

I. SCHOOL INFORMATION AND COVER PAGE

Created Thursday, July 25, 2013

Updated Thursday, August 01, 2013

Page 1

1. SCHOOL NAME

(Select School name from dropdown menu; BEDS # appears first)

331400860825 BEGINNING WITH CHLDRN CS

2. CHARTER AUTHORIZER

NYCDOE-Authorized Charter School

3. DISTRICT / CSD OF LOCATION

NYC CSD 14

4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
11 Bartlett Street Brooklyn, NY 11206	718-388-8847	718-388-8936	lking@bwccs.org

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Contact Name	Les King
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Title	Principal
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Emergency Phone Number (###-###-####)	(No response)

5. SCHOOL WEB ADDRESS (URL)

www.bwccschool.org

6. DATE OF INITIAL CHARTER

1999-01-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

1999-08-01 00:00:00

8. TOTAL NUMBER OF STUDENTS ENROLLED IN 2012-13 (as reported on BEDS Day)

(as reported on BEDS Day)

9. GRADES SERVED IN SCHOOL YEAR 2012-13

Check all that apply

• K

• 1

• 2

• 3

• 4

• 5

• 6

• 7

• 8

10. DOES THE SCHOOL CONTRACT WITH A CHARTER OR EDUCATIONAL MANAGEMENT ORGANIZATION?

Yes/No	Name of CMO/EMO
Yes	Beginning with Children Foundation

10a. Please provide the name and contact information for each of the following individuals who are management level personnel associated with the CMO.

	Name	Work Phone	Alternate Phone	Email Address	Contact this individual also in emergencies
CEO (e.g., network superintendent)	Denniston Reid	██████████		██████████	█
CFO (e.g., network CFO)	Geraldeen Licurse	██████████		██████████	
Compliance Contact	Geraldeen Licurse	██████████	██████████	██████████	
Complaint Contact	Antonia Bryson	██████████		██████████	

11. FACILITIES

Will the School maintain or operate multiple sites?

Yes, 2 sites

12. SCHOOL SITES

Please list the sites where the school will operate in 2013-14.

	Physical Address	Phone Number	District/CS D	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	11 Bartlett Street Brooklyn, NY 11206	718-388-8847	CSD 14	K-5	Yes	Rent/Lease
Site 2	185 Ellery Street Brooklyn, NY 11206	718-384-4154	CSD 14	6-8	Yes	
Site 3						

12a. Please provide the contact information for Site 1 (same as the primary site).

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Les King	[REDACTED]		[REDACTED]
Operational Leader	Zoraida Olivo	[REDACTED]		[REDACTED]
Compliance Contact	Natalie Bledman	[REDACTED]		[REDACTED]
Complaint Contact	Antonia Bryson	[REDACTED]		[REDACTED]

12b. Please provide the contact information for Site 2.

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Dionne Jaggon	[REDACTED]		[REDACTED]
Operational Leader	Maritza Deleon	[REDACTED]		[REDACTED]
Compliance Contact	Natalie Bledman	[REDACTED]		[REDACTED]
	[REDACTED]	[REDACTED]		[REDACTED]

13. Are the School sites co-located?

Yes

13a. Please list the terms of your current co-location.

	Date School will leave current co-location	Is school working with NYCDOE to expand into current space?	If so, list year expansion will occur.	Is school working with NYCDOE to move to separate space?	If so, list the proposed space and year planned for move	School at Full Capacity at Site
Site 1 (primary site)	No Co-location					Yes

Site 2	N/A	No	No	Yes
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Site 3

14. Were there any revisions to the school's charter during the 2012-2013 school year? (Please include both those that required authorizer approval and those that did not require authorizer approval).

No

16. Our signatures below attest that all of the information contained herein is truthful and accurate and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in any part of this report is found to have been deliberately misrepresented, that will constitute grounds for the revocation of our charter. Check **YES** if you agree and use the mouse on your PC or the stylus on your mobile device to sign your name).

• Yes

Signature, Head of Charter School

A handwritten signature in black ink, appearing to read "L. King". The signature is written in a cursive style with a large initial "L" and a long, sweeping underline.

Signature, President of the Board of Trustees

Thank you.

Appendix A: Progress Toward Goals

Created Thursday, August 01, 2013

Updated Friday, November 01, 2013

Page 1

Charter School Name: 331400860825 BEGINNING WITH CHLDRN CS

1. NEW YORK STATE REPORT CARD

Provide a direct URL or web link to the most recent New York State School Report Card for the charter school (See <https://reportcards.nysed.gov/>).

(Charter schools completing year one will not yet have a School Report Card or link to one. Please type "URL is not available" in the space provided).

<https://reportcards.nysed.gov/files/2011-12/RC-2012-331400860825.pdf>

2. APPENDIX A: PROGRESS TOWARD CHARTER GOALS

2a. ACADEMIC STUDENT PERFORMANCE GOALS

If the Progress Toward Charter Goals are based on student performance data that the school will not have access to by August 1, 2013 (e.g., the NYS Assessment results), please list goals and explain this in the "Progress Towards Attainment" column. This information can be updated for Appendix A when available but no later than November 1, 2013. Board of Regents-authorized charter schools that opened for instruction in the fall of 2012 or that were renewed in 2012-13 will be held to the same charter-specific academic goals. Board of Regents-authorized charter schools will also be held accountable to Student Performance Benchmark 1 of the Performance Framework.

