

I. SCHOOL INFORMATION AND COVER PAGE

Created Thursday, July 24, 2014
Updated Monday, August 04, 2014

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1. SCHOOL NAME

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

010100860977 BRIGHTER CHOICE CS MIDDLE-GIRLS

2. CHARTER AUTHORIZER

SUNY-Authorized Charter School

3. DISTRICT / CSD OF LOCATION

Albany

4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
395 Elk Street Albany, NY 12206	518-694-5550	518-694-5551	[REDACTED]

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

Contact Name	Andrew Grebe
Title	Business Manager
Emergency Phone Number (###-###-####)	[REDACTED]

5. SCHOOL WEB ADDRESS (URL)

www.brighterchoicems.org/girls

6. DATE OF INITIAL CHARTER

2010-01-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

2010-09-01 00:00:00

8. TOTAL NUMBER OF STUDENTS ENROLLED IN 2013-14 (as reported on BEDS Day)

(as reported on BEDS Day)

9. GRADES SERVED IN SCHOOL YEAR 2013-14

Check all that apply

 5

 6

 7

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

Yes/No	Name of CMO/EMO
No	

11. FACILITIES

Will the School maintain or operate multiple sites?

No, just one site.

12. SCHOOL SITES

Please list the sites where the school will operate in 2014-15.

	Physical Address	Phone Number	District/CSD	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	395 Elk Street Albany, NY 12206	518-694-55 50	ALBANY CITY SD	5-8	Yes	Rent/Lease

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

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Kim Arrington	[REDACTED]		[REDACTED]
Operational Leader	Andrew Grebe	[REDACTED]		[REDACTED]

14. Were there any revisions to the school's charter during the 2013-2014 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 that reads "Kimberly Arrington". The signature is written in a cursive style with a large initial 'K'.

Signature, President of the Board of Trustees

A handwritten signature in black ink that reads "Mark Johnson". The signature is written in a cursive style with a large initial 'M'.

Thank you.

Appendix A: Link to the New York State School Report Card

Created Friday, August 01, 2014

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Charter School Name: 010100860977 BRIGHTER CHOICE CS MIDDLE-GIRLS

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).

<http://data.nysed.gov/profile.php?instid=800000067239>



**Brighter Choice
Charter Middle School for Girls**

**2013-14 ACCOUNTABILITY PLAN
PROGRESS REPORT**

Submitted to the SUNY Charter Schools Institute on:

September 15, 2014

By Kimberly Arrington
395 Elk Street
Albany, NY 12206
518-694-5550

Kimberly Arrington, School Leader, prepared this 2013-14 Accountability Progress Report on behalf of the school’s board of trustees:

Trustee’s Name	Board Position
Martha Snyder	Chair
Rebecca Calos	Vice Chair
Zoe Nelson	Secretary
Shawn Wallace	Treasurer
Nilsa Velilla	Member

Kimberly Arrington has served as the school leader since September 2012.

INTRODUCTION

The mission of Brighter Choice Charter Middle School for Girls (BCMSG) is to prepare girls for high school and college success while attending to the unique developmental needs of early adolescent students. The school works toward this mission by: offering flexible learning spaces, differentiating instruction, utilizing data for decision making, committing to technology use, emphasizing student choice, providing staff advisors and group seminars to support the positive social and emotional development of girls, providing single-gender instruction, requiring school uniforms, extending the school day, and implementing a year-round school program.

The mission of the Brighter Choice Charter Middle School for Girls (BCMSG) is to prepare girls for high school and college success while attending to the unique developmental needs of middle school scholars. BCMSG pursues this mission by:

- Provide single gender instruction with unique curricular opportunities focused on women's history and issues.
- Differentiating instruction to meet the wide-ranging learning needs of its entire scholar body.
- Offering flexible learning spaces that compliment and encourage varied instructional methods.
- Utilizing data from all aspects of its operation to inform decision-making and improve scholar performance.
- Providing each scholar an adult advisor and small-group seminar to support the positive social and emotional development of girls.
- Offering exposure to diverse options for and comprehensive guidance throughout the high school placement process.
- Committing to technology use and integration into the school's academic program to enhance worldviews and understanding.

The school opened its doors September 7, 2010 to serve 42 fifth grade girls primarily from the city of Albany and others from neighboring Capital District cities. At the beginning of the 2011-12 school year, BCMSG moved into its permanent home at 395 Elk Street. BCMSG added a grade each year until now serving grades 5 through 8 at full capacity according to the school's chartered enrollment plan. In June 2014, the school graduated its first class of eighth grade scholars. BCMSG has successfully implemented the school's mission in its first charter term. BCMSG has made gains in performance, in addition, has made academic and organizational changes that position the school for success in its next charter term.

**School Enrollment by Grade Level and School Year
As of BEDS Day**

School Year	5	6	7	8	Total
2010-11	43				43
2011-12	59	48			107
2012-13	60	55	43		158
2013-14	59	64	60	37	220

ENGLISH LANGUAGE ARTS

Goal 1: English Language Arts

The scholars of Brighter Choice Charter Middle School for Girls will be proficient readers and writers of the English Language.

In English language arts, students study reading comprehension, language/word study, and writing. Throughout the curriculum, students are challenged to apply their growing knowledge of reading, writing, speaking, and listening in a variety of ways/across content areas. Novel studies, discussions, and authentic writing activities provide students the resources and opportunities to develop an understanding of the practical use and necessity of language as a means of communication, as well as to develop an appreciation for the value of words and the joy of reading for its own sake.

In 2012-13, the school implemented changes in an effort to improve student learning and outcomes. The school expanded its intervention team to include a coordinator to provide ongoing professional development for intervention staff and monitor fidelity to interventions. Tier 2 instruction was expanded to include a comprehension-based guided-reading program, decoding instruction and work with reading fluency. An expanded writing component was added to the curriculum for all students through the addition of a writing class. Students engaged in daily accountable, independent reading. Core instruction in the classroom (Tier 1 instruction) added curriculum resources that embed complex texts and provide more guidance and support to teachers. Finally, there was more on-going and more frequent assessment and analysis of student performance in ELA to drive instruction.

With the first round of CCLS-aligned NYS exams in 2013, BCMSG realized a need to continue this pedagogical shift. Weekly professional development sessions in the 2013-14 school year focused on supporting teachers in the delivery of constructivist instruction. Instructional strategies of focus in the 2013-14 school year included:

- Performance tasks across curriculum,
- Socratic seminar,
- Shared Text across content areas,
- Focus on informational reading and writing in Science and Social Studies,
- Habits of Discussion.

The school's persistent challenge has been increasing scholars' stamina to support them in reading longer and complex texts for sustained blocks of time, which was substantiated by its scholars' performance on the previous NYSE. Increased use of released materials on EngageNY have helped faculty to increase the rigor of instruction. This added information has been used to inform existing Interim Assessments (IA).

School leaders determined that the existing ELA scope and sequence, and its dependence on unconnected skill-instruction, did not support the critical thinking demanded by the Common Core Learning Standards (CCLS). Beginning in April 2014, ELA and Social Studies teachers began working with Literacy coaches from the Albany Charter School Network to plan instructional units using the “Understanding by Design” framework with a focus on thematic integration across grade levels and capitalizing on opportunities for increased reading, higher-order thinking, and authentic assessment.

In 2014-15, teachers will use pacing guides for ELA based off analysis of EngageNY curricular tools with a heavy focus on writing across all content areas, increased close reading within all disciplines.

Goal 1: Absolute Measure

Each year, 75 percent of all tested students enrolled in at least their second year will perform at proficiency on the New York State English language arts examination for grades 3-8.

Method

The school administered the New York State Testing Program English language arts assessment to students in fifth through eighth grade in April 2014. Each student’s raw score has been converted to a grade-specific scaled score and a performance level.

The table below summarizes participation information for this year’s test administration. The table indicates total enrollment and total number of students tested. It also provides a detailed breakdown of those students excluded from the exam. Note that this table includes all students according to grade level, even if they have not enrolled in at least their second year.

2013-14 State English Language Arts Exam Number of Students Tested and Not Tested

Grade	Total Tested	Not Tested ¹			Total Enrolled
		IEP	ELL	Absent	
5	58			1	59
6	61				61
7	56				56
8	35				35
All	210	0	0	1	211

Results

Overall, 14 percent of students in at least their second year at BCMSG performed at standards 3 and 4 on the NYS English Language Arts exam in 2014.

¹ Students exempted from this exam according to their Individualized Education Program (IEP), because of English Language Learners (ELL) status, or absence for at least some part of the exam.

Performance on 2013-14 State ELA Exam By All Students and Students Enrolled 2+ Years

Grades	All Students		Enrolled in at least their Second Year	
	Percent	Number Tested	Percent	Number Tested
5	22%	58	--	0
6	10%	61	13%	40
7	7%	56	7%	43
8	23%	35	23%	35
All	15%	210	14%	118

Evaluation

BCMSG did not achieve this measure, falling short by 60 percentage points. Like students across the state, scholars continue to struggle with the CCLS-based ELA exam.

Additional Evidence

BCMSG students made meaningful progress since last year’s performance and systems have been put in place for 2014-15 to ensure progress continues.

English Language Arts Performance by Grade Level and School Year

Grade	Percent of Students Enrolled in At Least Their Second Year Achieving Proficiency					
	2011-12		2012-13		2013-14	
	Percent	# Tested	Percent	# Tested	Percent	# Tested
5	0%	2	0%	1	--	0
6	66%	32	2%	43	13%	40
7			8%	36	7%	43
8					23%	35
All	62%	34	5%	80	14%	118

Goal 1: Absolute Measure

Each year, the school’s aggregate Performance Level Index (PLI) on the State English language arts exam will meet the Annual Measurable Objective (AMO) set forth in the state’s NCLB accountability system.

Method

The federal No Child Left Behind law holds schools accountable for making annual yearly progress towards enabling all students to be proficient. As a result, the state sets an AMO each year to determine if schools are making satisfactory progress toward the goal of proficiency in the state’s learning standards in English language arts. To achieve this measure, all tested students must have a Performance Level Index (PLI) value that equals or exceeds the 2013-14 English language arts AMO of 89. The PLI is calculated by adding the sum of the percent of all

tested students at Levels 2 through 4 with the sum of the percent of all tested students at Levels 3 and 4. Thus, the highest possible PLI is 200.²

Results

BCMSG’ Performance Level Index totaled 72 versus the AMO of 89.

English Language Arts 2013-14 Performance Level Index (PLI)

Number in Cohort	Percent of Students at Each Performance Level			
	Level 1	Level 2	Level 3	Level 4
210	41	44	12	2

$$\begin{array}{rclclclclcl}
 \text{PI} & = & 44 & + & 12 & + & 2 & = & 58 \\
 & & & & 12 & + & 2 & = & \underline{14} \\
 & & & & & & \text{PLI} & = & 72
 \end{array}$$

Evaluation

BCMSG did not achieve this measure.

