

ALBANY COMMUNITY CHARTER SCHOOL

*FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION*

JUNE 30, 2012 AND 2011



ALBANY COMMUNITY CHARTER SCHOOL

TABLE OF CONTENTS
JUNE 30, 2012 AND 2011

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statement of Activities - 2012	4
Statement of Activities - 2011	5
Statements of Cash Flows	6
Notes to Financial Statements	7-12
Other Financial Information	
Statement of Functional Expenses - 2012	13
Statement of Functional Expenses - 2011	14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16

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NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Albany Community Charter School

We have audited the accompanying statements of financial position of Albany Community Charter School as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Albany Community Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Albany Community Charter School as of June 30, 2012 and 2011, and the changes in its net assets and cash flows for the years 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 26, 2012 on our consideration of Albany Community 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 considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 13 and 14 are presented for purposes of additional analysis and are 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 26, 2012

ALBANY COMMUNITY CHARTER SCHOOL

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets		
Cash	\$ 1,214,845	\$ 972,616
Cash - Designated	1,000,000	-
Grants and Contracts Receivable	117,112	55,149
Accounts Receivable	270,385	671,935
Inventory	17,920	19,769
Prepaid Expenses	<u>445,425</u>	<u>88,366</u>
Total Current Assets	3,065,687	1,807,835
Property and Equipment - Net	215,883	187,847
Other Assets		
Security Deposits	<u>157,500</u>	<u>161,160</u>
Total Assets	<u>\$ 3,439,070</u>	<u>\$ 2,156,842</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 215,499	\$ 105,295
Accrued Payroll and Benefits	245,949	215,877
Compensated Absences	<u>12,709</u>	<u>6,665</u>
Total Current Liabilities	474,157	327,837
Net Assets		
Unrestricted	<u>2,964,913</u>	<u>1,829,005</u>
Total Liabilities and Net Assets	<u>\$ 3,439,070</u>	<u>\$ 2,156,842</u>

ALBANY COMMUNITY CHARTER SCHOOL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

Revenue

Public School District

Resident Student Enrollment \$ 5,680,544

Students with Disabilities 31,782

Grants and Contracts

Federal Grants 219,486

Food Service/Children Nutrition Program 292,855

Total Revenue 6,224,667

Expenses

Program Services

Regular Education 3,444,584

Special Education 553,757

Other Programs 710,898

Total Program Services 4,709,239

Management and General

469,268

Total Operating Expenses 5,178,507

Surplus from School Operations 1,046,160

Other Revenue

Fundraising 1,103

Interest Income 3,525

E-rate Income 48,849

Miscellaneous Income 36,271

Total Other Revenue 89,748

Increase in Net Assets 1,135,908

Net Assets, Beginning of Year, as Restated 1,829,005

Net Assets, End of Year \$ 2,964,913

ALBANY COMMUNITY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Revenue

Public School District	
Resident Student Enrollment	\$ 4,672,191
Students with Disabilities	65,676
Grants and Contracts	
Federal Grants	245,732
Food Service/Children Nutrition Program	<u>244,152</u>
Total Revenue	<u>5,227,751</u>

Expenses

Program Services	
Regular Education	3,001,550
Special Education	432,201
Other Programs	<u>600,961</u>
Total Program Services	4,034,712
Management and General	<u>416,866</u>
Total Operating Expenses	<u>4,451,578</u>
Surplus from School Operations	<u>776,173</u>

Other Revenue

Fundraising	552
Interest Income	2,787
E-rate Income	11,163
Miscellaneous Income	<u>1,813</u>
Total Other Revenue	<u>16,315</u>

Increase in Net Assets	792,488
Net Assets, Beginning of Year	<u>1,036,517</u>
Net Assets, End of Year, as Restated	<u>\$ 1,829,005</u>