2012-13 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 1	BwCCS students will become proficient readers and writers of the English language.	Measure 1 (Absolute): Each year, BwCCS students in grades 3 through 8 will exceed the New York City average on the NYS ELA Exams. Only students who have been enrolled at BwCCS for at least two years will be included in this analysis. Measure 2 (Absolute): Each year, BwCCS's aggregate Performance Index (PI) on the NYS ELA exam will meet its Annual Measurable Objective (AMO) set forth	Measure 1: The BwCCS 1 cohort ELA proficiency only exceeded New York City in grades 4 and 8. Overall, the percentage of the BwCCS cohort that achieved proficiency was lower than the city average. Measure 2: The 2012-13 AMOs are being revised and therefore this measure cannot be reported on. Measure 3: BwCCS 1's 2012-13 overall cohort ELA proficiency rate was 20.2 percent. This was	BwCCS has begun a process to fully overhaul its approach to teaching reading. In Kindergarten through 6th grades, we will utilize the Reading Streets literacy program developed by Pearson. Reading Streets embeds Common Core based instruction into every unit and lesson and is a comprehensive program that provides the resources needed to plan, teach and engage, as well as assess our students. The program uses the Common Core to engage students and build

in the State's No Child Left Behind (NCLB) accountability system.

Measure 3 (Comparative): Each year, the proficiency rate on the NYS ELA Exams for BwCCS students will exceed the proficiency rates of students from Districts 14, 16, and 32 in NYC. Only students who have been enrolled at BwCCS for at least two years will be included in this analysis.

Measure 4 (Value-Added): Increase in student proficiency on the NYS ELA exams and on Normal Curve Equivalents (NCEs) for the Group Reading Assessment and Diagnostic Evaluation (GRADE). On the nationally normed GRADE Test, the average BwCCS spring kindergarten NCE score will reduce by one-half the difference between the average BwCCS fall NCE score and 50.

Measure 4.1: For grades 1 through 8, the average BwCCS score of grade-level cohorts of students will reduce by one-half the difference between the previous spring average NCE score and 50.

4.2: If BwCCS does not exceed the NYC average proficiency rate on the NYS ELA exams, it will reduce by one-half the difference between the NYC proficiency rate and the actual BwCCS proficiency rate on the subsequent NYS ELA exam for the same class of students. Only students who have been enrolled at BwCCS for at least two years will be included in this analysis.

lower than the ELA proficiency percentage for District 14 (22.5) but higher than the percentages for District 16 (13.3) and District 32 (15.9).

Measure 4.1: This measure cannot be reported on because BwCCS 1 no longer administers the GMADE assessment.

Measure 4.2: Due to the state's adoption of the Common Core Learning Standards, there was a significant drop in ELA proficiency for both BwCCS 1 and New York City as a whole. Therefore, this measure cannot be reported on.

comprehension skills with materials leveled to ensure all readers receive the proper support and challenge. Most Kindergarten through fifth grade teachers prepared for Reading Streets or balanced literacy training during our Summer Institute where they participated in hands on professional development conducted by consultants. Teachers were able to delve into the curriculum unit by unit and review all components of the program. Teachers worked in grade groups to prepare grade specific planning and were able to review the texts and all support materials in advance. Teachers were able to take a deep dive into the intervention components and plan for differentiated instruction for below, on and above grade level students. In the upper grades, literacy teachers have collaborated with literacy consultant Isoke Nia to blend Reading Streets into Common Core curriculum mapping that began two years ago and further concretize the common core planning for grades 7 and 8.

Academic Goal 2	BwCCS students will become proficient in the understanding and application of mathematical skills and concepts.	<p>Measure 1 (Absolute): Each year, BwCCS students in grades 3 through 8 will exceed the New York City average on the NYS Math Exams. Only students who have been enrolled at BwCCS for at least two years will be included in this analysis.</p>	<p>Measure 1: Overall, the percentage of the BwCCS 1 cohort that achieved proficiency was lower than the city average.</p>	<p>In 2012-13, BwCCS began to overhaul our approach to teaching mathematics. BwCCS is implementing Math in Focus, (Singapore Math), as its core mathematics program for grades 6-8 and Envisions math as its core program K-5. Teachers have already begun training in use of these curricula and approaches to teaching the programs espouse. We have also established a set of professional development dates and strategies to ensure proper implementation of the program through the year. Student growth and performance will also be monitored through our established metrics and data monitoring and analysis infrastructure. We have re-framed our expectations for monitoring progress and the frequency of coaching by academic deans, Aussie ad Math in Focus consultants and school leaders. There is heightened urgency about coaching teacher about how to respond to student performance data as well as around optimizing student abilities to demonstrate their learning.</p>
		<p>Measure 2 (Absolute): Each year, BwCCS's aggregate Performance Index on the State Math exam will meet its Annual Measurable Objective set forth in the State's No Child Left Behind (NCLB) accountability system.</p>	<p>Measure 2: The 2012-13 AMOs are being revised and therefore this measure cannot be reported on.</p> <p>Measure 3: In BwCCS 1's 2012-13 overall cohort Math proficiency rate was 16.9 percent. This was lower than the ELA proficiency percentage for District 14 (22.7) but higher than the percentages for District 16 (12.6) and District 32 (15.3).</p>	
		<p>Measure 3 (Comparative): Each year, the proficiency rate on the NYS Math Exams for BwCCS students will exceed the proficiency rates of students from Districts 14, 16, and 32 in NYC. Only students who have been enrolled at BwCCS for at least two years will be included in this analysis.</p>	<p>Measure 4.1: This measure cannot be reported on because BwCCS 1 no longer administers the GMADE assessment.</p>	
		<p>Measure 4 (Value-Added): Increase in student proficiency on the NYS Math exams and on Normal Curve Equivalents (NCEs) for the Group Mathematics Assessment and Diagnostic Evaluation (GMADE).</p>	<p>Measure 4.2: Due to the state's adoption of the Common Core Learning Standards, there was a significant drop in Math proficiency for both BwCCS 1 and New York City as a whole. Therefore, this measure cannot be reported on.</p>	
		<p>Measure 4.1: In kindergarten, on the nationally normed GMADE test, the average spring NCE score on the GMADE will reduce by one-half the difference between the average fall NCE score and 50. For grades 1 through 8, grade-level cohorts of students will reduce by one-half the difference between the previous spring average NCE score and 50.</p>		

Measure 4.2: If BwCCS does not exceed the NYC average proficiency rate on the NYS Math exams, it will reduce by one half the differences between the NYC proficiency rate and the actual BwCCS proficiency rate on the subsequent NYS Math exam for the same class of students. Only students who have been enrolled at BwCCS for at least two years will be included in this analysis.