Goal 1: Comparative Measure
 Each year, the percent of all tested students who are enrolled in at least their second year and performing at proficiency on the state English language arts exam will be greater than that of all students in the same tested grades in the local school district.

Method

A school compares tested students enrolled in at least their second year to all tested students in the surrounding public school district. Comparisons are between the results for each grade in which the school had tested students in at least their second year at the school and the total result for all students at the corresponding grades in the school district.³

Results

Overall, the BCMSG students in at least their second year did not outperform the same grades at the local district, missing the mark by just one percentage point.

² In contrast to SED’s Performance Index, the PLI does not account for year-to-year growth toward proficiency.

³ Schools can acquire these data when the New York State Education Department releases its Access database containing grade level ELA and math test results for all schools and districts statewide. The NYSED announces the release of the data on its [News Release webpage](#).

2013-14 State ELA Exam Charter School and District Performance by Grade Level

Grade	Percent of Students at Proficiency			
	Charter School Students In At Least 2 nd Year		All District Students	
	Percent	Number Tested	Percent	Number Tested
6	13%	40	16%	532
7	7%	43	9%	583
8	23%	35	18%	591
All	14%	118	14%	1706

Evaluation

BCMSG did not achieve this measure.

Additional Information

Like many schools across the state, BCMSG experienced a decline in performance for 2012-2013. For that year, ACSD outperformed BCMSG in all grade-levels. In 2013-2014, BCMSG outperformed ACSD in 5th and 8th grade. In terms of cohort performance, BCMSG either performed at a comparable level or outperformed ACSD. There are two important trends to notice. ACSD performance declined in all grade-levels and declined overall. BCMSG experienced growth in certain grade-levels and increased overall. Plus, BCMSG cohort student either maintained or increased performance in all grade-levels and overall.

As seen in the following tables, BCMSG is closing the gap between their performance and the district's overall score for grades 6-8 in ELA.

ELA Performance of Charter School and Local District by Grade Level and School Year

Grade	Percent of Students Enrolled in at Least their Second Year Who Are at Proficiency Compared to Local District Students					
	2011-12		2012-13		2013-14	
	Charter School	Local District	Charter School	Local District	Charter School	Local District
5	0%	39%	0%	18%	--	--
6	66%	40%	2%	19%	13%	16%
7			8%	19%	7%	9%
8					23%	18%
All	62%	40%	5%	18%	14%	14%

Goal 1: Comparative Measure

Each year, the school will exceed its predicted level of performance on the state English language arts exam by an Effect Size of 0.3 or above (performing higher than expected to a small degree) according to a regression analysis controlling for students eligible for economically disadvantaged students among all public schools in New York State.⁴

Method

The Charter Schools Institute conducts a Comparative Performance Analysis, which compares the school's performance to demographically similar public schools statewide. The Institute uses a regression analysis to control for the percentage of economically disadvantaged students among all public schools in New York State. The Institute compares the school's actual performance to the predicted performance of public schools with a similar economically disadvantaged percentage. The difference between the schools' actual and predicted performance, relative to other schools with similar economically disadvantaged statistics, produces an Effect Size. An Effect Size of 0.3 or performing higher than expected to a small degree is the requirement for achieving this measure.

Given the timing of the state's release of economically disadvantaged data and the demands of the data analysis, the 2013-14 analysis is not yet available. This report contains 2012-13 results, the most recent Comparative Performance Analysis available.

Results

The overall Effect Size for ELA in 2012-13 was -0.72, falling below the 0.3 target.

2012-13 English Language Arts Comparative Performance by Grade Level

Grade	Percent Economically Disadvantaged	Number Tested	Percent of Students at Levels 3&4		Difference between Actual and Predicted	Effect Size
			Actual	Predicted		
3	--					
4	--					
5	90.0	54	9.3	17.7	- 8.4	-0.68
6	83.6	57	5.3	15.5	-10.2	-1.01
7	97.7	42	7.1	11.9	- 4.8	-0.39
8	--					
All	89.7	153	7.2	15.3	- 8.1	-0.72

School's Overall Comparative Performance:

Lower than expected

⁴ The Institute will continue using *economically disadvantaged* instead of *eligibility for free lunch* as the demographic variable in 2013-14. Schools should report previous year's results using reported free-lunch statistics.

Evaluation

BCMSG did not achieve this measure.

Additional Evidence

It is important to note the continued improvement of BCMSG. Each year, the school grew closer to the target effect size, and it is anticipated that the results from 2013-14 will indicate that the school is even closer to meeting this goal.

English Language Arts Comparative Performance by School Year

School Year	Grades	Percent Eligible for Free Lunch	Number Tested	Actual	Predicted	Effect Size
2010-11	5	74	42	35.7	40.6	-4.9
2011-12	5-6	79.6	107	24.3	38.6	-0.88
2012-13	5-7	89.7	153	7.2	15.3	-0.72

Goal 1: Growth Measure⁵

Each year, under the state's Growth Model, the school's mean unadjusted growth percentile in English language arts for all tested students in grades 4-8 will be above the state's unadjusted median growth percentile.

Method

This measure examines the change in performance of the same group of students from one year to the next and the progress they are making in comparison to other students with the same score in the previous year. The analysis only includes students who took the state exam in 2012-13 and also have a state exam score from 2011-12 including students who were retained in the same grade. Students with the same 2011-12 score are ranked by their 2012-13 score and assigned a percentile based on their relative growth in performance (student growth percentile). Students' growth percentiles are aggregated school-wide to yield a school's mean growth percentile. In order for a school to perform above the statewide median, it must have a mean growth percentile greater than 50.

Given the timing of the state's release of Growth Model data, the 2013-14 analysis is not yet available. This report contains 2012-13 results, the most recent Growth Model data available.⁶

Results

The overall Mean Growth Percentile for ELA in 2012-13 was 41.6, falling below the 50.0 target.

⁵ See Guidelines for [Creating a SUNY Accountability Plan](#) for an explanation.

⁶ Schools can acquire these data from the NYSED's Business Portal: portal.nysed.gov.

2012-13 English Language Arts Mean Growth Percentile by Grade Level

Grade	Mean Growth Percentile	
	School	Statewide Median
5	34.61	50.0
6	47.25	50.0
7	42.62	50.0
All	41.6	50.0

Evaluation

BCMSG did not achieve this goal. However, students at grade 6 drew the closest within 3 percentage points of the statewide median at 47.25%.

English Language Arts Mean Growth Percentile by Grade Level and School Year

Grade	Mean Growth Percentile			
	2010-11 ⁷	2011-12 ⁷	2012-13	Statewide Average
5			34.61	50.0
6			47.25	50.0
7			42.62	50.0
All			41.6	50.0

Summary of the English Language Arts Goal

While BCMSG did not meet either their absolute or comparative accountability goals for the charter term, their growth over the last two years is significant. As they moved up, BCMSG students improved in ELA in 2013-14. At each grade level, students at BCMSG had a higher rate of proficiency in 2013-14 than students in the prior grade in the prior year (2012-13). Most notably, the 2013-14 8th grade class improved ELA proficiency by 15% from 2012-13 when they were in 7th grade (23% proficiency in 2013-14 grade 8 compared to 8% proficiency in 2012-13 grade 7). The BCMSG is program is achieving better outcomes for students who have been with the school for two years or more (“cohort”), indicating that overall, the longer students stay with the school the better their outcomes will be.

In terms of cohort performance, all BCMSG grades demonstrated growth.

⁷ Grade level results not available.

Type	Measure	Outcome
Absolute	Each year, 75 percent of all tested students who are enrolled in at least their second year will perform at proficiency on the New York State English language arts exam for grades 3-8.	Did Not Achieve
Absolute	Each year, the school's aggregate Performance Level Index (PLI) on the state English language arts exam will meet that year's Annual Measurable Objective (AMO) set forth in the state's NCLB accountability system.	Did Not Achieve
Comparative	Each year, the percent of all tested students who are enrolled in at least their second year and performing at proficiency on the state English language arts exam will be greater than that of students in the same tested grades in the local school district.	Did Not Achieve
Comparative	Each year, the school will exceed its predicted level of performance on the state English language arts exam by an Effect Size of 0.3 or above (performing higher than expected to a small degree) according to a regression analysis controlling for economically disadvantaged students among all public schools in New York State. (Using 2012-13 school district results.)	Did Not Achieve
Growth	Each year, under the state's Growth Model the school's mean unadjusted growth percentile in English language arts for all tested students in grades 4-8 will be above the state's unadjusted median growth percentile.	Did Not Achieve

Action Plan

BCMSG is committed to enhancing the academic program to met accountability goals.

I. ELA Specific Highlights

To support teacher implementation of inquiry-based learning and rigorous instruction, BCMSG will focus on three main practices – student discourse, close reading, and writing across the curriculum. Leaders and coaches will refine structures to support these practices:

- Lesson Essential Questions will be incorporated into daily lessons to promote discussion and inquiry versus teacher-center pedagogy.
- A refined evaluation cycle will be implemented that includes observation and coaching. BCMSG teachers will receive ongoing coaching support from the Albany Network's ELA coach.
- Engage NY and O'Dell materials have been purchased, plus teachers will have access to supplemental materials.
- Interim assessments will be redesigned. Interim assessments will use a combination of assessments from EngageNY and teacher-created assessments using exemplars issued by the state and designed to meet the rigor of the CCSS. The assessments will be

administered at the end of the first, second, and fourth quarters. The state exams will take the place of the third quarter assessment.

To support increase rigor in ELA, the following expectations have been communicated to staff:

- Students in each classroom encounter an appropriate balance, sequence, and variety of exemplary texts spending the majority of time during daily lessons reading, speaking, listening, and/or writing about texts.
- Students in each classroom have opportunities to practice and engage in the range of text dependent and text specific tasks demanded by CCSS through varied and frequent close reading, writing, oral response, and investigation.
- Each teacher employs intentionally sequenced questions and tasks which support student learning.
- Through monitoring of students' progress, each teacher ensures instruction and materials explicitly and systematically provide all students with the opportunity to master grade-level standards and demonstrate increasing independence in grade level reading, writing, speaking and listening tasks.
- Each teacher regularly adjusts instruction based on evidence of student progress from student work and ongoing assessment.

II. BCMSG Overall

1. Deepening the Impact of Academic Improvements

With positive results from initial efforts to better align curriculum, instruction, and assessment to the expectations of CCLS, with the goal of deepening the engagement and ownership of scholars in the learning process, and with the intention of establishing a robust foundation for middle school girls to advance to high school, college and future careers, BCMSG plans to make reinforcing improvements to its academic program. At the heart of these future improvements is the objective of completing the school's transition from teacher-led instructional practices to student-driven learning and knowledge and skills acquisition. Leveraging Understanding By Design ("UbD") as an overarching model of change and improvement during the next charter term, BCMSG plans to: (i) shift to a thematic unit curriculum; (ii) promote inquiry-based learning; (and (ii) enhance teacher and leader professional development.

