



**Annual Report**  
**2011-2012**

1001 Ridge Road  
Lackawanna, NY. 14218

School Information and Cover Page

School Name: GLOBAL CONCEPTS CHARTER SCHOOL

School Leader: Richard J. Fill, CEO

Primary address: 1001 Ridge Rd., Lackawanna, NY 14218

School website: www.globalccs.org

School email: rfill@globalccs.org

Telephone: 716 - 821 -1903 Fax: 716 - 821 -9563

BEDS # 141800860044

District/CSD of Location: Lackawanna City School District

Charter authorizer: New York State Education Department Board of Regents

Chair, Board of Trustees: Mr. Dawan D. Jones

Date school first opened for instruction: September 2002

2011-2012 Enrollment: 735 students as of June 2012

2011-2012 Grades Served: Kindergarten through Grade 10

Our signatures below attest that all of the information contained herein is truthful and accurate.

RICHARD J. FILL

Print Name, Head of Charter School

Richard J. Fill 7/30/12  
Signature and Date

Dawan D. Jones

Print Name, President, Board of Trustees

Dawan D. Jones  
Signature and Date

**The State Education Department**  
The University of the State of New York

**Office of School Improvement**  
Charter School Office  
471 EBA  
Albany, New York 12234  
518-474-1762

**Annual Report Review Checklist**

2011-2012 School Year

**Charter School: Global Concepts Charter School**

**School Leader: Richard J. Fill, CEO**

**Primary Address: 1001 Ridge road, Lackawanna, NY 14218**

**School website: [www.globalccs.org](http://www.globalccs.org)**

**School email: [rfill@globalccs.org](mailto:rfill@globalccs.org)**

**Telephone: 716-821-1903 Fax: 716821-9563**

**BEDS #: 141800860044**

**District/CSD of location: Lackawanna City School District**

**Charter authorizer: Board of Regents**

**Chair, Board of Trustees: Dawan Jones**

**Management Company (if any): \_\_\_\_\_**

**Date school first opened for instruction: September, 2002**

**Reviewer: Susan Gibbons**

**Date of Review: 11/29/12**

**Instructions:**

Please carefully read the annual reports for all charter schools assigned to you. In the attached chart, please indicate first whether all required sections are present. Then review each section in its entirety and determine whether the response is sufficient (e.g., whether it answers the question being asked).

If information is missing, please note that on the attached chart as well as the date(s) upon which you requested the missing information and the date(s) upon which it was received. Text for a letter requesting missing information is attached.

In addition, carefully review the reported academic achievement data and the “Progress Toward Goals” section. If it appears that the school may not be on track to attain the goals listed in its charter, please document your efforts to discuss the matter with the school and provide any needed technical assistance. Update the school’s “Goal Attainment History” form as necessary.

Report Component	Present – Yes or No	Date Additional Information Requested (If Needed)	Date Additional Information Received	Comments	Follow Up (If Needed)
Report submitted on time to Review Room	8/1 11/13				
Report does not exceed 30 pages	Cannot determine – zip file.				
Required signatures on cover page	Yes				
Table of contents, with page numbers	Yes				
NYS Report Card – direct link	Incorrect link.				
Progress toward goal achievement – Appendix A	Yes			Growth goal of 1.2 grade level equivalents was met.	

				Performance indicators for state standards were met. An ambitious goal of 80-90% proficiency on state assessments has not yet been attained, but progress is being made. The goal of all 8 <sup>th</sup> graders meeting required units of study was met.	
Instructional time – Appendix B	Yes				
Financial information – Appendix C					
Financial statements – Regents-authorized schools only – Appendix D					
FY13 Budget – Regents and NYCDoE – authorized schools – Appendix E					
Charter revisions	Yes				
Board of trustees disclosures – Appendix F	Yes				
Board of trustees membership	Yes				

table - Board of Regents-authorized schools only – Appendix G					
Enrollment and retention targets				Specific strategies for attraction and retention of ELLs and students with disabilities are lacking.	

Text for letter:

Dear (school leader):

Pursuant to §2857.2(a)(b)(c) of New York State Education Law, each charter school is required to submit to its charter entity and the Board of Regents an annual report. The 2011-2012 Annual Report for the XXX Charter School was to be received by the New York State Education Department (NYSED) by August 1, 2012. The Progress toward Charter Goals and independent financial audits were to be submitted to NYSED by November 1, 2012.

The review of the report has been completed. This letter details items that were found to require additional information in terms of compliance with the school’s charter, and applicable laws and regulations. A written response must be submitted to NYSED no later than XXX, 2012. Please provide a response to the following item(s).

-

NYSED recognizes and supports your efforts to operate a successful charter school. That success is, in part, determined by the school's understanding of and compliance with its charter, and applicable laws and regulations. If you have questions or need additional information, please contact me via email at XXX or by phone at 518-474-1762.

Sincerely,

Name of liaison  
Regional Liaison

cc:

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### III. New York State School Report Card

Follow the link below to view Global Concepts Charter School school-level enrollment and demographic information, staff qualifications, electronic records, attendance rates, as prescribed by New York State statues.

