilizing Level 1 inputs.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

The School's current assets (except cash) and current and long-term liabilities are primarily valued utilizing Level 2 inputs.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The School's property and equipment are measured utilizing Level 3 inputs.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the School in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Uncertainty in Income Taxes

In June 2006, the Financial Accounting Standards Board (“FASB”) issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109, Accounting for Income Taxes (“FIN48”)*. FIN 48, now referred to as FASB ASC 740-10, requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur and jeopardize the tax-exempt status. The School implemented this policy in 2009 and its current accounting policy for evaluating uncertain tax positions is in accordance with generally accepted accounting principles. The School has not recognized any benefits from uncertain tax positions in 2010 or 2009 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the balance sheet date of June 30, 2010.

Subsequent Events

The School adopted ASC 855, *Subsequent Events*, which establishes general standards of accounting for, and disclosure of, events that occur after the date of the financial statements but before the financial statements are issued or are available to be issued. In preparing the financial statements and notes thereto, the School has considered subsequent events through October 28, 2010, the date the financial statements were issued.

3. GRANTS, CONTRACTS AND ACCOUNTS RECEIVABLE

At June 30, 2010, grants, contracts and accounts receivable were comprised of the following funding sources:

School District Tuition	\$ 135,708
U.S. Department of Agriculture	5,259
U.S. Department of Education	59,593
Other Receivables	<u>47,059</u>
	<u>\$ 247,619</u>

4. PROPERTY AND EQUIPMENT

Property and equipment are reflected at historical cost, net of related depreciation, and are comprised of the following at June 30, 2010.

Building Improvements	\$ 33,599
Furniture/Fixtures	117,871
Equipment	<u>103,746</u>
Total at Cost	255,216
Less: Accumulated Depreciation	<u>(69,109)</u>
	<u>\$ 186,107</u>

Depreciation expense was \$44,432 for the year ended June 30, 2010.

5. RENTAL OF OFFICE SPACE

The School currently leases facilities through October 31, 2015 from the Brighter Choice Foundation. Net occupancy costs of the lease for the year ended June 30, 2010 was \$680,100. Rent assistance was received from the Foundation in the amount of \$279,996 and recorded as in-kind revenue in the Statement of Activities for the year ending June 30, 2010. Gross occupancy costs for the year ending June 30, 2011 are estimated at \$709,000, and at present time, no rental assistance has been pledged to the School for future years.

Future annual minimum lease payments required under the office leases in the fiscal year ending June 30, are approximated as follows:

2011	\$ 708,600
2012	\$ 720,000
2013	\$ 730,200
2014	\$ 742,200
2015	\$ 748,200

6. CONCENTRATION OF RISK

The School receives a majority of its funding from the residing school districts of each student. Any change in law which governs charter schools could put the School at risk should the districts' requirement to fund charter schools be reduced.

The School does occasionally maintain deposits in excess of federal insured limits. FASB ASC 850-10 identifies this as a possible concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is further managed by maintaining all deposits in high quality financial institutions.

FEDERAL AWARD PROGRAM INFORMATION

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JOHN A. CIMINO, CPA, OF COUNSEL

**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 of
Green Tech High Charter School

We have audited the financial statements of Green Tech High Charter School as of and for the year ended June 30, 2010, and have issued our report thereon dated October 28, 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 Green Tech High Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, others within the School, the Board of Trustees, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 28, 2010

CUSACK & COMPANY
Certified Public Accountants LLC

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JOHN A. CIMINO, CPA, OF COUNSEL

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Green Tech High Charter School

COMPLIANCE

We have audited Green Tech High Charter School's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. Green Tech High Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Green Tech High Charter School's management. Our responsibility is to express an opinion on Green Tech High Charter School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Green Tech High Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Green Tech High Charter School's compliance with those requirements.

In our opinion, Green Tech High Charter School complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

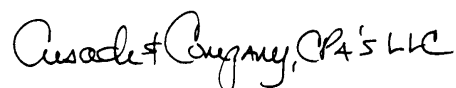
INTERNAL CONTROL OVER COMPLIANCE

Management of Green Tech High Charter School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Green Tech High Charter School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Green Tech High Charter School's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program that will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Trustees of Green Tech High Charter School, others within the entity and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 28, 2010

GREEN TECH HIGH CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
Passed Through New York State Education Department:			
ESEA Title I	84.010	021-10-4490	\$ 75,836
Section 611 and 619, Special Education Flow Through (IDEA)	84.027	-	36,800
Elementary and Secondary School Counseling Demonstration Program	84.215E	-	377,464
Federal Charter Schools Program	84.282	-	72,479
Title II Part A	84.367	147-10-4490	8,640
ESEA Title I, ARRA Funded	84.389	021-10-4490	<u>35,631</u>
 Total U.S. Department of Education			 <u>606,850</u>
<u>U.S. Department of Agriculture</u>			
Passed Through New York State Education Department:			
School Breakfast Program	10.553	-	16,933
School Lunch Program	10.555	-	<u>47,057</u>
 Total U.S. Department of Agriculture			 <u>63,990</u>
 Total Federal Assistance			 <u>\$ 670,840</u>

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the School, which is described in Note 1 to the School's financial statements, using the accrual basis of accounting. Federal awards included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

2. LOANS OUTSTANDING

Green Tech High Charter School has no loan balances outstanding at June 30, 2010.

3. SCOPE OF THE AUDIT PURSUANT TO OMB CIRCULAR A-133

Green Tech High Charter School is a tax-exempt non-profit entity. All federal grant operations of the School are included in the scope of the Single Audit.

4. SUBRECIPIENTS

Of the federal expenditures of \$670,840 for the year ended June 30, 2010, Green Tech High Charter School provided no federal awards to subrecipients.

GREEN TECH HIGH CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION I — SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Control deficiency(s) identified that are not considered to be material weaknesses? Yes none reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? Yes No
- Control deficiency(s) identified that are not considered to be material weakness(es)? Yes No

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Number(s)

84.215E

Name of Federal Program or Clusters

Elementary and Secondary School Counseling
Demonstration Program

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? Yes No

SECTION II — FINANCIAL STATEMENT FINDINGS

No matters noted.

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters noted.

SECTION IV — RESOLUTION OF PRIOR YEAR AUDIT FINDINGS

No matters noted.