Academic Goal 3 BwCCS students will become proficient in Science.

Measure 1 (Absolute): Each year, BwCCS students will exceed the New York City average on the 4th and 8th grade NYS Science exams. Only students who have been enrolled at BwCCS for at least two years will be included in this analysis.

Measure 2 (Absolute): Each year, BwCCS's Performance Index on the 4th and 8th grade State Science exams will meet the Annual Measurable Objective* set forth in the State's No Child Left Behind (NCLB) accountability system.

Measure 1: This measure can no longer be reported on because New York City does not publish citywide science proficiency percentages. BwCCS 1, however, did see improvements in science in 2012-13 as 88.1 percent of all 4th graders and 76.1 percent of all 8th graders achieved proficiency. This marked an improvement over their 2011-12 percentages.

Measure 2: New York State no longer provides Science AMOs for 2011-12. Therefore this measure cannot be reported on.

Academic Goal 4 BwCCS students will become proficient in Social Studies.

Measure 1 (Absolute): Each year, BwCCS students will exceed the New York City average on the 5th and 8th grade NYS Social Studies exams. Only students who have been enrolled at BwCCS for at least two years will be included in this analysis.

Measure 2 (Absolute): Each year, BwCCS' Performance Index on the 5th and 8th grade State Social Studies exam will meet the Annual Measurable Objective set forth in the State's No Child Left Behind (NCLB)

Measure 1: The NYS 5th and 8th grade social studies test has been discontinued and therefore this measure cannot be reported on.

Measure 2: The NYS 5th and 8th grade social studies test has been discontinued and therefore this measure cannot be reported on.

		accountability system.		
Academic Goal 5	NCLB Accountability System	Measure 1: School performance on NCLB accountability system. Under the state's NCLB accountability system, the school's Accountability Status will be "Charter School in Good Standing" each year.	Measure 1: This measure was met. BwCCS 1's current NCLB accountability status, based on the 2011-12 State Report Card, is "Good Standing".	
Academic Goal 6	BwCCS students will become proficient in Technology, Art, Music, and Physical Education.	<p>Measure 1: At least 75% of students will receive a proficiency rating on their spring report cards in Technology.</p> <p>Measure 2: At least 75% of students will receive a proficiency rating on their spring report cards in Art.</p> <p>Measure 3: At least 75% of students will receive a proficiency rating on their spring report cards in Music.</p> <p>Measure 4: At least 75% of students will receive a proficiency rating on their spring report cards in Physical Education.</p>	<p>Measure 1: This measure was not met because BwCCS 1 no longer offers a Technology course.</p> <p>Measure 2: In spring 2012-13 (Quarter 3), 93 percent of students achieved proficiency in Art. This measure was met.</p> <p>Measure 3: In spring 2012-13 (Quarter 3), 94.3 percent of students achieved proficiency in Music. This measure was met.</p> <p>Measure 4: In spring 2012-13 (Quarter 3), 94.3 percent of students achieved proficiency in Physical Education. This measure was met.</p>	
Academic Goal 7	Parents will express a high satisfaction rating with the school.	Measure 1: Each year, responses on the Annual Parent Survey on the school's program will average a 4 or higher on a 5-point scale. The following 11 areas of the program will be rated: academic rigor and excellence, quality of instruction and responsiveness of teachers to families, performance of administration, discipline, safety, physical plant, school culture, parent involvement, curriculum, and overall satisfaction of the school's program.	<p>Measure 1: BwCCS 1 Parent survey results on the 2012-13 NYC School Survey met or exceeded the citywide average scores (0-10 scale) in all four categories below and were greater than 8.</p> <p>Academic Expectations (8.3/10)</p> <p>Communication (8.6/10)</p> <p>Engagement (8.1/10)</p> <p>Safety and Respect (8.5/10)</p> <p>This measure was met.</p>	
Academic Goal 8	BwCCS will maintain a low attrition rate.	Measure 1: Each September, no more than 10% of students' families, among all students enrolled the previous year, will	Measure 1: During the 2012-13 school year, 66 total BwCCS 1 students attrited. Of that total, 54 students attrited for	BwCCS' future as a charter school is uncertain and families have been responding to that. Once a decision has been reached

chose to withdraw their children as students from the school because they are dissatisfied with the school's program. non-geographic reasons (12.7 percent). Therefore the measure was not met. about how the school will continue, this goal will be attained.

2a1. Do have more academic goals to add?

