

**BEDFORD STUYVESANT COLLEGIATE CHARTER
SCHOOL**

ADVISORY COMMENT LETTER

JUNE 30, 2012



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

October 17, 2012

To the Board of Trustees
Bedford Stuyvesant Collegiate Charter School

In planning and performing our audit of the financial statements of Bedford Stuyvesant Collegiate Charter School (the “Charter School”) as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Charter 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 Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter 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 entity’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 material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During the course of our audit of the financial statements of Bedford Stuyvesant Collegiate Charter School as of June 30, 2012 and for the year then ended, we observed the Charter School’s significant accounting policies and procedures and certain business, financial and administrative practices. As a result of our observations, we suggest you consider the following comments which we do not consider to be significant deficiencies or material weaknesses:

Approval for Transfers of Funds to Uncommon Schools

During our audit, we selected certain transfers made from the Charter School to Uncommon Schools, Inc. (USI) which primarily related to payment of management fees. We noted that in one instance the transfer of funds was not authorized in writing by the Director of Finance.

Recommendation

We recommend the Charter School adhere to their internal control policy requiring approval from both the Director of Operations and USI Director of Finance prior to transferring funds to USI. This will remove any appearance of impropriety as the actual bank transfers are made by USI personnel.

Status of matters included in our letter as of June 30, 2011 dated October 24, 2011:

Dual Signatures

During our audit, we noted three checks over \$5,000 that did not have dual signatures.

Recommendation

We recommend the Charter School adhere to their check signing policy requiring dual signatures for amounts over \$5,000.

Status as of June 30, 2012

During our audit for the current fiscal year we noted one check over \$5,000 that did not have dual signatures.

We believe that the implementation of these recommendations will improve the controls in place and efficiency of the Charter School's internal control.

This communication is intended solely for the information and use of Management, Finance Committee Members and Board Members and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the outstanding cooperation from your staff that our personnel received during the audit of the Charter School's financial statements. Should you have any questions or comments, please contact Shelby Stenson or Kate Welc.

Very truly yours,



MENGEL, METZGER, BARR & CO. LLP