Understanding By Design: In April 2014, in preparation for the 2014-15 school year, BCMSG began working with the Albany Network to plan instructional units using the UbD framework, with a focus on thematic integration across grade levels and capitalizing on opportunities for increased reading, higher-order thinking, and authentic assessment. UbD, or backwards design challenges educators to help scholars make connections between prior knowledge, current learning, and future discovery, illuminating the "big picture" and enabling them to build logical sequences between their lessons and the CCLS. UbD emphasizes the teacher's critical role as a designer of student learning and works within the standards-driven curriculum to help teachers clarify learning goals, devise revealing assessments of student understanding, align standards with assessment and instruction, and craft effective and engaging learning activities. In

addition, UbD focuses on deepening student knowledge and the transfer of knowledge through “uncovering” learning, rather than “covering” content. Leveraging the UbD framework, BCMSG plans intends to integrate curriculum, instruction, and assessment to create a cohesive and engaging educational experience for scholars.

i. Shift to a Thematic Curriculum

Beginning in the 2014-15 school year, BCMSG will begin the shift to cross-curricular thematic units, which will include an updated scope and sequence with interdisciplinary connections that builds upon the strengths of the EngageNY modules. With support from the Albany Network, BCMSG has developed a revised curriculum guide that incorporates the school’s key design elements with an inquiry-based focus. While the curriculum guide continues to draw strongly from the EngageNY modules, it has been adapted to suit the unique needs of BCMSG scholars and the overarching focus of the school. The curriculum guide provides vertical and horizontal alignment. Standard sets have been identified that are aligned across content areas and grade levels. The curriculum guide has weekly, quarterly, and yearly components to support short-term and long-term planning.

While UbD is traditionally used to create new curriculum or units, the professional development teachers have received has focused on UbD as a critical lens to examine the existing curriculum units and the curriculum planning and implementation itself. The process requires teachers to review and refine units by asking the following questions: (i) what do I want my students to know, learn and do; (ii) how will I know that students know it, learned it, or can do it; and (iii) what instructional activities will be used to help students know it, learn it, or do it. As part of their professional development, teachers are being required to critically analyze their curricula and support materials to ensure they meet the needs of middle school scholars. The use of the revised curriculum guides and the process of critically analyzing curricular materials will promote alignment with CCLS and support continued progress towards improved student achievement.

ii. Strengthening the Quality of Instruction

In order to support effective teacher implementation of inquiry-based learning and rigorous instruction, BCMSG will focus on three main practices – student discourse, close reading, and writing across the curriculum. These three main practices – student discourse, close reading, and writing across the curriculum – emerged from the observation of teachers and the analysis of curricular materials. A key element in the work of the critical analysis of units through the UbD lens is selecting appropriate instructional practices that align with CCLS and support rigor. Accordingly, the school leaders identified these practices as solutions that can be implemented in all subject areas to strengthen scholar engagement and learning.

With the shifts in curriculum and instruction, the school leaders recognize the need to engage in similar critical analysis. To support the critical focus and alignment, school leaders and coaches will (i) refine structures to support these practices; (ii) working to build teacher toolkits with strategies, which support these practices; and (iii) engaging in a “cycle of inquiry”.

In terms of structures, leaders and coaches will focus on unit plans designed using UbD in ELA; LEQs to promote discussion and inquiry versus teacher-centered pedagogy; providing additional resources; and evaluating the master schedule, grade-book weights, assessment portfolio and internal assessment tools. In terms of strategies, leaders and coaches will support a focus on math practices; shared text across content areas; focus on informational reading and writing across content areas; increased time with authentic text in ELA; and various instructional practices (Socratic Seminar, Habits of Mind, etc.).

School leaders will facilitate a “cycle of inquiry” using all school data, definition of rigor informed by CCLS, and specific school-wide goals. School leaders will support these initiatives by planning professional development sessions, conducting observations and providing feedback, and revising teacher evaluation criteria.

iii. Cultivating Instructional Leadership

To fully support the successful improvement and transition of the academic program at BCMSG, the Board of Trustees also has plans to invest in the continued professional growth and development of the principal and other members of the leadership team. In partnership with the Albany Network, the principal will participate in monthly collaborative inquiry-based, case study-oriented professional development sessions with principals from other charter schools in Albany. These sessions are designed to help leaders continue to sharpen their curriculum, instruction, and assessment strategies, as they share ideas with colleagues through Socratic engagement and exploration of local and national best practices. This support will enable the principal to serve as the school’s lead learner and a model of continuous learning for both staff and students.

2. More Fully Engaging of the Albany Charter School Network

The Albany Charter School Network (the “Albany Network”) is a support organization for a number of the charter schools in Albany, New York. BCMSG is currently in partnership with the Albany Network, through a compact agreement under which the Albany Network provides a range of academic, operating, and financial support services to the school. In addition to ongoing recruitment services and other operating and financial support services, the Albany Network has provided significant support to the school in terms of curriculum development, instructional coaching, assessment strategy implementation, and leader and educator professional development during the 2013-14 school year. At the time of this renewal submission, the BCMSG Board of Trustees is in discussions with the Albany Network to explore the potential for the school to receive even more comprehensive services in the future. Once negotiations are finalized, Exhibit J (management company contract) may be updated.

MATHEMATICS

Goal 2: Mathematics

The Scholars of Brighter Choice Charter Middle School for Girls will demonstrate proficiency in their understanding and application of mathematical computation and problem solving.

The mathematics curriculum bridges the gap between the concrete and abstract. The students' existing understanding of number sense and operations is further developed in order to provide students the tools to use in more sophisticated mathematical thinking. Geometric, algebraic, and abstract concepts are explored. Practical and cross-curricular applications of mathematics, including probability, statistics, and measurement, are also highlighted.

In 2012-13 the school took specific steps to improve or maintain academic performance based on the specific results and patterns associated with this goal. The school added an intervention coordinator to provide ongoing professional development for intervention staff and monitor fidelity to interventions. The school expanded its intervention team. Tier 2 instruction was expanded to include more guided mathematics groups on a consistent basis. Ongoing professional development, classroom observations, and data review of student performance took place to ensure instruction is focusing on application of skills to authentic problems.

During the 2013-2014 school year, BCMMSG began addressing the challenges identified by the Authorizer, including a monitoring the effectiveness of program changes, adopting a merit structure that places high expectations on teachers, and shifting to a student-centered learning environment. In the spring of 2014, math teachers began to analyze and utilize the curricular materials available through EngageNY's curriculum modules. With assistance from the Albany Network Academic Team, classrooms began to focus on the mathematical discourse strategies dictated by CCLS's "8 Math Practices."

Goal 2: Absolute Measure

Each year, 75 percent of all tested students enrolled in at least their second year will perform at proficiency on the New York State mathematics examination for grades 3-8.

Method

The school administered the New York State Testing Program mathematics assessment to students in fifth through eighth grade in April 2014. Each student's raw score has been converted to a grade-specific scaled score and a performance level.

The table below summarizes participation information for this year's test administration. The table indicates total enrollment and total number of students tested. It also provides a detailed breakdown of those students excluded from the exam. Note that this table includes all students according to grade level, even if they have not enrolled in at least their second year.

2013-14 State Mathematics Exam Number of Students Tested and Not Tested

Grade	Total Tested	Not Tested ⁸			Total Enrolled
		IEP	ELL	Absent	
5	56	1			57
6	61				61
7	54				54
8	35				35
All	206	1	0	0	207

Results

Overall, 9 percent of students in at least their second year performed at standards 3 and 4 on the NYS math exam in 2014.

Performance 2013-14 State Mathematics Exam by All Students and Students Enrolled 2+ Years

Grades	All Students		Enrolled in at least their Second Year	
	Percent	Number Tested	Percent	Number Tested
5	18%	56	--	0
6	15%	61	18%	40
7	7%	54	7%	42
8	3%	35	3%	35
All	12%	206	9%	117

Evaluation

BCMSG did not achieve this measure.

Mathematics Performance by Grade Level and School Year

Grade	Percent of Students Enrolled in At Least Their Second Year Achieving Proficiency					
	2011-12		2012-13		2013-14	
	Percent	Number Tested	Percent	Number Tested	Percent	Number Tested
5	33%	3	0%	1	--	0
6	75%	32	12%	43	18%	40
7			6%	35	7%	42
8					3%	35
All	71%	35	9%	79	9%	117

⁸ Students exempted from this exam according to their Individualized Education Program (IEP), because of English Language Learners (ELL) status, or absence for at least some part of the exam.

Goal 2: Absolute Measure

Each year, the school’s aggregate Performance Level Index (PLI) on the State mathematics exam will meet the Annual Measurable Objective (AMO) set forth in the state’s NCLB accountability system.

Method

The federal No Child Left Behind law holds schools accountable for making annual yearly progress towards enabling all students to be proficient. As a result, the state sets an AMO each year to determine if schools are making satisfactory progress toward the goal of proficiency in the state’s learning standards in mathematics. To achieve this measure, all tested students must have a Performance Level Index (PLI) value that equals or exceeds the 2013-14 mathematics AMO of 86. The PLI is calculated by adding the sum of the percent of all tested students at Levels 2 through 4 with the sum of the percent of all tested students at Levels 3 and 4. Thus, the highest possible PLI is 200.⁹

Results

BCMSG’s Performance Level Index totaled 68 versus the AMO of 86.

Mathematics 2013-14 Performance Level Index (PLI)

Number in Cohort	Percent of Students at Each Performance Level			
	Level 1	Level 2	Level 3	Level 4
	42	46	10	1

$$\begin{array}{rclclclclcl}
 \text{PI} & = & 46 & + & 10 & + & 1 & = & 57 \\
 & & & & 10 & + & 1 & = & \underline{11} \\
 & & & & & & \text{PLI} & = & 68
 \end{array}$$

Evaluation

BCMSG did not achieve this measure.

Goal 2: Comparative Measure

Each year, the percent of all tested students who are enrolled in at least their second year and performing at proficiency on the state mathematics exam will be greater than that of all students in the same tested grades in the local school district.

Method

A school compares tested students enrolled in at least their second year to all tested students in the surrounding public school district. Comparisons are between the results for each grade

⁹ In contrast to NYSED’s Performance Index, the PLI does not account for year-to-year growth toward proficiency.

in which the school had tested students in at least their second year at the school and the total result for all students at the corresponding grades in the school district.¹⁰

Results

Overall, BCMSG performed as well as the local district on the math exam in grades 6 through 8.

2013-14 State Mathematics Exam Charter School and District Performance by Grade Level

Grade	Percent of Students at Proficiency			
	Charter School Students In At Least 2 nd Year		All District Students	
	Percent	Number Tested	Percent	Number Tested
6	18%	40	17%	540
7	7%	42	8%	581
8	3%	35	0%	469
All	9%	117	9%	1590

Evaluation

BCMSG did not achieve this measure.