<https://www.nystart.gov/publicweb>

## **Charter Revisions**

During the 2011-2012 school year, Global Concepts Charter School applied for and was granted a complete charter renewal for the next four and a half years. The renewal for this period was granted at the January 2012 Board of Regent meeting, after visitation by State Education Department officials and review of the proposed application from the school. Because the original charter for the school was granted in January 2002, with students beginning attendance in September 2002, our current 5 year charter expired in January 2012. The Board of Regent granted us a 4.5 year renewal which will now bring our charter cycle more in line with all other schools, with an end date now of June 30, 2016.

With this new renewal, our plan is to continue the grade level expansion of the high school program to include grades eleven and twelve over the next two school years. This expansion will bring our total high school student population to 300 students for the 2014–2015 school year.

**Required Forms: Appendices**

***Appendix A: Progress Toward Charter Goals***

The following Tables reflect suggested formatting for Board of Regents-authorized charter schools. Schools should feel free to follow formats prescribed by their respective authorizers.

Evidence of Attainment of Academic Goals during Current Charter Term			
Academic Goal or objective	Measure used to evaluate progress toward attainment of goal or objective	Progress toward attainment of goal or objective	If not met, describe efforts to be undertaken to meet goal or objective
<p>1. Each year students will achieve grade level equivalent academic growth as measured by grade level equivalents on the Terra Nova Standardized Test for grades K, 1, and 3 and in reading for grades 3 to 8. Students who are below grade level will be expected to gain 1.2 grade level equivalent changes by the end of each year.</p>	<ul style="list-style-type: none"> <li>Terra Nova grade level equivalent results</li> </ul>	<ul style="list-style-type: none"> <li>In 2008, Terra Nova ELA results revealed that 48% of students were performing at grade level. Of the 51% that were below grade level, 50% increased 1.2 or more in 2010 and another 27% increased in 2011. The 2011 Terra Nova ELA test revealed that 89% of the students reviewed were performing at or above grade level. The 2012 Terra Nova ELA results show that 88.3% of students are at or above grade level in achievement.</li> </ul>	<ul style="list-style-type: none"> <li>Progress toward goal met</li> </ul>
<p>2. Students who have been enrolled in the Global Concepts Charter School for at least three consecutive years will meet New York State Education Learning Standards in core area subjects as established by the New York State Education Department. A grade</p>	<ul style="list-style-type: none"> <li>Performance checklists in core subjects to determine student mastery of key ideas and performance indicators of the NYS Learning Standards</li> </ul>	<ul style="list-style-type: none"> <li>All curriculum written at Global Concepts Charter School is fully aligned to the New York State Learning Standards and Performance Indicators. Short-cycle and long-cycle assessments were also created to measure progress toward the standards and performance indicators, and reveal</li> </ul>	<ul style="list-style-type: none"> <li>Progress toward goal met</li> </ul>

<p>level performance checklist will be used to determine attainment of this goal.</p>		<p>any student in need of academic intervention. Each grade level has curriculum maps for each of the core content subject areas. In each classroom, charts are posted for students to track their progress toward performance indicators.</p>	
<p>3. Annually, Global Concepts Charter School students will experience incremental gains on all required New York State Assessments, starting from the baseline data. This will enable GCCS to reach its goal of maintaining an achievement level of 80 to 90% of the total population of student being proficient (levels 3 or 4) on all NYS Assessments. In addition, GCCS will strive for 100% of students attaining a score of levels 3 or 4 on all NYS assessments.</p>	<ul style="list-style-type: none"> <li>Grades 3 through 8 NYS Assessments in ELA, math, and science</li> </ul>	<ul style="list-style-type: none"> <li>In 2009, 92.5 % of students in grades 3 – 7 scored a level 3 or 4 on the NYS Math Assessment. This success is largely due to the data-driven curriculum and assessments created by the grade level teachers that support the NYS learning standards and performance indicators. In 2010, 75.8% of students in grades 3 through 8 scored a level 3 or 4 on the NYS math assessment. Raw scores indicate an increase in student achievement over prior years, however the cut scores at the end of this year were significantly increased. In 2009, 77.8% of students in grades 3 - 7 scored a 3 or 4 on the NYS ELA Assessment. In 2010, 46.7% of students scored a 3 or 4 on the NYS ELA Assessment. Again, raw scores increased, however cut scores were also significantly increased.</li> </ul>	<ul style="list-style-type: none"> <li>This goal is currently being addressed by the implementation of reader's and writer's workshops in grades K – 8, which in its infancy at GCCS has already proven to increase student performance. Grades 9 – 12 will align the ELA curriculum to the Common Core Standards. All grade levels will vertically align to the NYS standards in the core subject areas. Progress continues to be made toward this goal.</li> </ul>
<p>4. By the end of 8<sup>th</sup> Grade, students at Global Concepts</p>	<ul style="list-style-type: none"> <li>Commissioner's Regulation 100.2 in addition to the GCCS</li> </ul>	<ul style="list-style-type: none"> <li>All students in grade 8 in 2012 met the requirements outlined in</li> </ul>	<ul style="list-style-type: none"> <li>Goal was achieved</li> </ul>

Charter School will meet the requirements for units of study as described in Commissioner's Regulation 100.2.	school schedule for grades 7 and 8	the Commissioner's Regulation 100.2	
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**Appendix B: Instructional Timetable**

This Table is required only of Board of Regents-authorized charter schools.