Yes

2012-13 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 9	BwCCS students will maintain a high attendance rate.	Measure 1: Each year, BwCCS will have a daily student attendance rate of at least 90 percent.	Measure 1: The average daily attendance rate for the 2012-13 school year was 95.2 percent (416/437 students). This measure was met.	
Academic Goal 10	BwCCS will be substantially compliant with all legal requirements.	<p>Measure 1: Each year, BwCCS will generally and substantially comply with all applicable laws, rules and regulations, including, but not limited to, the New York Charter Schools Act, the New York Freedom of Information Law, the New York Open Meetings Law, the Federal Individuals with Disabilities Education Act, and Federal Family Educational Rights and Privacy Act, and the provisions of its By-Laws and Charter.</p> <p>Measure 2: Each year, BwCCS will have in place and maintain effective systems, policies, procedures and other controls for ensuring that legal and charter requirements are met.</p> <p>Measure 3: Each year, BwCCS will maintain a relationship with independent legal counsel who review relevant policies, documents, and incidents and make recommendations as needed and in proportion to the legal expertise on the Board of Trustees.</p>	<p>Measure 1: The school has continued to comply with its policies and procedures, By-laws, Charter and Monitoring Agreement.</p> <p>Measure 2: See above under Measure 1.</p> <p>Measure 3: BwCCS 1 met this measure. BwCCS 1 consults attorneys with the Tannenbaum, Helpert, Syracuse & Hirschtritt and Kehl, Katzive & Simon, LLP firms for legal advice relating to its operations, including its policies and procedures, documents, and particular incidents</p>	
Academic Goal 11	BwCCS will make responsible financial decisions and demonstrate sound fiscal practices and management.	<p>Measure 1: Over the life of the charter, BwCCS will operate on a balanced budget.</p> <p>Measure 2: BwCCS will receive</p>	Measure 1: Each year, BwCCS 1 is keenly focused on achieving a balanced budget. The Board meets on a monthly basis to discuss the school's financial	

unqualified opinions from its annual auditor.

Measure 3: Each year, BwCCS will take corrective action, if needed, in a timely manner to address any internal control or compliance deficiencies identified by its external auditor, authorizer or the New York State Department of Education.

Measure 4: Each year, the BwCCS Board of Trustees will provide effective financial oversight, including financial decisions that further the school's mission, program and goals.

Measure 5: Each year, BwCCS will operate pursuant to a long-range financial plan and create realistic budgets that are monitored and adjusted when appropriate.

Measure 6: Each year, BwCCS will maintain appropriate internal controls and procedures and accurately document transactions in accordance with the Board of Trustees' direction and laws, regulations, grants and contracts.

Measure 7: Each year, BwCCS will comply with financial reporting requirements.

Measure 8: Over the life of the charter, BwCCS will maintain adequate financial resources to ensure stable operations and successfully monitor and manage cash flow.

standing at its meetings. In addition, the Chair of the Finance Committee consults on a regular basis with the Principal and BwCF Chief Financial Officer. For the most recent fiscal year ending 6/30/13, BwCCS 1 actual revenues exceeded actual expenses.

Measure 2: BwCCS retains McGladrey & Pullen as our auditors. They review the school's finances during the annual audit in the late summer and make a report to the Board in the fall each year. Since the charter's inception in 2001, BwCCS 1 has received unqualified opinions on its financial statements from an independent auditor.

Measure 3: BwCCS 1 regularly reviews and revises the internal control procedures to be in compliance with its external auditor, SED and DOE.

Measure 4: BwCCS 1's Board of Trustees is prepared to provide sound financial oversight to further the school's mission, programs and goals. The BwCCS 1 Board meets approximately every month. At each meeting, the state of the school's financial position is presented to the full Board for review and discussion. In addition to extensive monthly financial reports, the Board monitors a "dashboard" of metrics for its monthly meetings relating to the school's operations. This tool allows the Board to closely monitor the school's progress and alignment with the school's mission, program and goals.

The financial committee works directly with the school leadership to develop the annual budget each year. For the past three years, the outcome has been a proper balance between financial responsibility and providing the best education possible for the students. The school's needs and desires are

addressed during the budget process.

Measure 5: The Finance Committee conducts extensive budget meetings each spring. We make adjustments to the long range plan according to programmatic needs. BwCCS 1 has defined a long-range financial plan and adjusts this plan each year during its budget process. Adjustments are made with full Board review and approval during the year as needed.

Measure 6: The Board reviews the school's Financial Policies and Procedures on a regular basis. Beginning with Children Foundation business office gives presentations to staff to ensure compliance with these policies. BwCCS 1 maintains appropriate internal controls and procedures and accurately documents transactions in accordance with the Board of Trustees' direction and laws, regulations, grants and contracts.

Measure 7: BwCCS 1 has been in full compliance with all financial reporting requirements to our Board of Trustees and regulatory bodies.

Measure 8: BwCCS 1 maintains adequate financial resources to ensure stable operations and successfully monitors and manages cash flow.

2a2. Do have more academic goals to add?

No

2b. ORGANIZATIONAL GOALS

2012-13 Progress Toward Attainment of Organizational Goals

Organizational Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
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2b.1 Do you have more organizational goals to add?

(No response)

2012-13 Progress Toward Attainment of Organizational Goals

Organizational Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
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2c. FINANCIAL GOALS

2012-13 Progress Toward Attainment of Financial Goals

Financial Goals	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
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Appendix B. Total Expenditures and Administrative Expenditures per Child

Total Expenditures $\$6,873,821/439.128=\$15,653$

Total Admin Expenditures $\$1,041,331/439.128=\$2,371$

The ratios may change subject to the final audit.

Audited Financial Statement Checklist

Created Tuesday, October 29, 2013

Page 1

Charter School Name

1. Please check each item that is included in the 2012-13 Audited Financial Statement submitted for your charter school.

	Yes	No	NA
Audited Financial Statements (including report on compliance and report on internal control over financial reporting)	True	False	False
Single Audit (if applicable)	False	True	False
CSP Agreed Upon Procedures (if applicable)	False	True	False
Management Letter	False	True	False
Report on Extracurricular Student Activity Accounts (if applicable)	False	True	False
Corrective Action Plans for any Findings	False	True	False

2. Please indicated if there is a finding(s) noted in any of the following sections of your charter school's 2012-13 Audited Financial Statement.