Additional Evidence

BCMSG made progress this year and performed as well as the district in math. During 2011-12, BCMSG outperformed the district, but its scores declined with the introduction of the new CCLS-aligned exams in 2012-13 (like the majority of students across the state). BCMSG made gains over the course of the 2013-14 school year and improved performance to match ASCD on average proficiency or outperform the district as they did at 6th and 8th grades.

Mathematics Performance of Charter School and Local District by Grade Level and School Year

Grade	Percent of Students Enrolled in at Least their Second Year Who Are at Proficiency Compared to Local District Students					
	2011-12		2012-13		2013-14	
	Charter School	Local District	Charter School	Local District	Charter School	Local District
5	33%	41%	0%	14%	--	--
6	75%	51%	12%	14%	18%	17%
7			6%	8%	7%	8%
8					3%	0%
All	71%	45%	9%	12%	9%	9%

¹⁰ Schools can acquire these data when the New York State Education Department releases its Access database containing grade level ELA and math test results for all schools and districts statewide. The NYSED announces the release of the data on its [News Release webpage](#).

Goal 2: Comparative Measure

Each year, the school will exceed its predicted level of performance on the state mathematics exam by an Effect Size of 0.3 or above (performing higher than expected to a small degree) according to a regression analysis controlling for students eligible for economically disadvantaged students among all public schools in New York State.¹¹

Method

The Charter Schools Institute conducts a Comparative Performance Analysis, which compares the school's performance to demographically similar public schools state-wide. The Institute uses a regression analysis to control for the percentage of economically disadvantaged students among all public schools in New York State. The Institute compares the school's actual performance to the predicted performance of public schools with a similar economically disadvantaged percentage. The difference between the schools' actual and predicted performance, relative to other schools with similar economically disadvantaged statistics, produces an Effect Size. An Effect Size of 0.3 or performing higher than expected to a small degree is the requirement for achieving this measure.

Given the timing of the state's release of economically disadvantaged data and the demands of the data analysis, the 2013-14 analysis is not yet available. This report contains 2012-13 results, the most recent Comparative Performance Analysis available.

Results

The overall Effect Size for Math in 2012-13 was -0.53, falling below the 0.3 target.

2012-13 Mathematics Comparative Performance by Grade Level

Grade	Percent Economically Disadvantaged	Number Tested	Percent of Students at Levels 3&4		Difference between Actual and Predicted	Effect Size
			Actual	Predicted		
3	--					
4	--					
5	90.0	56	7.1	18.1	-11.0	-0.72
6	83.6	56	10.7	18.3	- 7.6	-0.48
7	97.7	41	4.9	10.0	- 5.1	-0.34
8	--					
All	89.7	153	7.8	16.0	- 8.2	-0.53

School's Overall Comparative Performance:

Lower than expected

¹¹ The Institute will continue using *economically disadvantaged* instead of *eligibility for free lunch* as the demographic variable in 2013-14. Schools should report previous year's results using reported free-lunch statistics.

Evaluation

BCMSG did not achieve this measure. However, it is important to note the continued improvement of BCMSG. Over the course of the charter term, the school drew closer to the target effect size, and it is anticipated that the results from 2013-14 will indicate that the school is even closer to meeting this goal.

Mathematics Comparative Performance by School Year

School Year	Grades	Percent Eligible for Free Lunch through 2011; Economically Disadvantaged 2012-13	Number Tested	Actual	Predicted	Effect Size
2010-11	5	43	41.9	54.0	-12.1	-0.62
2011-12	5-6	79.6%	106	19.8	51.3	-1.52
2012-13	5-7	89.7%	153	7.8	16.0	-0.53

Goal 2: Growth Measure¹²

Each year, under the state's Growth Model, the school's mean unadjusted growth percentile in mathematics for all tested students in grades 4-8 will be above the state's unadjusted median growth percentile.

Method

This measure examines the change in performance of the same group of students from one year to the next and the progress they are making in comparison to other students with the same score in the previous year. The analysis only includes students who took the state exam in 2012-13 and also have a state exam score in 2011-12 including students who were retained in the same grade. Students with the same 2011-12 scores are ranked by their 2012-13 scores and assigned a percentile based on their relative growth in performance (mean growth percentile). Students' growth percentiles are aggregated school-wide to yield a school's mean growth percentile. In order for a school to perform above the statewide median, it must have a mean growth percentile greater than 50.

Given the timing of the state's release of Growth Model data, the 2013-14 analysis is not yet available. This report contains 2012-13 results, the most recent Growth Model data available.¹³

Results

The overall Mean Growth Percentile for Math in 2012-13 was 59.7, surpassing the 50.0 target.

¹² See Guidelines for [Creating a SUNY Accountability Plan](#) for an explanation.

¹³ Schools can acquire these data from the NYSED's business portal: portal.nysed.gov.

2012-13 Mathematics Mean Growth Percentile by Grade Level

Grade	Mean Growth Percentile	
	School	Statewide Average
5	58.16	50.0
6	60.71	50.0
7	60.34	50.0
All	59.7	50.0

Evaluation

BCMSG achieved this measure.

Mathematics Mean Growth Percentile by Grade Level and School Year

Grade	Mean Growth Percentile			
	2010-11 ¹⁴	2011-12 ¹⁴	2012-13	Statewide Average
5			58.16	50.0
6			60.71	50.0
7			60.34	50.0
All			59.7	50.0

Summary of the Mathematics Goal

While BCMSG did not meet all of the absolute or comparative accountability goals for the charter term, their growth since the introduction of the CCLS-aligned test in grade 5 is significant. While on average, ASCD continues to outperform BCMSG, 8th graders in 2013-14 outperformed the district. And while scores did decline slightly across the cohort at BCMSG, they declined far more in the district. BCMSG recognizes that it still must make significant strides in order to meet accountability goals, it believes that the structures that have been recently put into place at the school will help it to achieve those outcomes within the near future.

¹⁴ Grade level results not available.

Type	Measure	Outcome
Absolute	Each year, 75 percent of all tested students who are enrolled in at least their second year will perform at proficiency on the New York State mathematics exam for grades 3-8.	Did Not Achieve
Absolute	Each year, the school's aggregate Performance Level Index (PLI) on the state mathematics exam will meet that year's Annual Measurable Objective (AMO) set forth in the state's NCLB accountability system.	Did Not Achieve
Comparative	Each year, the percent of all tested students who are enrolled in at least their second year and performing at proficiency on the state mathematics exam will be greater than that of students in the same tested grades in the local school district.	Did Not Achieve
Comparative	Each year, the school will exceed its predicted level of performance on the state mathematics exam by an Effect Size of 0.3 or above (performing higher than expected to a small degree) according to a regression analysis controlling for economically disadvantaged students among all public schools in New York State. (Using 2012-13 school district results.)	Did Not Achieve
Growth	Each year, under the state's Growth Model the school's mean unadjusted growth percentile in mathematics for all tested students in grades 4-8 will be above the state's unadjusted median growth percentile.	Achieved

Action Plan

I. Math Specific Highlights

BCMSG will continue to focus on rigorous instruction. To support teacher implementation of rigorous instruction, BCMSG will focus on three main practices – student discourse, close reading, and writing across the curriculum. Leaders and coaches will refine structures to support these practices:

- Lesson Essential Questions will be incorporated into daily lessons to promote discussion and inquiry versus teacher-center pedagogy.
- A refined evaluation cycle will be implemented that includes observation and coaching. BCMSG teachers will receive ongoing coaching support from the Albany Network's Math coach.
- Engage NY materials have been purchased, plus teachers will have access to supplemental materials.
- Interim assessments will be redesigned. Interim assessments will use a combination of assessments from EngageNY and teacher-created assessments using exemplars issued by the state and designed to meet the rigor of the CCSS. The assessments will be administered at the end of the first, second, and fourth quarters. The state exams will take the place of the third quarter assessment.

In 2014-15, teachers will use pacing guides for Math based on analysis of curricular tools with a heavy focus on the 8 Math Practices recommended by CCLS, writing across all content areas, increased close reading within all disciplines.

The Director of School Quality has articulated a set of best practices for teachers in grades 5-8, which align with the school's values and future plans for improvement. Shifts in the curriculum and expectations for classroom practice are reflected in these content-specific goals. These "Aspirational Statements" will be incorporated into teacher observation tools for the 2014-15 school year and include:

- All lessons and tasks are intentionally sequenced, cumulatively attend to the three aspects of rigor, and spend the large majority of time on the major work of grade.
- Supporting content directly relates and supports mastery of grade-level standards; with assessment focusing on grade-level Standards for Mathematical Content.
- Each teacher works to develop student mastery of grade-level Common Core Standards and increase student independence in applying the Standards of Mathematical Practice
- Each teacher monitors and tracks student progress and regularly adjusts instruction based on evidence from student work and ongoing assessment.

II. BCMSG Overall

1. Deepening the Impact of Academic Improvements

With positive results from initial efforts to better align curriculum, instruction, and assessment to the expectations of CCLS, with the goal of deepening the engagement and ownership of scholars in the learning process, and with the intention of establishing a robust foundation for middle school girls to advance to high school, college and future careers, BCMSG plans to make reinforcing improvements to its academic program. At the heart of these future improvements is the objective of completing the school's transition from teacher-led instructional practices to student-driven learning and knowledge and skills acquisition. Leveraging Understanding By Design ("UbD") as an overarching model of change and improvement during the next charter term, BCMSG plans to: (i) promote inquiry-based learning; and (ii) enhance teacher and leader professional development.

Understanding By Design: In April 2014, in preparation for the 2014-15 school year, BCMSG began working with the Albany Network to plan instructional units using the UbD framework, with a focus on thematic integration across grade levels and capitalizing on opportunities for increased reading, higher-order thinking, and authentic assessment. UbD, or backwards design challenges educators to help scholars make connections between prior knowledge, current learning, and future discovery, illuminating the "big picture" and enabling them to build logical sequences between their lessons and the CCLS. UbD emphasizes the teacher's critical role as a designer of student learning and works within the standards-driven curriculum to help teachers clarify learning goals, devise revealing assessments of student understanding, align standards

with assessment and instruction, and craft effective and engaging learning activities. In addition, UbD focuses on deepening student knowledge and the transfer of knowledge through “uncovering” learning, rather than “covering” content. Leveraging the UbD framework, BCMSG plans intends to integrate curriculum, instruction, and assessment to create a cohesive and engaging educational experience for scholars.

i. Strengthening the Quality of Instruction

In order to support effective teacher implementation of inquiry-based learning and rigorous instruction, BCMSG will focus on three main practices – student discourse, close reading, and writing across the curriculum. These three main practices – student discourse, close reading, and writing across the curriculum – emerged from the observation of teachers and the analysis of curricular materials. A key element in the work of the critical analysis of units through the UbD lens is selecting appropriate instructional practices that align with CCLS and support rigor. Accordingly, the school leaders identified these practices as solutions that can be implemented in all subject areas to strengthen scholar engagement and learning.