<b>2011-2012 Instructional Time</b>	
Total number of instructional days for the 2011-2012 school year	182 days
First and last day of the 2011-2012 school year	Sept. 6, 2011 June 21, 2012
Length of school day (please note if schedule varies throughout the week or the year)	7:45 AM to 3:30 PM daily

Appendix C

Global Concepts Charter School

Total Expenditures and Administrative Expenditures per Child

June 30, 2012

Total Expenditures per Child \$12,359.00

(Note – above number does not include capital expenditures or debt service. If these were included the Expenditures per Child would be \$\_\_\_\_\_)

Total Administrative Expenditures per Child \$1,016.47

## **Budget Narrative**

In the preparation of the Global Concepts Charter school budget for the 2012-2013 school year, there were certain assumptions that were made to help determine the overall revenue and expense projections.

### Assumptions:

- There would be no increase in per pupil state funding aid from the various feeder school districts for the coming school year.
- Based on the anticipated funding freeze, an average of \$10,000 per student was used to anticipate district revenues, based on anticipated full enrollment figures.
- As in past revenue projections, we assumed only a 90% receipt of revenue.
- We anticipated no increase in federal Title funding.
- With the continued expansion of the high school curriculum and grade levels, we recognized the need for additional staffing and the potential impact of their placement on the teacher salary schedule for budgeting and benefit costs.
- We increased the projected costs for equipment, supplies, curricular materials and maintenance for the high school expansion project.
- There is an increase in projected employee pension costs to 11.84%.
- We anticipate increasing our advertising costs for both student and professional staff recruitment.
- We anticipated an increase in employee health care costs of approximately 20%, even after major changes in the plan programs last school year, which resulted in savings.

Appendix G: Board of Trustees Membership Table

This Table is required of Board of Regents-authorized charter schools, and optional for charter schools authorized by other chartering entities.

List the board membership and the number of board members joining and leaving the board in the 2010-11 school year.

Current Board Members				
Name	Position on The Board	Committee affiliation(s)	Area of expertise, and/or additional role at school (parent, staff member, etc.)	Number of terms served and length of each, including date of election and expiration
Dawan Jones	Chairman	Finance, Personnel And Progress	Law enforcement	4 <sup>th</sup> term – 3 yrs 2010-2013
Antonio Estrada	Vice-Chair	Finance	Social Services and a Parent	4 <sup>th</sup> term -3 yrs 2009-2012
William Kruger	Secretary	Personnel	Technology and a Parent	2 <sup>nd</sup> term – 3 yrs 2009-2012
Idreas Ahmed	Trustee	NA	Community Liaison and Parent	4 <sup>th</sup> term – 3 yrs 2010-2013
Suzana Mazella	Treasurer	Finance	Medical Insurance Reimbursement	4 <sup>th</sup> term – 3 yrs 2009-2012
Kelly Asher	Trustee	NA	Social Services	1 <sup>st</sup> term – 3yrs 2009-2012
Anthony DeMarco	Trustee	Personnel	Education	1 <sup>st</sup> term – 3 yrs 2010-2013
Total members joining the board during charter term				2
Total members departing the board during the charter term				2

Board members Estrada, Kruger, Asher and Mazella were re-appointed to another three year term, beginning July 2012 through June 2015.

## **ENROLLMENT / RETENTION TARGETS**

During the 2011-12 school year, Global Concepts Charter School had 89% of our students qualify for the free and reduced lunch program. This percentage has remained fairly constant over the past several years. Each year, the teachers and cafeteria staff make a concerted effort to notify parents of the availability of the program and identify those students that qualify to receive this service. Numerous fliers and personal contacts are made during the registration process and throughout the school year to update the lists of students that can receive free or reduced cost lunches.

AS for ESL and students with disabilities, the school network of current students and parents brings in a large pool of potential applicants. Current students' siblings are given preference in the enrollment process and yearly lottery. The school also does a large advertising campaign to ensure that we attract a wide range, diverse group of potential students. Our campaign to attract students includes advertisements on our website, billboards around the local area, including Buffalo and adjoining suburbs, radio, television and newspaper advertisements. We have also begun to link our school advertisements on the various websites for the local media outlets. We have gone to other charter schools and private schools in our area to open recruitment opportunities. During the school year we also have two Open House programs which are widely advertised to entice potential applicants to apply for admission. During these Open Houses, we conduct tours of the buildings, and have staff available to speak with prospective applicants. Because of the continuing academic success that our students are achieving on various state assessment measures, word of mouth has been the biggest recruitment tool that has been successful. We are also engaged with several colleges to promote our talented students for possible advancement towards higher education opportunities. At the present time there are 178 potential students on our waiting lists for kindergarten through grade 11, for the 2012- 2013 school year.