ALBANY COMMUNITY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows Provided by Operating Activities:		
Increase in Net Assets	\$ 1,135,908	\$ 792,488
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	64,745	69,335
Loss on Asset Dispositions	3,465	-
Changes in Operating Assets and Liabilities:		
<u>(Increase) Decrease in Assets</u>		
Grants and Contracts Receivable	(61,963)	47,063
Accounts Receivable	401,550	(634,564)
Inventory	1,849	(3,785)
Prepaid Expense	(357,059)	(72,021)
Security Deposits	3,660	-
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	110,204	17,492
Accrued Payroll and Benefits	30,072	35,383
Deferred Revenue	-	(17,120)
Compensated Absences	<u>6,044</u>	<u>(6,815)</u>
Net Cash Provided by Operating Activities	<u>1,338,475</u>	<u>227,456</u>
Cash Flows Used in Investing Activities		
Purchase of Property and Equipment	<u>(96,246)</u>	<u>(28,276)</u>
Net Increase in Cash and Cash Equivalents	1,242,229	199,180
Cash and Cash Equivalents, Beginning of Year	<u>972,616</u>	<u>773,436</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,214,845</u>	<u>\$ 972,616</u>

ALBANY COMMUNITY CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

1. ORGANIZATION AND PURPOSE

Organization

Albany Community Charter School (the “School”) is a New York not-for-profit organization preparing students for a lifetime of opportunity by helping them master a primary rigorous, standards-based curriculum focused on literacy and other foundational knowledge.

By aligning the efforts of all members of the school community - student, parent, teacher, principal, board, and civic organizations - we dramatically increase the chances students will be prepared to succeed when they move on to middle school, high school, college, and into the workforce. To achieve that goal, the learning community at the School emphasizes achievement, respect, and positive behavior.

During the 2011-2012 school year, the School had an annualized full-time enrollment of approximately 400 students in grades K through 5.

The School is governed by a Board of Trustees in accordance with the School’s by-laws. The School is a member of the Brighter Choice Foundation, which provides start-up grants, school facilities, revolving loan funds and technical assistance to area charter schools.

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. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION

Financial Statement Presentation

The following summarizes the significant accounting policies consistently applied in the preparation of the School’s financial statements, with references to the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) where applicable.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with FASB ASC “Financial Statements of Not-for-Profit Organizations” utilizing the accrual basis of accounting. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Support and Revenue

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.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Support and Revenue (Continued)

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.

Donated Services

A number of unpaid volunteers have made contributions of their time. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation and it does not meet the reporting requirements of the accounting standards.

Grants, Contracts and Receivables

The School utilizes the allowance method to determine the allowance for doubtful accounts. At June 30, 2012 and 2011 management determined no allowance was necessary based upon their review of the specific receivables.

Inventory

Inventory consists of student uniforms and clothing available for use in the school's everyday operation. The inventory is stated at the lower of cost (on a first-in, first-out basis) or market value and is based on a physical inventory taken by management at June 30, 2012 and 2011.

Property, Equipment and Depreciation

Acquisitions of property and equipment in excess of \$500 are capitalized and recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs not improving or extending the lives of property and equipment is charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of income and retained earnings. Depreciation is provided over the estimated useful life of each class of depreciable assets (ranging from 3 to 15 years) and is computed using the straight-line method.

Conditional and Unconditional Promises to Give

At June 30, 2012 and 2011, the School had not received any conditional or unconditional promises to give.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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

For assets and liabilities measured at fair value on a recurring basis, the Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the School would receive upon selling an asset or be paid to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The School has no assets or liabilities measured at fair value on a recurring basis.

Accounting for Uncertainty in Income Taxes

The Accounting Standards Codification requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The School has not recognized any benefits from uncertain tax positions in 2011 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. Generally, federal, state and local authorities may examine the School's tax-exempt returns for three years from the date of filing; consequently, income tax returns for years prior to 2008 are no longer subject to examination by taxing authorities.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through October 26, 2012, the date the financial statements were available to be issued. No such events or transactions were identified.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION(CONTINUED)

Cash and Cash Equivalents

For purposes of balance sheet classification and the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents. Designated cash represents funds set aside by management for purchase of fixed asset items as necessary in the next fiscal year.