	Yes	No
Report on Compliance	False	True
Report on Internal Control over Financial Reporting	False	True
Single Audit	False	True
CSP Agreed Upon Procedures Report	False	True
Management Letter	False	True

Thank you Cindy .

**BEGINNING WITH CHILDREN
CHARTER SCHOOL
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012**

**BEGINNING WITH CHILDREN CHARTER SCHOOL
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Beginning with Children Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Beginning with Children Charter School (the "School") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and 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* in considering the School's internal control over financial reporting and compliance.

New York, New York
October 28, 2013


CITRIN COOPERMAN & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**BEGINNING WITH CHILDREN CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 765,691	\$ 1,284,046
Restricted cash	70,299	70,252
Investments	2,011,501	1,336,291
Grants and accounts receivable	215,028	242,598
Assets designated by board for facilities and personnel	62,108	62,108
Prepaid expense	46,652	-
Due from Teachers' Retirement System	-	321,320
Due from NYCDOE	15,609	17,693
Property and equipment, net of accumulated depreciation of \$1,052,608 in 2013 and \$975,079 in 2012	110,138	125,062
TOTAL ASSETS	\$ 3,297,026	\$ 3,459,370

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 1,020,069	\$ 1,092,872
Due to Beginning with Children Foundation	5,778	26,382
Total liabilities	1,025,847	1,119,254
Contingencies (Note 7)		
Net assets:		
Unrestricted:		
Board-designated	62,108	62,108
Undesignated	2,098,933	2,152,946
Net investment in plant	110,138	125,062
Total net assets	2,271,179	2,340,116
TOTAL LIABILITIES AND NET ASSETS	\$ 3,297,026	\$ 3,459,370

See accompanying notes to financial statements.

**BEGINNING WITH CHILDREN CHARTER SCHOOL
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	2013			2012				
	Board Designated	Unrestricted Net Assets Undesignated	Investment in Plant	Total	Board Designated	Unrestricted Net Assets Undesignated	Investment in Plant	Total
Operating revenue:								
State and local per pupil operating revenue	\$ -	\$ 6,614,239	\$ -	\$ 6,614,239	\$ -	\$ 6,749,506	\$ -	\$ 6,749,506
Government grants	-	<u>283,969</u>	-	<u>283,969</u>	-	<u>305,398</u>	-	<u>305,398</u>
Total operating revenue	-	<u>6,898,208</u>	-	<u>6,898,208</u>	-	<u>7,054,904</u>	-	<u>7,054,904</u>
Operating expenses:								
Program services	-	6,320,898	76,247	6,397,145	-	6,076,074	60,811	6,136,885
Management and general Development	-	527,779	1,283	529,062	-	537,128	2,783	539,911
	-	<u>63,649</u>	-	<u>63,649</u>	-	<u>50,069</u>	-	<u>50,069</u>
Total operating expenses	-	<u>6,912,326</u>	<u>77,530</u>	<u>6,989,856</u>	-	<u>6,663,271</u>	<u>63,594</u>	<u>6,726,865</u>
Surplus (deficit) on government-funded school operations	-	<u>(14,118)</u>	<u>(77,530)</u>	<u>(91,648)</u>	-	<u>391,633</u>	<u>(63,594)</u>	<u>328,039</u>
Other revenue:								
Contributions and grants - private	-	6,482	-	6,482	-	24,879	-	24,879
Investment earnings	-	16,229	-	16,229	-	12,588	-	12,588
Net assets released from restrucion	-	-	-	-	-	-	-	-
Total other revenue	-	<u>22,711</u>	-	<u>22,711</u>	-	<u>37,467</u>	-	<u>37,467</u>
Interfund transfers	-	<u>(62,606)</u>	<u>62,606</u>	-	-	<u>(46,800)</u>	<u>46,800</u>	-
Change in net assets	-	<u>(54,013)</u>	<u>(14,924)</u>	<u>(68,937)</u>	-	<u>382,300</u>	<u>(16,794)</u>	<u>365,506</u>
Net assets:								
Beginning	<u>62,108</u>	<u>2,152,946</u>	<u>125,062</u>	<u>2,340,116</u>	<u>62,108</u>	<u>1,770,646</u>	<u>141,856</u>	<u>1,974,610</u>
Ending	<u>\$ 62,108</u>	<u>\$ 2,098,933</u>	<u>\$ 110,138</u>	<u>\$ 2,271,179</u>	<u>\$ 62,108</u>	<u>\$ 2,152,946</u>	<u>\$ 125,062</u>	<u>\$ 2,340,116</u>

See accompanying notes to financial statements.