## Organizational Goals Table

Continuous Improvement / Action Plan 2011 – 2014

Phase	Goals	Start Date	✓	Completion Date	Outcome
1. Enhanced ELL Programming	<ul style="list-style-type: none"> <li>increased language skills of ELL learners</li> <li>improved testing scores</li> <li>full literacy emersion</li> <li>develop appropriate, effective, and measurable evaluative tool to assess successes of the program</li> </ul>	9/11			<ul style="list-style-type: none"> <li>increased reading level of English Language Learners</li> </ul>
2. Build Parent Partnership	<ul style="list-style-type: none"> <li>develop and implement middle and high school orientations for both parents and students</li> <li>host events on curriculum and educational programs (e.g. Common Core Standards) and how parents can be part of their child's learning</li> </ul>	9/11			<ul style="list-style-type: none"> <li>increase parent involvement in their child's education and further improve student achievement</li> </ul>
3. Develop Professional Development Plan for all staff	<ul style="list-style-type: none"> <li>set goals</li> <li>create building initiatives</li> <li>as the school is evolving, develop better defined roles and expectations</li> <li>improve communication</li> <li>improve new teacher mentorship program</li> <li>redevelop staff evaluation and observation system to meet changing expectations of state and federal agencies</li> </ul>	9/11			<ul style="list-style-type: none"> <li>help improve communication within school teams</li> <li>provide opportunity for staff at all stages of career to set goals for improvement</li> <li>develop and implement revamped evaluation tool to meet needs for state and federal agencies, i.e. RTTT</li> </ul>
4. Enhance AIS program in reading and math	<ul style="list-style-type: none"> <li>increased language skills of all learners</li> <li>improved testing scores</li> <li>develop appropriate, effective, and measurable evaluative tool to assess successes of the program</li> </ul>	9/11			<ul style="list-style-type: none"> <li>increased reading and math levels for all students</li> <li>improved overall student achievement</li> </ul>
5. Technology Plan	<ul style="list-style-type: none"> <li>implement technology plan</li> <li>improve staff opportunities to use technology with students</li> </ul>	9/11			<ul style="list-style-type: none"> <li>Improved use of technology for students and staff</li> </ul>
6. By 2014, fully implement Common Core Standards	<ul style="list-style-type: none"> <li>Systematically move from NYS Standards to Common Core Standards in compliance with state and federal regulations</li> </ul>	9/11			<ul style="list-style-type: none"> <li>Curriculum, instruction and assessment fully aligned to Common Core Standards</li> </ul>

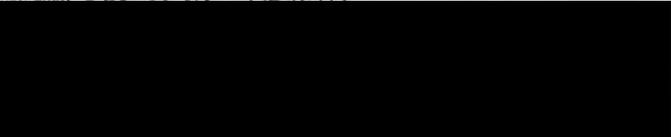
Appendix F: Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2011-2012

\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.

1. Trustee Name (PRINT) Kelly J. Asher  
2. Charter School Name Global Concepts  
3. Charter Authorizer Entity Board of Regents

4. Home Address  
1. Business Address  
2. Daytime Phone  
3. E-Mail Address



4. List all positions held on board (e.g., chair, treasurer, parent representative)  
member

5. Is the trustee an employee of the school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

6. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  
\_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

7. 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 2-4 above, 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
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p><i>None</i></p>			

8. 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, 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**.

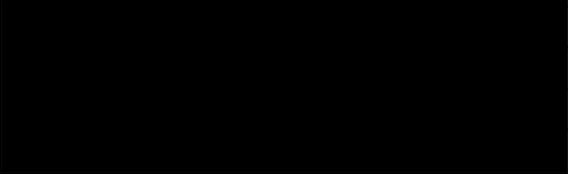
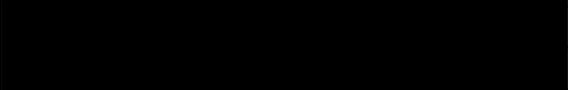
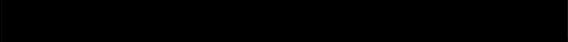
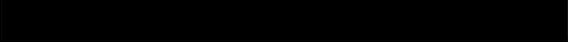
Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p><i>None</i></p>				

Signature *Kelly J. Asher* Date *6/27/12*

Appendix F: Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2011-2012

\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.

1. Trustee Name (PRINT) IDREAS A AHMED
2. Charter School Name GCCS
3. Charter Authorizer Entity BOARD OF REGENTS
4. Home Address\* 
1. Business Address\* 
2. Daytime Phone\* 
3. E-Mail Address\* 
4. List all positions held on board (e.g., chair, treasurer, parent representative)  
TRUSTEE, VICE CHAIRMAN, SECRETARY

5. Is the trustee an employee of the school?  Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

6. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  
 Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

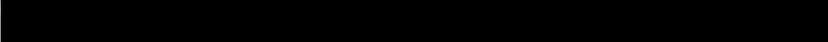
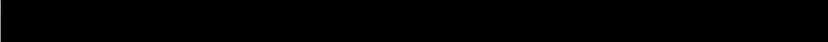
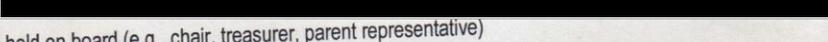


Appendix F: Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2011-2012

\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.