Advertising Costs

The School expenses advertising costs as they are incurred. Advertising costs for the years ended June 30, 2012 and 2011, were \$9,800 and \$7,627, respectively.

Reclassification

Certain 2011 amounts have been reclassified to conform with the current year presentation.

3. GRANTS, CONTRACTS AND ACCOUNTS RECEIVABLE

At June 30, 2012 and 2011, grants, contracts and accounts receivable were comprised of the following funding sources:

	<u>2012</u>	<u>2011</u>
School District Tuition	\$ 270,036	\$ 671,935
U.S. Department of Agriculture	32,086	26,690
U.S. Department of Education	85,026	28,459
Other Receivables	349	-
	<u>\$ 387,497</u>	<u>\$ 727,084</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, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Equipment	\$ 208,886	\$ 190,699
Furniture/Fixtures	216,318	199,017
Leasehold Improvements	<u>71,076</u>	<u>51,686</u>
Total at Cost	496,280	441,402
Less: Accumulated Depreciation	<u>(280,397)</u>	<u>(253,555)</u>
	<u>\$ 215,883</u>	<u>\$ 187,847</u>

Depreciation expense was \$64,745 and \$69,335 for the years ended June 30, 2012 and 2011, respectively.

5. FACILITIES RENTAL

The School leases their primary facility through June 30, 2018 from the Brighter Choice Foundation. Occupancy costs of the lease for the year ended June 30, 2012 and 2011 were \$723,300 and \$717,384, respectively.

Effective July 1, 2012, the School is leasing an additional facility through June 30, 2013 from the Brighter Choice Foundation. The lease is still being finalized by management and is expected to be extended.

Future annual minimum lease payments required under the building lease in the fiscal years ending June 30, are approximated as follows:

2013	\$ 723,300
2014	\$ 729,300
2015	\$ 735,300
2016	\$ 741,300
2017	\$ 747,300

6. RETIREMENT PLAN

The School has adopted a profit-sharing plan under IRC §401(k) covering all eligible employees. The School contributes a matching contribution to each eligible employee's profit-sharing plan at the rate of 4% of the employee's gross compensation for the calendar year. The School's retirement plan expense for the years ended June 30, 2012 and 2011 was \$35,850 and \$32,393, respectively.

7. CONCENTRATION OF RISK

The School receives a substantial portion of its funding from school districts where students reside. Three school districts comprised approximately 83% and 84% of total revenue and support for the years ended June 30, 2012 and 2011, respectively. No other funding sources accounted for more than 10% of total revenue and support.

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.

The School is subject to audits and reviews of reimbursable costs by various governmental agencies. The outcome of the audits and reviews may have the effect of retroactively increasing or decreasing revenue from various services. These charges, if any, will be recognized in accordance with the rules and guidelines established by the various funding sources.

8. RESTATEMENT OF UNRESTRICTED NET ASSETS

The School's net assets as of June 30, 2011 have been restated to correct the financial statements for the following revenue and expense activity:

Accounts Receivable Overstated	\$ (90,147)
Prepaid Expenses Overstated	(46,737)
Net Assets, as Originally Reported, June 30, 2011	<u>1,965,889</u>
Net Assets, as Restated, June 30, 2011	<u>\$ 1,829,005</u>