With the shifts in curriculum and instruction, the school leaders recognize the need to engage in similar critical analysis. To support the critical focus and alignment, school leaders and coaches will (i) refine structures to support these practices; (ii) working to build teacher toolkits with strategies, which support these practices; and (iii) engaging in a “cycle of inquiry”.

In terms of structures, leaders and coaches will focus on implementing the math modules; LEQs to promote discussion and inquiry versus teacher-centered pedagogy; providing additional resources; and evaluating the master schedule, grade-book weights, assessment portfolio and internal assessment tools. In terms of strategies, leaders and coaches will support a focus on math practices; shared text across content areas; focus on informational reading and writing across content areas; and various instructional practices (Constructive Struggle, Student, Discourse, etc.).

School leaders will facilitate a “cycle of inquiry” using all school data, definition of rigor informed by CCLS, and specific school-wide goals. School leaders will support these initiatives by planning professional development sessions, conducting observations and providing feedback, and revising teacher evaluation criteria.

ii. Cultivating Instructional Leadership

To fully support the successful improvement and transition of the academic program at BCMSG, the Board of Trustees also has plans to invest in the continued professional growth and development of the principal and other members of the leadership team. In partnership with the Albany Network, the principal will participate in monthly collaborative inquiry-based, case study-oriented professional development sessions with principals from other charter schools in Albany. These sessions are designed to help leaders continue to sharpen their curriculum, instruction, and assessment strategies, as they share ideas with colleagues through Socratic engagement and exploration of local and national best practices. This support will enable the

principal to serve as the school's lead learner and a model of continuous learning for both staff and students.

2. More Fully Engaging of the Albany Charter School Network

The Albany Charter School Network (the "Albany Network") is a support organization for a number of the charter schools in Albany, New York. BCMSG is currently in partnership with the Albany Network, through a compact agreement under which the Albany Network provides a range of academic, operating, and financial support services to the school. In addition to ongoing recruitment services and other operating and financial support services, the Albany Network has provided significant support to the school in terms of curriculum development, instructional coaching, assessment strategy implementation, and leader and educator professional development during the 2013-14 school year. At the time of this renewal submission, the BCMSG Board of Trustees is in discussions with the Albany Network to explore the potential for the school to receive even more comprehensive services in the future. Once negotiations are finalized, Exhibit J (management company contract) may be updated.

SCIENCE

Goal 3: Science

The Scholars of Brighter Choice Charter Middle School for Girls will demonstrate proficiency in their understanding and application of scientific reasoning and problem solving.

In science and technology students will study the interrelated nature of the two disciplines while also exploring topics specific to both content areas. Using mathematical analysis and scientific inquiry, as well as their growing knowledge of the physical setting and living environment, students will pose questions and develop solutions that are justifiable according to scientific principles and theories.

Goal 3: Absolute Measure

Each year, 75 percent of all tested students enrolled in at least their second year will perform at proficiency on the New York State science examination.

Method

The school administered the New York State Testing Program science assessment to students in 8th grade in spring 2014. The school converted each student's raw score to a performance level and a grade-specific scaled score. The criterion for success on this measure requires students enrolled in at least their second year (defined as enrolled by BEDS day of the previous school year) to score at proficiency.

Results

21 percent of the eighth grade students achieved a 3 or 4 standard on the NYS Science 8 exam in 2014. This is the first year the school has had an eighth grade and updates will be made to improve this performance.

Performance on 2013-14 State Science Exam By All Students and Students Enrolled 2+ Years

Grades	All Students		Enrolled in at least their Second Year	
	Percent	Number Tested	Percent	Number Tested
8	24%	34	21%	33

Evaluation

BCMSG did not achieve this measure.

Science Performance by Grade Level and School Year

Grade	Percent of Students Enrolled in At Least Their Second Year at Proficiency					
	2011-12		2012-13		2013-14	
	Percent	Number Tested	Percent	Number Tested	Percent	Number Tested
8					21%	38

Goal 3: Comparative Measure

Each year, the percent of all tested students enrolled in at least their second year and performing at proficiency on the state science exam will be greater than that of all students in the same tested grades in the local school district.

Method

The school compares tested students enrolled in at least their second year to all tested students in the surrounding public school district. Comparisons are between the results for each grade in which the school had tested students in at least their second year and the results for the respective grades in the local school district.

Results

District results are unavailable at the time of this report.

2013-14 State Science Exam Charter School and District Performance by Grade Level

Grade	Percent of Students at Proficiency			
	Charter School Students In At Least 2 nd Year		All District Students	
	Percent	Number Tested	Percent	Number Tested
8	21%	33	TBD	

Science Performance of Charter School and Local District by Grade Level and School Year

Grade	Percent of Charter School Students at Proficiency and Enrolled in At Least their Second Year Compared to Local District Students					
	2011-12		2012-13		2013-14	
	Charter School	Local District	Charter School	Local District	Charter School	Local District
8					21%	TBD

Summary of the Science Goal

For the 2013-2014 school year, 8th grade was added. This was first year of science testing for these students. With the lack of historical data and lack of district data, there is minimal analysis of performance that can occur.

Type	Measure	Outcome
Absolute	Each year, 75 percent of all tested students enrolled in at least their second year will perform at proficiency on the New York State examination.	Did Not Achieve
Comparative	Each year, the percent of all tested students enrolled in at least their second year and performing at proficiency on the state exam will be greater than that of all students in the same tested grades in the local school district.	TBD

Action Plan

After completing the first year of science instruction and testing, BCMSG have initiatives related to science.

i. Shift to a Thematic Curriculum

Beginning in the 2014-15 school year, BCMSG will begin the shift to cross-curricular thematic units, which will include an updated scope and sequence with interdisciplinary connections that builds upon the strengths of the EngageNY modules. With support from the Albany Network, BCMSG has developed a revised curriculum guide that incorporates the school's key design elements with an inquiry-based focus. While the curriculum guide continues to draw strongly from the EngageNY modules, it has been adapted to suit the unique needs of BCMSG scholars and the overarching focus of the school. The curriculum guide provides vertical and horizontal alignment. Standard sets have been identified that are aligned across content areas and grade levels. The curriculum guide has weekly, quarterly, and yearly components to support short-term and long-term planning.

ii. Strengthening the Quality of Instruction

In order to support effective teacher implementation of inquiry-based learning and rigorous instruction, BCMSG will focus on three main practices – student discourse, close reading, and writing across the curriculum. These three main practices – student discourse, close reading, and writing across the curriculum – emerged from the observation of teachers and the analysis of curricular materials. A key element in the work of the critical analysis of units through the UbD lens is selecting appropriate instructional practices that align with CCLS and support rigor. Accordingly, the school leaders identified these practices as solutions that can be implemented in all subject areas to strengthen scholar engagement and learning.

iii. Cultivating Instructional Leadership

To fully support the successful improvement and transition of the academic program at BCMSG, the Board of Trustees also has plans to invest in the continued professional growth and development of the principal and other members of the leadership team. In partnership with the Albany Network, the principal will participate in monthly collaborative inquiry-based, case study-oriented professional development sessions with principals from other charter schools in Albany. These sessions are designed to help leaders continue to sharpen their curriculum, instruction, and assessment strategies, as they share ideas with colleagues through Socratic engagement and exploration of local and national best practices. This support will enable the principal to serve as the school's lead learner and a model of continuous learning for both staff and students.

NCLB

Goal 4: NCLB

Brighter Choice Charter Middle School for Girls will make Adequate Yearly Progress.

Goal 4: Absolute Measure

Under the state's NCLB accountability system, the school's Accountability Status is in good standing: the state has not identified the school as a Focus School nor determined that it has met the criteria to be identified as a local-assistance-plan school.

Method

Since *all* students are expected to meet the state's learning standards, the federal No Child Left Behind legislation stipulates that various sub-populations and demographic categories of students among all tested students must meet state proficiency standards. New York, like all states, established a system for making these determinations for its public schools. Each year the state issues School Report Cards. The report cards indicate each school's status under the state's No Child Left Behind (NCLB) accountability system.

Results

BCMSG is in Good Standing.

Evaluation

BCMSG achieved this measure.

Additional Evidence

BCMSG continues to be in Good Standing.

NCLB Status by Year

Year	Status
2011-12	Good Standing
2012-13	Good Standing
2013-14	Good Standing

Appendix B: Total Expenditures and Administrative Expenditures per Child

Created Friday, August 01, 2014

Updated Wednesday, August 06, 2014

Page 1

Charter School Name: 010100860977 BRIGHTER CHOICE CS MIDDLE-GIRLS

B. Financial Information

This information is required of ALL charter schools. Provide the following measures of fiscal performance of the charter school in Appendix B (Total Expenditures and Administrative Expenditures Per Child):

1. Total Expenditures Per Child

To calculate 'Total Expenditures per Child' take total expenditures (from the unaudited 2013-14 Schedule of Functional Expenses) and divide by the count of students you reported on of BEDS Day. (Integers Only. No dollar signs or commas).

1. Total Expenditures Per Child Line 1: Total Expenditures	1348318
1. Total Expenditures Per Child Line 2: BEDS Day Pupil Count	220
1. Total Expenditures Per Child Line 3: Divide Line 1 by Line 2	6129

2. Administrative Expenditures per Child

To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the unaudited 2013-14 Schedule of Functional Expenses) and divide by the BEDS per pupil count. The relevant portion that must be included in this calculation is defined as follows:

Administrative Expenditures: Administration and management of the charter school includes the activities and personnel of the offices of the chief school officers, the treasurer, the finance or business offices, the purchasing unit, the employee personnel offices, the records management offices, or a public information and services offices. It also includes those administrative and management services provided by other organizations or corporations on behalf of the charter school for which the charter school pays a fee or other compensation.

Please note the following:

Do not include the FTE of personnel dedicated to administration of the instructional programs.

Do not include Employee Benefit costs or expenditures in the above calculations.

A template for the Schedule of Functional Expenses is provided on page 21 of the 2012 Annual Report Guidelines to assist schools identify the categories of expenses needed to compute the two per pupil calculations. This template does not need to be completed or submitted on August 1st as it will be submitted November 1st as part of the audited financial statements. Therefore schools should use unaudited amounts for these per pupil calculations. (See the 2013-14 Annual Report Guidelines in "Resources" area of your portal task page).

To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas).

To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 1: Relevant Personnel Services Cost (Row)	427752
To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 2: Management and General Cost (Column)	0
To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 3: Sum of Line 1 and Line 2	427752
To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 4: BEDS Day Pupil Count	220
To calculate 'Administrative Expenditures per Child' take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the 2013-14 Schedule of Functional Expenses) and divide by the count of students as of BEDS Day. (Integers Only. No dollar signs or commas). Line 5: Divide Line 3 by the BEDS Day Pupil Count	1944

Thank you.