- 1. Trustee Name (PRINT) Anthony J. DeMarco Jr.
- 2. Charter School Name Global Concepts charter school
- 3. Charter Authorizer Entity Board of Regents

- 4. Home Address\* 
- 1. Business Address 
- 2. Daytime Phone 
- 3. E-Mail Address 

- 4. List all positions held on board (e.g., chair, treasurer, parent representative)  
Interview Committee

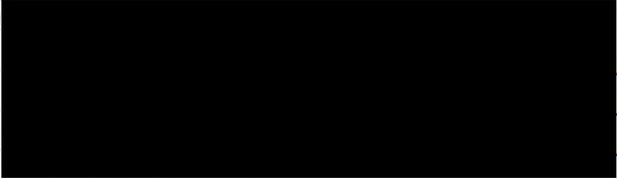
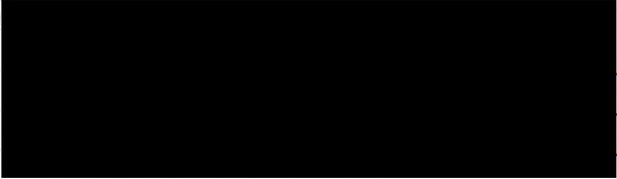
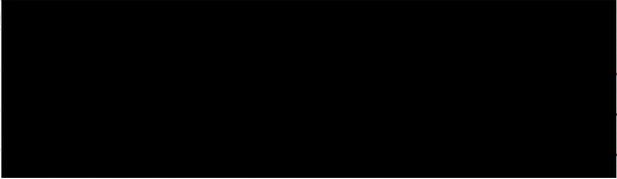
- 5. Is the trustee an employee of the school?  Yes  No  
If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

- 6. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  
 Yes  No  
If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

Appendix F: Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2011-2012

\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.

1. Trustee Name (PRINT) Antonio Estera
2. Charter School Name Global Concepts Charter School
3. Charter Authorizer Entity Board of Regents
4. Home Address\* 
1. Business Address\* 
2. Daytime Phone\* 
3. E-Mail Address\* 
4. List all positions held on board (e.g., chair, treasurer, parent representative)  
Board Representative

5. Is the trustee an employee of the school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

6. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  
\_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

7. 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 2-4 above, 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
<i>Please write "None" if applicable. Do not leave this space blank.</i>			
	<i>NONE</i>		

8. 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, 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 and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i>				
		<i>NONE</i>		

*Antonio Estrada* \_\_\_\_\_ *4/27/12*  
 Signature Date

Appendix F: Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2011-2012

\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.

1. Trustee Name (PRINT) Dawan D. Jones
2. Charter School Name GLOBAL CONCEPTS CHARTER SCHOOL
3. Charter Authorizer Entity BOARD OF REGENTS
4. Home Address 
1. Business Address 
2. Daytime Phone 
3. E-Mail Address 
4. List all positions held on board (e.g., chair, treasurer, parent representative)  
Chair, VICE Chairman, SECRETARY, BOARD MEMBER

5. Is the trustee an employee of the school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

6. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  
\_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

7. 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 2-4 above, 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
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p>N/A</p> <p>NONE</p>			

8. 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, 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**.

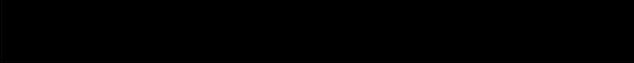
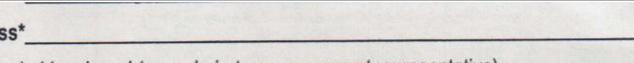
Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p>NONE</p>				

Signature Dorwan D. Jones Date 6-27-12

Appendix F: Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2011-2012

\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.

1. Trustee Name (PRINT) William A Kruger Jr.
2. Charter School Name Global Concepts Charter School
3. Charter Authorizer Entity Board of Regents
4. Home Address 
1. Business Address 
2. Daytime Phone 
3. E-Mail Address\* \_\_\_\_\_
4. List all positions held on board (e.g., chair, treasurer, parent representative)  
Secretary, parent representative

5. Is the trustee an employee of the school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

6. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  
\_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_

7. 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 2-4 above, 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
<i>Please write "None" if applicable. Do not leave this space blank.</i>			
None	None	None	None

8. 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, 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 and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i>				
None	None	None	None	None

Signature

*Althia C. King*

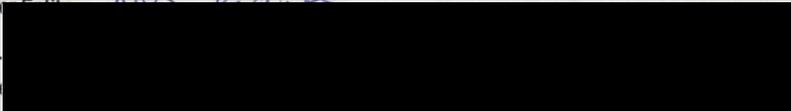
Date

*6-27-2012*

Appendix F: Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member  
Annual Report 2011-2012

\*Note: This Disclosure is a public record, but asterisked data fields will be redacted.