OTHER FINANCIAL INFORMATION

ALBANY COMMUNITY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Education</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Administrative Personnel	\$ 159,995	\$ -	\$ -	\$ 159,995	\$ 313,033	\$ 473,028
Instructional Personnel	1,689,803	259,255	-	1,949,058	-	1,949,058
Non-Instructional Personnel	<u>7,571</u>	<u>-</u>	<u>-</u>	<u>7,571</u>	<u>17,967</u>	<u>25,538</u>
Total Salaries	1,857,369	259,255	-	2,116,624	331,000	2,447,624
Fringe Benefits and Payroll Taxes	397,281	55,453	-	452,734	70,799	523,533
Retirement	27,205	3,797	-	31,002	4,848	35,850
Legal Service	355	50	-	405	63	468
Accounting and Audit Services	7,911	1,104	-	9,015	1,410	10,425
Other Purchased, Professional and Consulting Services	113,460	88,793	-	202,253	17,743	219,996
Building and Land Lease	548,873	76,613	81,723	707,209	16,091	723,300
Repairs and Maintenance	129,263	18,043	19,246	166,552	3,790	170,342
Insurance	39,858	5,563	5,934	51,355	1,168	52,523
Utilities	38,362	5,355	5,712	49,429	1,125	50,554
Supplies and Materials	56,498	7,886	9,144	73,528	7,405	80,933
Equipment and Furnishings	-	-	-	-	-	-
Staff Development	10,548	1,472	-	12,020	-	12,020
Marketing and Recruitment	7,437	1,038	-	8,475	1,325	9,800
Technology	5,590	780	-	6,370	996	7,366
Food Service	-	-	316,574	316,574	-	316,574
Student Services	117,361	16,382	268,527	402,270	-	402,270
Office Expense	27,119	3,785	4,038	34,942	795	35,737
Depreciation and Other	<u>60,094</u>	<u>8,388</u>	<u>-</u>	<u>68,482</u>	<u>10,710</u>	<u>79,192</u>
Total Expenses	<u>\$ 3,444,584</u>	<u>\$ 553,757</u>	<u>\$ 710,898</u>	<u>\$ 4,709,239</u>	<u>\$ 469,268</u>	<u>\$ 5,178,507</u>

ALBANY COMMUNITY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Education</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Administrative Personnel	\$ 139,602	\$ -	\$ -	\$ 139,602	\$ 277,909	\$ 417,511
Instructional Personnel	1,447,555	229,469	-	1,677,024	-	1,677,024
Non-Instructional Personnel	<u>6,465</u>	<u>-</u>	<u>-</u>	<u>6,465</u>	<u>11,091</u>	<u>17,556</u>
Total Salaries	1,593,622	229,469	-	1,823,091	289,000	2,112,091
Fringe Benefits and Payroll Taxes	316,687	45,600	-	362,287	57,431	419,718
Retirement	24,442	3,519	-	27,961	4,432	32,393
Legal Service	3,776	543	-	4,319	685	5,004
Accounting and Audit Services	10,311	1,485	-	11,796	1,870	13,666
Other Purchased, Professional and Consulting Services	83,044	11,958	-	95,002	15,060	110,062
Building and Land Lease	541,283	77,940	77,983	697,206	20,178	717,384
Repairs and Maintenance	105,435	15,183	15,190	135,808	3,930	139,738
Insurance	34,874	5,022	5,024	44,920	1,300	46,220
Utilities	44,375	6,390	6,393	57,158	1,654	58,812
Supplies and Materials	56,024	8,067	8,697	72,788	7,219	80,007
Equipment and Furnishings	4,253	612	-	4,865	771	5,636
Staff Development	13,694	1,972	-	15,666	-	15,666
Marketing and Recruitment	5,754	829	-	6,583	1,044	7,627
Technology	5,595	806	-	6,401	1,015	7,416
Food Service	-	-	244,194	244,194	-	244,194
Student Services	75,412	10,859	239,711	325,982	-	325,982
Office Expense	26,159	3,767	3,769	33,695	975	34,670
Depreciation and Other	<u>56,810</u>	<u>8,180</u>	<u>-</u>	<u>64,990</u>	<u>10,302</u>	<u>75,292</u>
Total Expenses, Restated	<u>\$ 3,001,550</u>	<u>\$ 432,201</u>	<u>\$ 600,961</u>	<u>\$ 4,034,712</u>	<u>\$ 416,866</u>	<u>\$ 4,451,578</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
Albany Community Charter School

We have audited the financial statements of Albany Community Charter School (a non-profit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 26, 2012. 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

Management of Albany Community Charter School is responsible for establishing and maintaining effective control over financial reporting. In planning and performing our audit, we considered Albany Community 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 Albany Community 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*.

We noted certain matters that we reported to management of the School in a separate letter dated October 26, 2012.

This report is intended solely for the information and use of management, others within the School, and the Board of Trustees 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 26, 2012