Transmittal Form
Annual Financial Statement Audit Report
for SUNY Authorized Charter Schools

School Name:	Brighter Choice Charter Middle School for Girls
Date (Report is due Nov. 1):	November 1, 2014
School Fiscal Contact Name:	David Jenkins
School Fiscal Contact Email:	[REDACTED]
School Fiscal Contact Phone:	[REDACTED]
School Audit Firm Name:	Cusack & Company
School Audit Contact Name:	John A. Criscone, CPA
School Audit Contact Email:	JCriscone@cusackcpa.com
School Audit Contact Phone:	(518) 786-3550
Audit Period:	2013-14
Prior Year:	2012-13

The following items are required to be included:

- .. The independent auditor’s report on financial statements and notes.
- .. Excel template file containing the Financial Position, Statement of Activities, Cash Flow and Functional Expenses worksheets.
- .. Reports on internal controls over financial reporting and on compliance.

The additional items listed below should be included if applicable. Please explain the reason(s) if the items are not included. Examples might include: a written management letter was not issued; the school did not expend federal funds in excess of the Single Audit Threshold of \$500,000; the management letter response will be submitted by the following date (should be no later than 30 days from the submission of the report); etc.

Item	If not included, state the reason(s) below (if not applicable fill in N/A):
Management Letter	
Management Letter Response	
Form 990	Filed for an extension of time to file. Will forward Form 990 when it has been completed and filed.
Federal Single Audit (A-133) ¹	N/A
Corrective Action Plan	

Please also send an ELECTRONIC copy of: 1.) This transmittal form; 2.) Audited Financial Report; and if applicable 3.) Management Letter and Response; 4.) Federal Single Audit (A-133) ONLY to the following offices via email. A copy of the Excel file containing the four schedules Does NOT need to be included.

NYS Education Department Public School Choice Programs 89 Washington Avenue Room 462 EBA Albany, New York 12234 charterschools@mail.nysed.gov	NYS Education Department Office of Audit Services 89 Washington Avenue Room 524 EBA Room 524 EBA Albany, New York 12234 fsanda133@mail.nysed.gov
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¹ A copy of the Federal Single Audit must be filed with the Federal Audit Clearinghouse. Please refer to [OMB Circular A-133](#) for the federal filing requirements.

*BRIGHTER CHOICE CHARTER MIDDLE SCHOOL
FOR GIRLS*

*FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION*

JUNE 30, 2014 AND 2013

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

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JUNE 30, 2014 AND 2013

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CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Brighter Choice Charter Middle School for Girls
Albany, New York

We have audited the accompanying financial statements of Brighter Choice Charter Middle School for Girls (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 Brighter Choice Charter Middle School for Girls as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the School as a going concern. As discussed in Note 11 to the financial statements, the renewal of the School's charter may not be approved after the 2014-15 school year. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 19 and the schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-profit Organizations on page 20 is presented for purposes 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 subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014, on our consideration of Brighter Choice Charter Middle School for Girls' 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 Brighter Choice Charter Middle School for Girls' internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of Brighter Choice Charter Middle School for Girls for the year ended June 30, 2013, were audited by other auditors whose report dated October 25, 2013, expressed an unmodified opinion on those financial statements.

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA'S LLC

Latham, New York
December 17, 2014

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets		
Cash	\$ 95,074	\$ 152,615
Federal and State Aid Receivable	187,862	18,097
Due from School Districts	318,925	202,190
Other Receivables	40,583	108,669
Inventory	5,883	-
Prepaid Expense	129	8,464
Total Current Assets	<u>648,456</u>	<u>490,035</u>
Property, Plant and Equipment, Net	<u>7,174,044</u>	<u>7,474,532</u>
Other Assets		
Deferred Financing Costs, Net	437,721	453,495
Bond Trust Accounts, Restricted	<u>1,145,022</u>	<u>1,042,115</u>
Total Other Assets	<u>1,582,743</u>	<u>1,495,610</u>
Total Assets	<u>\$ 9,405,243</u>	<u>\$ 9,460,177</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Note Payable - Subordinated Debt, Current Portion	\$ 75,000	\$ 75,000
Accounts Payable	48,785	77,130
Accrued Liabilities	446,233	449,840
Due to Related Schools	161,080	7,268
Deferred Revenue	<u>7,440</u>	<u>30,358</u>
Total Current Liabilities	<u>738,538</u>	<u>639,596</u>
Long-Term Liabilities		
Bonded Mortgage Payable	7,570,000	7,570,000
Note Payable - Subordinated Debt, Net of Discount	367,500	397,500
Refundable Advance	<u>728,313</u>	<u>728,313</u>
Total Long-Term Liabilities	<u>8,665,813</u>	<u>8,695,813</u>
Net Assets (Deficit)		
Unrestricted Deficit	(156,608)	(77,732)
Temporarily Restricted	<u>157,500</u>	<u>202,500</u>
Total Net Assets	<u>892</u>	<u>124,768</u>
Total Liabilities and Net Assets	<u>\$ 9,405,243</u>	<u>\$ 9,460,177</u>

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenue, Other Support and Reclassifications		
Student Enrollment	\$ 3,035,768	\$ 2,250,499
Federal Aid	303,249	281,042
Contributions	724	7,000
Rental Income	51,000	50,300
Other Income	49,718	25,800
Assets Released from Restrictions	<u>45,000</u>	<u>53,020</u>
Total Revenue, Other Support and Reclassifications	<u>3,485,459</u>	<u>2,667,661</u>
Expenses		
Program Services		
Regular Education	1,763,311	1,536,246
Special Education	218,638	159,343
Other Programs	329,035	266,507
Supporting Services		
Management and General	<u>1,243,762</u>	<u>1,385,121</u>
Total Expenses	<u>3,554,746</u>	<u>3,347,217</u>
Other Expense		
Loss on Disposal of Fixed Assets	<u>(9,589)</u>	<u>-</u>
Change in Unrestricted Net Assets	(78,876)	(679,556)
Change in Temporarily Restricted Net Assets		
Assets Released from Restrictions	<u>(45,000)</u>	<u>(53,020)</u>
Change in Total Net Assets	(123,876)	(732,576)
Net Assets, Beginning of Year	<u>124,768</u>	<u>857,344</u>
Net Assets, End of Year	<u>\$ 892</u>	<u>\$ 124,768</u>

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows Provided by (Used in) Operating Activities:		
Change in Net Assets	\$ (123,876)	\$ (732,576)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	315,202	322,550
Amortization	15,774	15,774
Bad Debt Expense	-	16,609
Amortization of Loan Discount, Reported as Component of Interest Expense	45,000	50,625
Loss on Disposal of Fixed Assets	9,589	-
(Increase) Decrease in Assets		
Accounts Receivable	-	(16,668)
Federal and State Aid Receivable	(169,765)	241,385
Due from School Districts	(116,735)	(105,124)
Other Receivables	68,086	7,325
Inventory	(5,883)	-
Prepaid Expense	8,335	(7,739)
Increase (Decrease) in Liabilities		
Accounts Payable	(28,345)	(106,403)
Accrued Liabilities	(3,607)	225,068
Deferred Revenue	(22,918)	30,358
Net Cash Used in Operating Activities	<u>(9,143)</u>	<u>(58,816)</u>
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(24,303)	(45,114)
Due to Related Schools	<u>153,812</u>	<u>(91,385)</u>
Net Cash Provided by (Used in) Investing Activities	<u>129,509</u>	<u>(136,499)</u>
Cash Flows from Financing Activities		
Principal Payments on Note Payable - Subordinated Debt	(75,000)	-
Deposits to Bond Trust Accounts, Restricted	(767,592)	(146,030)
Disbursements from Bond Trust Accounts, Restricted	<u>664,685</u>	<u>435,269</u>
Net Cash Provided by (Used in) Financing Activities	<u>(177,907)</u>	<u>289,239</u>
Net Increase (Decrease) in Cash	(57,541)	93,924
Cash, Beginning of Year	<u>152,615</u>	<u>58,691</u>
Cash, End of Year	<u>\$ 95,074</u>	<u>\$ 152,615</u>
Supplementary Information		
Cash Paid for Interest	<u>\$ 567,750</u>	<u>\$ 567,750</u>

1. ORGANIZATION AND PURPOSE

Organization

Brighter Choice Charter Middle School for Girls (the “School”) is a not-for-profit corporation, which was formed in 2010 in order to build and operate a charter school in the City of Albany, New York. The Brighter Choice Charter Middle School for Girls, along with its companion charter school, the Brighter Choice Charter Middle School for Boys (Boys School) were established to provide a quality educational alternative for at-risk middle school students in the City. The School and the Boys School are related to each other and the Brighter Choice Charter Schools for Boys and Girls (Elementary Schools) as a result of shared governance.

Each charter school, authorized by Article 56 of the New York State Charter Schools Act of 1998, is an independent public school and in accordance with their charter and by laws, each school has a Board of Trustees and is an independent, discreet operating entity. The School participates in the Albany Charter School Network, which provides various support and technical assistance to area charter schools.

The School provides a broad and rigorous liberal arts education, including instruction on phonics-based reading, traditional mathematics, science, visual and performing arts, American and world history, and physical education. Students benefit from a longer school day and school year, which will provide them with an equivalent of two years of academic instruction over each of their middle school years.

A provisional charter, valid for five years, was granted to the School by the New York State Education Department in 2010. During the year ended June 30, 2014, the School had enrollment of approximately 220 students serving 5th through 8th grade.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION

Financial Statement Presentation

The financial statement presentation follows accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit organizations.

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted Net Assets

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the School.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Financial Statement Presentation (Continued)

Temporarily Restricted Net Assets

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. The School had \$157,500 and \$202,500 of temporarily restricted net assets for the discount received on subordinate debt for the years ended June 30, 2014 and 2013, respectively.

Permanently Restricted Net Assets

Permanently restricted net assets are resources whose use by the School is limited by donor imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The School has no permanently restricted net assets at June 30, 2014 and 2013.

Donated Services and Goods

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

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded when received. An account receivable is considered past due if any portion of the receivable balance is outstanding for more than 90 days. Interest is not charged on outstanding accounts receivable. Management considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

Inventory

Inventory consisting of food and food service supplies is recorded at the lower of cost, on a first-in, first-out basis, or market.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor imposed restrictions. The School reports grants of cash and other assets as restricted support if they are received with stipulations that limit their use. When a 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 as net assets released from restrictions. The School reports restricted grants as unrestricted support whenever the restrictions are met in the same year the grants are received.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the School would receive upon selling an asset or be paid to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

Cash, accounts receivable, federal and state aid receivable, due from school districts, other receivables, inventory, prepaid expense, bond trust accounts, accounts payable, accrued liabilities, due to related schools and deferred revenue - The carrying amounts approximate fair value because of the short maturity of these instruments.

Property, plant and equipment and deferred financing costs - No attempt has been made to determine the fair value of property, plant and equipment and deferred financing costs.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Fair Value Measurements (Continued)

Long-term debt - The fair value of the mortgage and note payable is estimated based on current rates offered to the School for debt of the same remaining maturity. At June 30, 2014 and 2013, the fair value of the mortgage and note payable approximates the amount recorded in the financial statements.