**BEGINNING WITH CHILDREN CHARTER SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	2013			2012				
	Program Services	Management and General	Development	Total	Program Services	Management and General	Development	Total
Personnel services	\$ 3,526,978	\$ 178,723	\$ -	\$ 3,705,701	\$ 3,513,076	\$ 179,479	\$ -	\$ 3,692,555
Payroll taxes and employee benefits	1,437,662	72,851	-	1,510,513	1,476,006	75,407	-	1,551,413
Occupancy	67,345	19,137	-	86,482	68,640	17,732	-	86,372
Classroom instructional material and supplies	215,327	-	-	215,327	191,337	-	-	191,337
Trips and admissions	24,308	-	-	24,308	28,109	-	-	28,109
Research and evaluation	43,707	-	-	43,707	56,577	-	-	56,577
Staff development	72,702	-	-	72,702	8,879	-	-	8,879
Special needs	-	-	-	-	3,687	-	-	3,687
After-school, summer school and substitutes	258,730	-	-	258,730	208,909	-	-	208,909
Consultants	108,953	-	-	108,953	100,363	-	-	100,363
Employee search fees	10,150	-	-	10,150	5,570	-	-	5,570
Management fee	445,545	127,299	63,649	636,493	350,485	100,139	50,069	500,693
Accounting and legal fees	-	31,824	-	31,824	-	29,718	-	29,718
Office and technology supplies	-	57,250	-	57,250	-	77,558	-	77,558
Telephone	-	8,579	-	8,579	-	10,238	-	10,238
Website and internet fees	6,300	-	-	6,300	-	-	-	-
Student incentive	15,645	-	-	15,645	-	-	-	-
Postage and shipping	-	4,818	-	4,818	-	8,365	-	8,365
Miscellaneous expenses	87,546	27,298	-	114,844	64,436	38,492	-	102,928
Depreciation	76,247	1,283	-	77,530	60,811	2,783	-	63,594
TOTAL	\$ 6,397,145	\$ 529,062	\$ 63,649	\$ 6,989,856	\$ 6,136,885	\$ 539,911	\$ 50,069	\$ 6,726,865

See accompanying notes to financial statements.

**BEGINNING WITH CHILDREN CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating activities:		
Change in net assets	\$ (68,937)	\$ 365,506
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Interest on restricted cash	(47)	(58)
Unrealized gain on investments	(85)	(1,601)
Depreciation	77,530	63,594
Changes in assets and liabilities:		
Grants and accounts receivable	27,570	(26,962)
Prepaid expenses	(46,652)	-
Due from Teachers' Retirement System	321,320	(321,155)
Accounts payable and accrued expenses	(72,803)	(80,198)
Due to Beginning with Children Foundation	(20,604)	(1,330)
Due from NYCDOE	<u>2,084</u>	<u>(17,693)</u>
Net cash provided by (used in) operating activities	<u>219,376</u>	<u>(19,897)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(62,606)	(46,800)
Proceeds from sale of investments	399,875	868,234
Purchase of investments	<u>(1,075,000)</u>	<u>(1,000,000)</u>
Net cash used in investing activities	<u>(737,731)</u>	<u>(178,566)</u>
Net decrease in cash and cash equivalents	(518,355)	(198,463)
Cash and cash equivalents - beginning	<u>1,284,046</u>	<u>1,482,509</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 765,691</u>	<u>\$ 1,284,046</u>

See accompanying notes to financial statements.

**BEGINNING WITH CHILDREN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Principal Business Activity

Beginning with Children Charter School (the "School") is an education corporation that operates as a charter school in the borough of Brooklyn, New York. On September 15, 2000, the Board of Regents of the University of the State of New York for and on behalf of the New York State Education Department granted the School a provisional charter valid for a term of five years from the effective date of September 1, 2001, and renewable upon expiration. The School was converted from an existing New York City Department of Education (the "NYCDOE") school. In June 2011, the School was reviewed by its authorizer and received a second five-year renewal of its charter from the Board of Regents of the University of the State of New York for and on behalf of the State Education Department.

The School's mission is to provide a diverse, caring and nurturing learning community that fosters high academic achievement and the development of ethical character for elementary and middle school students. An enriched curriculum and dynamic partnerships between the School, families and community enable all students to excel. Continual assessment and evaluation enhance the education program. The School prepares graduates for success in high school, college and beyond by developing independent thinkers and active citizens.

The NYCDOE provides free and reduced-price lunches and transportation directly to a majority of the School's students.

In accordance with the agreement to convert the School from the existing NYCDOE school, the employees of the School are members of various unions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statements

The accompanying financial statements have been prepared on an accrual basis of accounting and are presented in accordance with accounting requirements for not-for-profit organizations. These requirements provide that all not-for-profit organizations provide a statement of financial position, a statement of activities, and a statement of cash flows, and that net assets be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor stipulations regarding their use.

Use of Estimates

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

Recently Adopted Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04, *Amendments to Achieve Common Fair Value*

BEGINNING WITH CHILDREN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements (Continued)

Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. ASU 2011-04 amends FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, providing a consistent definition and measurement of fair value as well as similar disclosure requirements between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles, clarifies the application of existing fair value measurement, and expands the FASB ASC 820 disclosure requirements, particularly for Level 3 fair value measurements. ASU 2011-04 was effective for the year beginning July 1, 2012. The adoption of ASU 2011-04 did not have a material effect on the School's financial statements, but did require certain additional disclosures.

Cash and Cash Equivalents

The School maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The School has not experienced any losses in these accounts. The School considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash is comprised of escrow funds maintained in a separate account as required by the NYCDOE, to have funds available to ensure an orderly liquidation, dissolution or transition process if the School's charter were to be terminated or the School was closed for other reasons.

Contributions

The financial statements of the School reflect contributions received from the public and other organizations. Contributions, including unconditional promises to give, are recognized in the statements of activities and changes in net assets as revenue in the period in which they are received or unconditionally promised.

The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as "Net assets released from restriction." Amounts received with donor stipulations that limit the use of the assets for certain purposes are reported as unrestricted support if the stipulated purpose restriction is accomplished in the same year.

Grants and Refundable Advances

Revenue from the state and local governments resulting from the School's charter status, which is based on the number of students enrolled, is recorded when services are performed in accordance with the charter agreement. Revenue from federal, state and local government grants and contracts is recognized as revenue when qualifying expenditures are incurred. Amounts received in excess of expenditures incurred are recognized as refundable advances.

BEGINNING WITH CHILDREN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by donation, require special skills and are provided by individuals possessing such skills.