1. Trustee Name (PRINT) Suzie Mazella
2. Charter School Name Global Concepts charter school
3. Charter Authorization # AMS 00015
4. Home Address\* 
1. Business Address 
2. Daytime Phone 
3. E-Mail Address 
4. List all positions held on board (e.g., chair, treasurer, parent representative)  
Treasurer

5. Is the trustee an employee of the school? \_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

6. Is the trustee an employee or agent of the management company or institutional partner of the charter school?  
\_\_\_ Yes  No

If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

7. 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 2-4 above, 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
<i>Please write "None" if applicable. Do not leave this space blank.</i> <b>NONE</b>			

8. 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, 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 and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i> <b>NONE</b>				

Signature Suzi Mazelle Date 6/27/12

**GLOBAL CONCEPTS  
CHARTER SCHOOL**

**FINANCIAL STATEMENTS  
WITH ADDITIONAL INFORMATION**

**JUNE 30, 2012**

**INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Global Concepts Charter School

We have audited the accompanying balance sheets of Global Concepts Charter School (the 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 the School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 the School as of June 30, 2012 and 2011, and the changes in its net assets and its 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 24, 2012 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, 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.



October 24, 2012

GLOBAL CONCEPTS CHARTER SCHOOL

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**Balance Sheets**

June 30,	2012	2011
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 5,367,312	\$ 4,355,615
Grants and other receivables, net (Note 2)	154,560	211,634
Prepaid expenses	125,061	91,060
	<u>5,646,933</u>	<u>4,658,309</u>
Property and equipment, net (Note 3)	7,430,827	7,692,916
Investments held in trust (Note 4)	1,083,532	1,360,255
Deferred financing costs, net	465,215	483,823
Deposit	150,000	150,000
	<u>\$ 14,776,507</u>	<u>\$ 14,345,303</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt (Note 5)	\$ 137,926	\$ 130,116
Accounts payable and accrued expenses	1,466,661	1,080,988
	<u>1,604,587</u>	<u>1,211,104</u>
Long-term debt (Note 5)	7,800,000	7,937,926
<b>Net assets:</b>		
Unrestricted	<u>5,371,920</u>	<u>5,196,273</u>
	<u>\$ 14,776,507</u>	<u>\$ 14,345,303</u>

See accompanying notes.

GLOBAL CONCEPTS CHARTER SCHOOL

**Statements of Activities**

For the years ended June 30,	2012	2011
<b>Changes in unrestricted net assets:</b>		
Support and revenue:		
Public school districts:		
Revenue - resident student enrollment	\$ 8,502,663	\$ 8,290,663
Revenue - students with disabilities	331,539	412,681
Federal grants	277,139	461,191
Other income	25,102	29,334
<b>Total unrestricted support and revenue</b>	<b>9,136,443</b>	<b>9,193,869</b>
Expenses:		
Program expenses:		
Regular education	6,075,708	4,510,920
Special education	553,685	605,152
Other programs	1,011,337	1,414,048
Total program expenses	7,640,730	6,530,120
Supporting services:		
Management and general	1,320,066	964,096
<b>Total expenses</b>	<b>8,960,796</b>	<b>7,494,216</b>
<b>Change in net assets</b>	<b>175,647</b>	<b>1,699,653</b>
Net assets - beginning	5,196,273	3,496,620
Net assets - ending	\$ 5,371,920	\$ 5,196,273

GLOBAL CONCEPTS CHARTER SCHOOL

**Statements of Cash Flows**

For the years ended June 30,	2012	2011
<b>Operating activities:</b>		
Change in net assets	\$ 175,647	\$ 1,699,653
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	480,988	474,991
Amortization	18,608	18,608
Changes in operating assets and liabilities:		
Grants and other receivables	57,074	247,654
Prepaid expenses	(34,001)	(91,060)
Accounts payable and accrued expenses	385,673	289,916
Deferred revenue	-	(522)
<b>Net operating activities</b>	<b>1,083,989</b>	<b>2,639,240</b>
<b>Investing activities:</b>		
Property and equipment expenditures	(218,899)	(363,322)
Withdrawals from (deposits to) investments held in trust	276,723	(105,841)
<b>Net investing activities</b>	<b>57,824</b>	<b>(469,163)</b>
<b>Financing activities:</b>		
Principal repayments on long-term debt	(130,116)	(124,623)
Net change in cash	1,011,697	2,045,454
Cash - beginning	4,355,615	2,310,161
Cash - ending	\$ 5,367,312	\$ 4,355,615

See accompanying notes.

**Notes to Financial Statements**

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**1. Summary of Significant Accounting Policies:**

**Organization and Purpose:**

Global Concepts Charter School (the School), established in 2002, operates a charter school in the City of Lackawanna, New York pursuant to its Charter Agreement with the Education Department of the State of New York. The School currently offers classes from kindergarten through grade 10 and plans to add a grade each year to grade 12. The School has been chartered through 2016, after which time the charter may be renewed, upon application, for five more years.