Income Taxes

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and the School is exempt from state income tax. The School has been classified as a publicly-supported organization that is not a private foundation under Section 509(a) of the Code.

The tax-exempt status of a tax-exempt entity is an uncertain tax position, since events could potentially occur that jeopardize the tax-exempt status. Management is not aware of any events that could jeopardize the School's tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements.

Forms 990 filed by the School are subject to examination by taxing authorities for three years from the date of filing. Forms 990 filed by the School are no longer subject to examination for the fiscal years ended June 30, 2011, and prior.

Grant Revenue and Deferred Revenue

Grant revenue is recognized as revenue in the period in which it is earned. Amounts received under these grants that have not yet been earned are recorded as deferred revenue.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Donations of property and equipment are recorded as support at their estimated fair values on the date of donation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to the change in net assets.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable.

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014 AND 2013

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and Improvements	40
Furniture and Equipment	3-10
Instruments	5

Revenue Recognition

A substantial portion of the School's revenue and related receivables is derived from its arrangement with the local School Districts, which reimburse the School based on per capita enrollment. These revenues are recognized ratably over the related school year during which they are earned.

Revenue from other governmental sources generally represents various entitlements and is recognized as earned when allowable expenditures are incurred.

Allocation of Expenses

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services using specific allocation methods. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the School.

Subsequent Events

The School has evaluated subsequent events or transactions as to any potential material impact on operations or financial position that existed at the financial statement date through December 17, 2014, the date the financial statements were available to be issued. No such events or transactions were identified.

Reclassifications

Certain 2013 items have been reclassified to conform to 2014's financial statement presentation.

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014 AND 2013

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	<u>2014</u>	<u>2013</u>
Land	\$ 122,500	\$ 122,500
Building and Improvements	7,332,136	7,327,516
Furniture and Equipment	463,464	463,127
Instruments	<u>24,441</u>	<u>24,537</u>
	7,942,541	7,937,680
Less Accumulated Depreciation	<u>(768,497)</u>	<u>(463,148)</u>
Property and Equipment, Net	<u>\$ 7,174,044</u>	<u>\$ 7,474,532</u>

Depreciation expense was \$315,202 and \$322,550 for the years ended June 30, 2014 and 2013, respectively.

4. DEFERRED FINANCING COSTS, NET

Deferred financing costs consist of bond closing costs of \$473,212 incurred in connection with the Education Facility Revenue Bonds, Series 2012, issued by the City of Phoenix, Arizona Industrial Development Agency (IDA).

Bond closing costs are being amortized using the straight-line method over the term of the obligation.

Accumulated amortization was \$35,491 and \$19,717 at June 30, 2014 and 2013, respectively. Amortization expense was \$15,774 for both of the years ended June 30, 2014 and 2013.

Estimated amortization expense is \$15,774 for each year through March 2042.

5. BOND TRUST ACCOUNTS - RESTRICTED

The School has entered into a custody agreement with Wells Fargo Bank, National Association, as Custodian and as Trustee for the holders of the IDA. The reserve accounts represent funds held by Wells Fargo Bank in the name of the School. The School will direct educational aid payments to be deposited with the Custodian. The Custodian will pay the Trustee, for deposits into the Bond Fund, an amount equal to a proportionate share of the next interest payment and principal payment on the Bonds for which funds have not already been provided. The Custodian will also pay to the Trustee from the amounts received from the School's educational aid payments amounts as calculated by the Trustee for deposit into the School's Rebate Fund, Subordinate Loan Repayment Fund, Expense and Replacement Fund. Any funds remaining with the Custodian following such transfers will be transferred to the School.

The underlying investments in the bond trust accounts at June 30, 2014 and 2013 consist of cash and money market funds.

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014 AND 2013

5. BOND TRUST ACCOUNTS - RESTRICTED (CONTINUED)

Bond trust accounts consist of the following:

	<u>2014</u>	<u>2013</u>
Debt Service Reserve Fund	\$ 728,313	\$ 728,313
Bond Fund	283,890	283,875
Subordinated Loan Fund	80,389	8,237
Revenue Fund	5,206	1,564
Repair/Replacement Fund	30,000	5,869
Expense Reserve Fund	5,869	-
DSR Fee Fund	<u>11,355</u>	<u>14,257</u>
Total	<u>\$ 1,145,022</u>	<u>\$ 1,042,115</u>

The School has entered into a collateral agreement for bond trust accounts not covered under federal deposit insurance. Cash is fully insured and collateralized under the bond trust accounts as of June 30, 2014 and 2013.

6. DUE TO RELATED SCHOOLS

The School, along with its companion charter school, the Boys School, share various facility related costs which are typically allocated equally. The School, the Boys School and the Brighter Choice Charter Schools for Boys and Girls share various program, supporting service costs and a common Board of Trustees. Those costs are allocated proportionately to the services provided. Due to (from) related schools consist of the following:

	<u>2014</u>	<u>2013</u>
Brighter Choice Charter Middle School for Boys	\$ 108,078	\$ 18,323
Brighter Choice Charter School for Boys	(11,930)	(5,362)
Brighter Choice Charter School for Girls	<u>64,932</u>	<u>(5,693)</u>
Total	<u>\$ 161,080</u>	<u>\$ 7,268</u>

7. LONG-TERM LIABILITIES

Bonded Mortgage Payable

The School's facilities, together with the facilities of the Boys School, are jointly owned by the two Schools. The facilities were acquired through financing provided by the IDA in June 2012. The IDA issued taxable and tax-exempt Education Facility Revenue Bonds totaling \$15,140,000 to acquire and renovate the facilities of the two Schools. The Schools acquired the facilities from the IDA through an installment sale agreement which provides for the Schools to make installment purchase payments in amounts sufficient to pay the principal on, premiums on, and interest on, the bonds when due. Under the installment sale agreement, each School is jointly and severally obligated to make the installment purchase payments. The installment sale agreement is collateralized by a first mortgage lien and security interest in the land, buildings, and equipment of the Schools' facilities.

Each of the Schools initially recorded 50% of the total cost of the facilities' acquisition and renovation as well as 50% of the installment purchase agreement liability in 2012.

Maturities, remaining principal amounts, and interest rates of the bonds (and underlying installment purchase agreement), as allocated to the School, are as follows:

	<u>2014</u>	<u>2013</u>
7.50% Term Bond, Series 2012 due July 1, 2042	\$ 7,570,000	\$ 7,570,000
Current Portion on Bonded Mortgage Payable	<u> -</u>	<u> -</u>
Total Bonded Mortgage Payable, Less Current Portion	<u>\$ 7,570,000</u>	<u>\$ 7,570,000</u>

The School is contingently liable for the same amount under the portion of the installment purchase agreement obligation recorded on the books of the Boys School.

The bonded mortgage loan agreement includes certain financial statement covenants for a liquidity requirement of maintaining days cash on hand of not less than seven days as measured semi-annually and for maintaining a debt service coverage ratio of at least 1.10 to 1 as measured annually. Both covenants are calculated using information aggregated from both schools.

The School provided the bondholder and bond trustee with the School's calculation of the June 30, 2014 debt service coverage ratio and liquidity requirement based on industry standards for tax-exempt revenue bonds. The bondholder and bond trustee accepted the School's method of calculation of the debt service coverage ratio and liquidity requirement for the year ended June 30, 2014.

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014 AND 2013

7. LONG-TERM LIABILITIES (CONTINUED)

Note Payable - Subordinated Debt

In conjunction with the financing provided by the IDA, the School entered into a subordinated loan agreement with the Charter School Financing Partnership, LLC, a Delaware limited liability company. The School has agreed that the subordinated loan shall be paid out of the funds transferred to the Subordinate Loan Repayment Fund (see Note 5) from the School's educational aid payments. The Charter School Financing Partnership, LLC grants the IDA and the Wells Fargo Bank as Trustee a security interest in the Subordinate Loan Repayment Fund.

Principal amounts and interest rate of the note payable - subordinated debt, as allocated to the School are as follows:

	<u>2014</u>	<u>2013</u>
Charter School Financing Partnership, LLC, subordinated note payable, 0% interest, annual principal payments of \$75,000 commencing on July 15, 2013, net of unamortized discount of \$157,500 (effective interest rate 7.5%), with a face amount of \$600,000.	\$ 442,500	\$ 472,500
Current portion on note payable - subordinated debt	<u>(75,000)</u>	<u>(75,000)</u>
Total long-term portion note payable - subordinated debt	<u>\$ 367,500</u>	<u>\$ 397,500</u>

Imputed interest expense was \$45,000 and \$50,625 for the years ended June 30, 2014 and 2013, respectively. Total interest expense was \$612,750 and \$618,376 for the years ended June 30, 2014 and 2013, respectively.

The following is a summary of maturing debt service requirements for the fiscal year ending June 30,

<u>Year</u>	<u>Principal</u>
2015	\$ 75,000
2016	110,000
2017	112,500
2018	117,500
2019	120,000
Thereafter	<u>7,635,000</u>
	<u>\$ 8,170,000</u>

7. LONG-TERM LIABILITIES (CONTINUED)

Refundable Advance

In conjunction with the financing provided by the IDA, the School entered into a credit enhancement agreement with the Charter School Financing Partnership, LLC (CSFP), a Delaware limited liability company. In order to induce the IDA to enter into the loan agreement with the School, CSFP provided a refundable advance to secure payment and performance of certain obligations of the School under the loan agreement with the IDA to the extent that the School would otherwise be unable to fund such obligations. Pursuant to the Reserve Fund Agreement between the IDA, Wells Fargo Bank, National Association (Trustee) and CSFP, CSFP provided a refundable advance of \$728,313, for deposit into the Debt Service Reserve Fund (Note 5). If on any date of the payment of principal or interest due on the IDA Bonded Mortgage Payable there are insufficient funds to make the required payments, the Trustee is authorized under the Reserve Fund Agreement to withdraw any such deficiency amount from the Debt Service Reserve Fund.

The amount of any deficiency withdrawn from the Debt Service Reserve Fund shall be treated as a loan, and shall be payable and shall be repaid by the School to CSFP by deposits into the Debt Service Reserve Fund. The credit enhancement agreement shall automatically terminate on the date on which the principal, interest, and other amounts due and payable with respect to the IDA Series 2012 Bonds are fully paid. Upon the termination of the credit enhancement agreement, all funds on deposit in the Debt Service Reserve Fund shall be returned to CSFP.

At June 30, 2014, there was no deficiency in the Debt Service Reserve Fund and accordingly, there is no loan between the School and CSFP.

8. EMPLOYEE RETIREMENT PLAN

The School has a 401(k) retirement plan, which is funded by contributions from both the School and its employees. The School's contribution ranges from 2% to 4% of eligible employees' compensation, dependent on the eligible employees' years of service. Additionally, there is a profit-sharing discretionary employer contribution of 2% of eligible compensation. Pension expense was \$54,966 and \$44,921 and for the years ended June 30, 2014, and 2013, respectively.