A number of volunteers have made a contribution of their time to the School to develop academic and other programs and to serve on the board of trustees. The value of this contributed time is not reflected in the financial statements inasmuch as those services would not typically be purchased had they not been provided by donation.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 8 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation (depreciation) includes the School's gains and losses on investments bought and sold as well as held during the year.

One financial institution held 91% and 87% of the School's investments at June 30, 2013 and 2012, respectively. The certificates of deposit included in such investments are FDIC insured.

Property and Equipment

The School capitalizes all purchases of property and equipment in excess of \$1,000 and a useful life of one year. Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Net Assets

Unrestricted net assets are not restricted by donors or donor-imposed restrictions have expired. Board-designated net assets were established by the board of trustees to provide a fiscally prudent reserve for unforeseen facility, personnel and other issues. At June 30, 2013 and 2012, the School had no temporarily or permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Certain costs have been allocated among program and supporting services.

**BEGINNING WITH CHILDREN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassification adjustments had no effect on the School's previously reported change in net assets.

Income Taxes

The School is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), and from state income taxes. As a not-for-profit entity, the School is subject to unrelated business income tax ("UBIT"), if applicable.

The School recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the School assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Management has evaluated the School's tax positions and has concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements. Generally, the School is no longer subject to income tax examinations by U.S. federal, state or local taxing authorities for years before 2009.

Fair Value Measurements

FASB ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a

**BEGINNING WITH CHILDREN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The School assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in the circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. There were no transfers among Levels 1, 2 and 3 during fiscal years 2013 and 2012.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the School has evaluated subsequent events through October 28, 2013, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. RELATED-PARTY TRANSACTIONS

The Beginning with Children Foundation (the "Foundation") is a not-for-profit organization dedicated to improving the education opportunities of urban children through the creation of autonomous, high-performing public schools. The Foundation is a cofounder of the School.

As educational manager to charter schools during the fiscal years ended June 30, 2013 and 2012, the Foundation entered into a Memorandum of Understanding ("MOU") agreement with the School. Pursuant to the terms of the MOU agreement, the School agreed to pay service fees to the Foundation in the amounts of \$636,493 and \$500,693 for the fiscal years ended June 30, 2013 and 2012, respectively. The Foundation supported the School in the areas of leadership and strategy, curriculum and assessment, research and evaluation, business services, compliance, development, technology, communications, outreach, and alumni program management. Amounts due to the Foundation at June 30, 2013 and 2012, were \$5,778 and \$26,382, respectively.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>	<u>Estimated Useful Life</u>
Furniture and fixtures	\$ 406,147	\$ 384,906	5 - 7 years
Computer equipment	374,103	332,738	3 years
Leasehold improvements	<u>382,497</u>	<u>382,497</u>	5 years
	1,162,747	1,100,141	
Less: accumulated depreciation	<u>(1,052,609)</u>	<u>(975,079)</u>	
Property and equipment, net	<u>\$ 110,138</u>	<u>\$ 125,062</u>	

BEGINNING WITH CHILDREN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 4. PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense was \$77,530 and \$63,594 for the years ended June 30, 2013 and 2012, respectively.

NOTE 5. SCHOOL FACILITIES

As a conversion charter school, the School continues to occupy approximately 39,000 square feet of space in its original facility located at 11 Bartlett Street in Williamsburg, Brooklyn. The upper grades at the School occupy approximately 10,000 square feet of space in an existing public school facility at 185 Ellery Street in Williamsburg. These facilities have been made available at no charge to the School by the NYCDOE.

NOTE 6. EMPLOYEE BENEFIT PLAN

The School contributes to various pension funds determined by union membership of employees at the School. The amount charged to operations for contributions to these funds was approximately \$537,000 and \$562,000 for the years ended June 30, 2013 and 2012, respectively.

The Teachers' Retirement System ("TRS") determined prior to June 30, 2012, that the amounts remitted to this pension fund by the School during fiscal year 2012 exceeded the actual required contributions. Subsequent to year end, TRS refunded the School \$321,320, which is reflected as "Due from Teachers' Retirement System" in the accompanying statement of financial position at June 30, 2012.

NOTE 7. CONTINGENCIES

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

NOTE 8. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the tables below. The valuation techniques are as follows:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

**BEGINNING WITH CHILDREN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables summarize the School's assets measured at fair value on a recurring basis, categorized by GAAP's valuation hierarchy as of June 30, 2013 and 2012.

Description	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at June 30, 2013	Valuation Technique
Money market fund (included in cash and cash equivalents)	\$ 214,635	\$ -	\$ -	\$ 214,635	(a)
Certificates of deposit (included in investments and assets designated by board for facilities and personnel)	-	2,073,609	-	2,073,609	(b)
Total	<u>\$ 214,635</u>	<u>\$ 2,073,609</u>	<u>\$ -</u>	<u>\$ 2,288,244</u>	

Description	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at June 30, 2012	Valuation Technique
Money market fund (included in cash and cash equivalents)	\$ 250,069	\$ -	\$ -	\$ 250,069	(a)
Certificates of deposit (included in investments and assets designated by board for facilities and personnel)	-	1,398,399	-	1,398,399	(b)
Total	<u>\$ 250,069</u>	<u>\$ 1,398,399</u>	<u>\$ -</u>	<u>\$ 1,648,468</u>	

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2013 and 2012:

The money market funds are valued at cost plus accrued interest, which approximates fair value.

The certificates of deposits are valued at fair value as determined by the custodian.



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**INDEPENDENT AUDITORS' 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
Beginning with Children Charter School

We have audited, in accordance with the 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, the financial statements of Beginning with Children Charter School (the "School") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
October 28, 2013

Appendix E: Disclosure of Financial Interest Form

Created Thursday, July 25, 2013

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331400860825 BEGINNING WITH CHLDRN CS

An Appendix E: Disclosure of Financial Interest Form must be completed for each active Trustee who served on the charter school's Board of Trustees during the 2012-13 school year. Trustees are at times difficult to track down in the summer months. Trustees may complete and submit at their leisure (but before the deadline) their individual form at: <http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/>.