The School seeks to provide a top-quality educational program where students achieve high academic results; are geared towards higher education and career opportunities; become responsible, caring, family and community members; are highly knowledgeable of the multicultural world they are a part of; and possess the qualities and problem solving skills to collaborate peacefully in the community and worldwide.

**Subsequent Events:**

Management has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through October 24, 2012, the date the financial statements were available to be issued.

**Cash:**

Cash in financial institutions potentially subjects the School to concentrations of credit risk, since it may exceed insured limits at various times throughout the year.

**Receivables:**

Receivables are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debts expense and a credit to the allowance for doubtful accounts based on its assessment of the current status of individual accounts and historical trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to receivables.

**Property and Equipment:**

Property and equipment is stated at cost net of accumulated depreciation. Depreciation is provided over estimated useful asset lives. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

**Investments Held in Trust:**

Investments are held in trust pursuant to security and guarantee agreements related to long-term debt. Investments are stated at fair value as determined by quoted prices in active markets, and primarily consist of U.S. Treasury obligations.

**Deferred Financing Costs:**

Deferred financing costs associated with the issuance of the Series 2007 bonds are amortized on a straight line basis over the life of the bonds. Amortization expense was \$18,608 for each of the years ended June 30, 2012 and 2011.

### Enrollment fees:

The School is reimbursed by each student's resident school district annually, based on the product of the State approved operating expense of that district and the full time equivalent enrollment of the students in the School residing in the district. The School's enrollment fees are received primarily from the Lackawanna City School District and the City of Buffalo Board of Education.

### Grants:

The School is the recipient of awards and reimbursements from federal, state and local sources. The awards and reimbursements are subject to compliance and financial audits by the funding sources. Management believes no significant adjustments to recognized amounts are necessary.

The School records grant awards accounted for as exchange transactions as deferred revenue until related services are performed. Special project grants are generally recorded as revenue when the grant is awarded.

### Income Taxes:

The School is a 501(c)(3) organization exempt from taxation under Section 501(a) of the Internal Revenue Code. The School believes it is not subject to examination by Federal and State taxing authorities for years prior to 2009.

### 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Cost Allocation:

The School's costs of providing its various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Reclassifications:

The 2011 financial statements have been reclassified to conform with the presentation adopted for 2012.

### 2. Grants and Other Receivables:

	2012	2011
Grants	\$ 117,075	\$ 103,938
Enrollment	49,204	107,506
Other	3,281	190
	<u>169,560</u>	<u>211,634</u>
Less allowance for doubtful accounts	15,000	-
	<u>\$ 154,560</u>	<u>\$ 211,634</u>

### 3. Property and Equipment:

	2012	2011
Land	\$ 288,797	\$ 288,797
Building	2,256,030	2,248,530
Building improvements	5,937,873	5,898,587
Computer and office equipment	1,114,483	984,090
Furniture and fixtures	397,923	356,203
Musical instruments	26,000	26,000
	<u>10,021,106</u>	<u>9,802,207</u>
Less accumulated depreciation	2,590,279	2,109,291
	<u>\$ 7,430,827</u>	<u>\$ 7,692,916</u>

In June 2012, the School entered into an agreement to purchase a building for \$75,000 for future school expansion.

### 4. Investments Held in Trust:

The following accounts are held by a bank trustee to comply with terms of the Series 2007 bonds. They represent investments restricted for project construction, security reserves, principal reduction and interest payments.

	2012	2011
Project construction fund	\$ 164,692	\$ 341,824
Reserve fund	646,791	646,721
Custodian and other funds	272,049	371,710
	<u>\$ 1,083,532</u>	<u>\$ 1,360,255</u>

## 5. Long-Term Debt:

	2012	2011
Erie County Industrial Development Agency Civic Facility Revenue Bonds (Global Concepts Charter School Project) Series 2007 Bonds, principal payments beginning October 2009 in annual installments ranging from \$110,000 to \$590,000, plus interest at 6.25% paid semi-annually beginning April 2008, final payment due October 2037.	<b>\$7,930,000</b>	\$ 8,050,000
Equipment finance loan, monthly installments of \$899 including imputed interest of 11.7% due through March 2013.	<b>7,926</b>	18,042
	<b>7,937,926</b>	8,068,042
Less current portion	<b>137,926</b>	130,116
	<b>\$7,800,000</b>	\$ 7,937,926

In October 2007, the School entered into an installment sale agreement with the Erie County Industrial Development Agency (ECIDA), principally to finance the cost of acquiring, renovating, and equipping certain buildings to be used for expansion of the School. To finance the project, ECIDA authorized the sale of Civic Facility Revenue Bonds in the aggregate amount of \$8,275,000 under a trust indenture with a bank as trustee. The sale is secured by a mortgage and security agreement dated as of October 1, 2007, granting a 1<sup>st</sup> lien on and security interest in the project facility and the other mortgaged property, and a guaranty dated as of October 1, 2007. The bonds are further secured by the Reserve Fund (Note 4).

Aggregate maturities of long-term debt subsequent to June 30, 2012 are:

2013	\$	<b>137,926</b>
2014		<b>135,000</b>
2015		<b>145,000</b>
2016		<b>155,000</b>
2017		<b>165,000</b>
Thereafter		<b>7,200,000</b>
	<b>\$</b>	<b>7,937,926</b>

## 6. Short-Term Borrowings:

The School has available a \$500,000 bank demand working capital line of credit with interest payable at prime plus 1%. The line is secured by all non-real estate assets, is subject to the usual terms and conditions applied by the bank for working capital financing, and is annually reviewed and renewed. There were no outstanding amounts under this line at June 30, 2012 and 2011.

## 7. Retirement Plans:

The School participates in the New York State Teachers' Retirement System (TRS) which is a cost-sharing multiple employer, public employee retirement system. TRS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained from the New York State Teachers' Retirement System at [www.nystrs.org](http://www.nystrs.org).

No employee contribution is required for those hired prior to July 1976. TRS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% of compensation throughout their active membership in TRS. Participants hired on or after April 1, 2012 are required to contribute 3.5% of compensation through March 31, 2013. Beginning April 1, 2013, those participants will contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually by the New York State Teachers' Retirement Board. The rate is 11.11% of the annual covered payroll as of June 30, 2012 and 8.62% for the year ended June 30, 2011.

The required contributions for the years ended June 30, 2012 and 2011 were \$378,700 and \$249,339.

The School maintains a 403 (b) profit sharing plan covering qualified employees. The plan requires certain minimum employer contributions based on salaries and employee deferrals. Expenses related to this plan for the year ended June 30, 2012 were \$4,500 and \$3,045 for 2011.

**8. Lease Obligations:**

The School leases certain equipment and property under terms of various operating leases. Rental expense was \$429,692 and \$267,314 for the years ended June 30, 2012 and 2011.

Future minimum rentals to be paid for these leases are:

2013	\$	457,041
2014		497,871
2015		501,204
2016		501,204
2017		487,068
Thereafter		3,880,000
	\$	<u>6,324,388</u>

**9. Cash Flows Information:**

Net cash flows from operating activities reflect cash payments for interest of \$500,338 and \$508,278 for the years ended June 30, 2012 and 2011.

**INDEPENDENT AUDITORS' REPORT  
ON ADDITIONAL INFORMATION**

The Board of Trustees  
Global Concepts Charter School

We have audited the financial statements of Global Concepts Charter School as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated October 24, 2012, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses is presented for the purpose of additional analysis 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 audits 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.



October 24, 2012

GLOBAL CONCEPTS CHARTER SCHOOL

**Additional Information**  
**Schedule of Expenses**

For the year ended June 30, 2012 (with comparative totals for 2011)

	2012				2011	
	Regular Education	Special Education	Other Programs	Management and General	Total	Total
Salaries	\$ 3,091,446	\$ 267,150	\$ 255,467	\$ 677,044	\$ 4,291,107	\$ 3,581,320
Employee benefits and taxes	1,068,116	89,010	89,010	237,358	1,483,494	1,087,184
Advertising	-	-	-	30,201	30,201	24,158
Building and grounds	80,400	6,700	6,700	17,867	111,667	74,280
Consultants	-	79,923	-	-	79,923	86,414
Contracted services	77,829	6,486	6,486	17,295	108,096	113,742
Insurance	30,787	2,566	2,566	6,841	42,760	29,074
Interest	423,694	14,954	9,969	49,846	498,463	506,481
Occupancy	309,571	25,798	25,798	68,793	429,960	283,316
Other expenses	40,156	3,346	3,346	8,924	55,772	63,128
Postage	5,258	438	438	1,169	7,303	6,815
Printing	5,311	443	443	1,179	7,376	6,052
Professional fees	-	-	-	81,252	81,252	96,048
Supplies and materials	232,846	31,015	56,861	43,358	364,080	383,039
Staff development	32,491	-	-	-	32,491	30,476
Student testing and assessments	38,741	-	-	-	38,741	22,420
Telephone	26,964	2,247	2,247	5,992	37,450	27,778
Technology	83,991	-	-	-	83,991	70,340
Transportation	-	-	533,393	-	533,393	347,752
Utilities	103,450	8,621	8,621	22,988	143,680	160,800
	<u>5,651,051</u>	<u>538,697</u>	<u>1,001,345</u>	<u>1,270,107</u>	<u>8,461,200</u>	<u>7,000,617</u>
Depreciation and amortization	424,657	14,988	9,992	49,959	499,596	493,599
Total	<u>\$ 6,075,708</u>	<u>\$ 553,685</u>	<u>\$ 1,011,337</u>	<u>\$ 1,320,066</u>	<u>\$ 8,960,796</u>	<u>\$ 7,494,216</u>

**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***

The Board of Trustees  
Global Concepts Charter School

We have audited the financial statements of Global Concepts Charter School (the School) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 24, 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 the School is responsible for establishing and maintaining effective 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 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 the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, management, New York State Department of Education, federal awarding agencies and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties.



October 24, 2012