Trustees who are technologically advanced may complete the survey using their smartphones or other mobile devices by downloading the this bar code link to the survey <http://fluidsurveys.com/account/surveys/210748/publish/qrcode/>. (Make sure you have the bar code application reader on your phone).

If a Trustee is unable to complete the form by the deadline (i.e, out of the country), the school is responsible for submitting the information required on the form for that individual trustee.

Just send the links via email today to your Trustees requesting that they each complete their form as soon as possible.

Thank you.

Yes, each member of the school's Board of Trustees has received a link to the Disclosure of Financial Interest Form.

Yes

Thank you.

Appendix F: BOT Membership Table

Created Wednesday, July 31, 2013

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331400860825 BEGINNING WITH CHLDRN CS

1. Current Board Member Information

	Full Name of Individual Trustees	Position on Board (Officer or Rep).	Voting Member	Area of Expertise &/or Additional Role	Terms Served & Length (include date of election and expiration)	Committee affiliations
1	Antonia Bryson	Chair/President		Special Education, Law,	9/2012	
2	Alex Fong	Member		Education, Law	12/2012	
3	Rebecca Banenman	Secretary		Education, Law	9/2012	
4	J.B. Lockhart	Treasurer		Finance	6/2011	
5						
6						
7						
8						
9						
10						
11						
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13						
14						
15						
16						
17						
18						
19						
20						

2. Total Number of Members Joining Board during the 2012-13 school year

1

3. Total Number of Members Departing the Board during the 2012-13 school year

4

4. According to the School's by-laws, what is the maximum number of trustees that may comprise the governing board?

15

5. How many times did the Board meet during the 2012-13 school year?

11

6. How many times will the Board meet during the 2013-14 school year?

11

Thank you.

Appendix H: Enrollment and Retention Efforts

Describe the efforts the charter school has utilized in 2012-2013 and a plan for efforts to be taken in 2013-2014 to attract and retain a greater enrollment of students with disabilities, English language learners, and students who are eligible for free and reduced priced lunch.

Target Populations

In compliance with the July 16, 2012 New York State Education Department issued memo detailing sanctions for charter schools that do not mirror district percentages in the following categories for enrollment and retention targets we intend to utilize the prescribed formulas for targeted enrollment as follows:

- 1). Students with disabilities
- 2). English language learner
- 3). Students who are eligible for the free and reduced priced lunch program

The preference for the categories listed above will be given in the form of a duplicate (Sped) or triplicate (ELL/FRPL). For example, a student who lives in district 13 or 14 who is listed as ELL or FRPL will be entered in the lottery 3x's increasing their probability of being accepted. Additionally, the waiting list for grades 1-6 will be randomized with the same preferences.

Priority for admission was given to residents of the district (and, after the initial enrollment program, siblings of current students), students who are English language learners, students with disabilities and students who are eligible to participate in the free or reduced-price lunch program.

Following the lottery and the completion of the school enrollment process, the school's Director of Operations conducted analyses of student demographics, including whether a student has a disability, is an English Language Learner or qualifies for free or reduced lunch. A percentage of the total school population has been determined and we are working to ensure enrollment that allows BwCCS is meeting its targets for enrollment as discussed above.

Recruitment

Prior to the lottery, our outreach team visited apartment complexes, several pre-schools and other early intervention programs that serve the community school district and made presentations in English and Spanish. The team also attended at community events (School Fest) and community district meetings and shared enrollment information with interested parents as well as visited neighborhood churches, businesses and preschools in neighboring districts. BwCCS also leveraged our relationship with the Pre- K program that shares the building at 11 Bartlett Street. We also retained the services of Vanguard Direct and conducted mass mailings in the 11206, 11211, and 11249 zip codes. Approximately 2,000 families received mailers containing a stamped, return envelope along with flyers and applications. All our outreach and recruitment efforts were supported by posters and flyers that were created in both Spanish and English. Those posters invited families to participate in our information sessions and tours. BwCCS held ten

informational sessions in 2012-2013. The sessions were schedule during the day and evenings as well as on Saturdays.

For the 2013-2014-school year, our recruitment mirrors the past year's efforts.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Thursday, July 11, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/defa7e877f9b89bcc95aa237c20b9c2>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Antonia Bryson

2. Charter School Name:

Beginning with Children Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Chair/President

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

Page 2

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

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Required Form: Appendix E - Disclosure of Financial Interest Form

Created Friday, July 26, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/2855469badfcfde0c2d4b1c49a94f95>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Alexander Fong

2. Charter School Name:

Beginning with Children Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Other, please specify...: Member

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

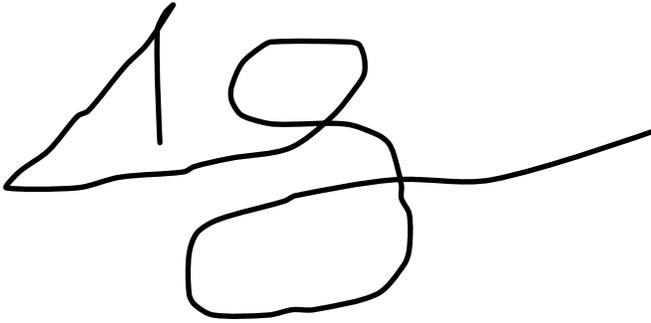
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink, consisting of a stylized 'A' followed by a large, loopy 'S' and a horizontal line extending to the right.