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014 AND 2013

9. COMMITMENTS AND CONTINGENCIES

The School maintains cash balances in a financial institution located in the northeast. Accounts at this institution are insured, up to certain limits, by the Federal Deposit Insurance Corporation (FDIC). At times, the School has bank deposits in excess of amounts insured by the FDIC. However, at both June 30, 2014, the School had no uninsured cash balances.

In the normal course of business, the School is subject to allegations that may or do result in litigation. The School has general liability insurance to cover potential claims. Based upon the advice of counsel, it is the opinion of management that any liability that may arise from such actions would not result in losses that would materially affect the financial position of the School or their change in net assets.

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

Building Lease Income

The School leases office space under a noncancellable operating lease with an initial lease term of five years and three months. The tenant shall have two five year options to extend the terms of the lease. The following is a schedule by years of the future minimum rental under the lease at June 30, 2014.

2015	\$	52,020
2016	\$	53,060
2017	\$	54,122

10. CONCENTRATION OF RISK

The School receives a substantial portion of its funding from school districts where the School's students reside. Two payors constituted 79% and 81% of total revenue and support for the years ended June 30, 2014 and 2013, respectively. The receivable from these payors made up 68% and 80% of the total due from school districts as of June 30, 2014 and 2013, respectively.

11. GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the School as a going concern. However, the School has applied for a renewal of its charter through the Charter School Institute ("CSI") and the CSI has drafted a preliminary recommendation for non-renewal. Should CSI make a final recommendation for non-renewal, and should the SUNY Trustee's Charter Schools Committee vote in support of CSI's recommendation, the School would close after the 2014-15 school year.

11. GOING CONCERN (CONTINUED)

In view of this matter, realization of a major portion of the assets in the accompanying balance sheet is dependent upon the continued operations of the School, which in turn is dependent upon the renewal of its charter. Management believes that there are a significant number of factual corrections to the information which CSI used to base the Draft Renewal Recommendation upon, and will provide corrections and comments to that data, pursuant to the SUNY Renewal Policies, by the required due date prior to CSI's finalizing the renewal report and making a final recommendation. In the event that CSI does not change its preliminary recommendation based on the factual corrections and comments, the School will request that CSI appear at the School, as permitted within the renewal process guidelines, to listen to information in support of the School including parent and community representatives. In the event that the CSI's preliminary non-renewal recommendation becomes final, the School will also request an opportunity to present evidence in opposition to CSI's final recommendation to the Charter Schools Committee as permitted within the renewal process guidelines.

The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**SUPPLEMENTAL INFORMATION AND ADDITIONAL REPORTS REQUIRED
BY *GOVERNMENT AUDITING STANDARDS* AND OMB CIRCULAR A-133**

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS
SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

	<u>Program Services</u>			<u>Supporting Services</u>	<u>Total 2014</u>	<u>Total 2013</u>
	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Programs</u>	<u>Management and General</u>		
Salaries, Administrative	\$ -	\$ -	\$ -	\$ 347,653	\$ 347,653	\$ 411,767
Salaries, Instruction	885,503	165,256	-	-	1,050,759	960,672
Salaries, Non-instruction	-	-	128,057	-	128,057	42,718
Total Salaries	<u>885,503</u>	<u>165,256</u>	<u>128,057</u>	<u>347,653</u>	<u>1,526,469</u>	<u>1,415,157</u>
Payroll Taxes and Employee Benefits	240,361	44,757	34,812	94,487	414,417	377,681
Accounting	-	-	-	12,344	12,344	13,220
After School Program	-	-	33,286	-	33,286	16,597
Depreciation	258,150	4,413	23,640	28,999	315,202	322,550
Amortization	-	-	-	15,774	15,774	15,774
Advertising	-	-	-	3,821	3,821	4,531
Bad Debt Expense	-	-	-	-	-	16,609
Bond Fee Expense	-	-	-	26,956	26,956	10,053
Contracted Services	182,485	3,119	16,711	20,499	222,814	192,784
School Lunch Program	-	-	87,256	-	87,256	54,562
Field Trips	9,486	-	-	-	9,486	7,834
Interest	-	-	-	612,750	612,750	618,376
Insurance	-	-	-	19,716	19,716	16,316
Legal	-	-	-	245	245	386
Leased Equipment	-	-	-	3,155	3,155	5,268
Maintenance and Repairs	17,735	303	1,624	1,992	21,654	17,589
Nurse Supplies	-	-	167	-	167	735
Small Equipment	9,660	-	-	-	9,660	3,348
Supplies and Materials	13,087	140	-	35,749	48,976	75,239
Student Services	4,085	-	-	-	4,085	2,955
Student Uniforms	10,509	-	-	-	10,509	8,636
Student Testing	25,462	-	-	-	25,462	14,402
Staff Development	4,890	-	-	2,184	7,074	10,469
Telephone	-	-	-	13,166	13,166	13,773
Transportation	63,871	-	-	-	63,871	72,226
Utilities Expense	38,027	650	3,482	4,272	46,431	37,947
Taxes	-	-	-	-	-	2,200
Total Expenses	<u>\$ 1,763,311</u>	<u>\$ 218,638</u>	<u>\$ 329,035</u>	<u>\$ 1,243,762</u>	<u>\$ 3,554,746</u>	<u>\$ 3,347,217</u>

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/ Program and Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Grant Number	Federal Expenditures
U.S. Department of Agriculture/ New York State Education Department/ Child Nutrition Cluster/ School Breakfast Program	10.553	N/A	\$ 114,418
National School Lunch Program	10.555	N/A	<u>332,484</u>
			<u>446,902</u>
U.S. Department of Education/ New York State Education Department/ Title I, Part A Cluster/ Title I Grants to Local Educational Agencies	84.010	0021-14-4015	122,930
Improving Teacher Quality State Grants	84.367	0147-14-4015	<u>2,917</u>
			<u>125,847</u>
			<u>\$ 572,749</u>

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (“Schedule”) has been prepared in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The purpose of the Schedule is to present a summary of those federal activities of the School funded by the federal government or pass-through entities for the year ended June 30, 2014, using the accrual basis of accounting. For purposes of this Schedule, federal awards include assistance provided by a federal agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans and guarantees, and other non-cash assistance.

Relationship to Financial Statements

Federal award revenues are reported in the School’s financial statements as federal aid. The School’s financial statements are presented using the accrual basis. The Schedule presents only a selected portion of the activities of the School. It is not intended to, and does not, present the financial position, statement of activities, or other changes in net assets of the School.

Direct and Indirect Costs

Expenditures for direct and indirect costs are recognized as incurred using the accrual method of accounting and in accordance with OMB A-122, *Cost Principles for Non-Profit Organizations*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

2. SUBRECIPIENTS

The School administers the Child Nutrition Program for Brighter Choice Charter Middle School for Girls, Brighter Choice Charter Middle School for Boys (“BCCMSB”), Brighter Choice Charter School for Girls (“BCCSG”), and Brighter Choice Charter School for Boys (“BCCSB”).

Federal Aid Reported in the Statement of Activities	\$ 303,249
Child Nutrition Program for BCCMSB	164,572
Child Nutrition Program for BCCSG	51,981
Child Nutrition Program for BCCSB	<u>52,947</u>
Total Expenditures of Federal Awards	<u>\$ 572,749</u>

3. NONCASH ASSISTANCE

There were no federal awards expended in the form of noncash assistance by the School during the year ended June 30, 2014.

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

To the Board of Trustees of
Brighter Choice Charter Middle School for Girls

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 Brighter Choice Charter Middle School for Girls (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brighter Choice Charter Middle School for Girls' (the "School") 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 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. We did note finding 2014-01 as a significant deficiency.

We also issued a letter dated December 17, 2014 which noted several management comments.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
December 17, 2014

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Trustees
Brighter Choice Middle School for Girls
Albany, New York

Report on Compliance for Each Major Federal Program

We have audited Brighter Choice Charter Middle School for Girls' (the "School") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal program for the year ended June 30, 2014. The School's major federal program is identified in the summary of independent auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2014.

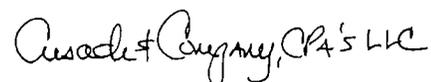
Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
December 17, 2014

BRIGHTER CHOICE CHARTER MIDDLE SCHOOL FOR GIRLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2014

SECTION I — SUMMARY OF INDEPENDENT AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? _____ Yes ___ X ___ No
- Significant deficiency(ies) identified that are not considered to be material weakness? ___ X ___ Yes _____ No
- Noncompliance material to financial statements noted? _____ Yes ___ X ___ No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes ___ X ___ No
- Significant deficiency(ies) identified that are not considered to be material weakness? _____ Yes ___ X ___ No

Type of auditor’s report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? _____ Yes ___ X ___ No

Section II - Financial Statement Findings

See attached schedule of findings.

Section III - Federal Award Findings and Questioned Costs

No findings noted.

Finding 2014-1 Outsourcing of Financial Statement Preparation Process to Your Auditors

Though the Organization's finance committee includes staff and board members capable of preparing a complete set of financial statements and related footnotes in accordance with generally accepted accounting principles, they have elected to outsource this function. This decision was made in order to manage the audit workload and provide enhanced accountability through third-party analysis. To this end, Cusack & Company, CPA's LLC has assisted the Organization in preparing its financial statements. Management continues to make all management decisions and perform all management functions. Additionally, management has designated an individual who possesses suitable skill, knowledge and experience to oversee our services. Such individual is responsible to evaluate the adequacy and results of the services performed, accepts responsibility for the results of the services, and maintains control and monitors such services.

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December 17, 2014

To the Board of Trustees
Brighter Choice Charter Middle School for Girls
395 Elk Street
Albany, NY 12206

We have audited the financial statements of Brighter Choice Charter Middle School for Girls for the year ended June 30, 2014, and have issued our report thereon dated December 17, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 1, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Brighter Choice Charter Middle School for Girls are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

Due to the loss of key accounting personnel at year end, there were difficulties in performing the audit. The audit fieldwork dates were postponed, the staff had issues obtaining source documents, and the financial statements were tardy as a result of this.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule (1) summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The attached schedule (2) summarizes corrected misstatements of the financial statements. Management has determined that their effects are material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 17, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We did note the following management comments for your consideration:

2014-1 Recurring Losses - Net Asset Balance

The School had consecutive losses of \$123,876 in 2014 and \$732,576 in 2013 resulting in an unrestricted net asset deficit of (\$156,608).

We understand that the School has been working with the Albany Charter School Network to revise their budget for fiscal year 2015 and has completed a major budget revision which results in a balanced budget. We encourage the Board of Directors to monitor the financial status on an ongoing basis and implement any further revisions necessary to assure that the financial results are balanced for fiscal year 2015.

Management's Response:

The revised 2015 budget projects a \$5,291 surplus, and the school has begun making operational adjustments to realize this outcome. The three-year budget was also revised and reflects net surpluses in each of the upcoming years. Because the school recognizes over \$300,000 in non-cash building depreciation expenses, the current and future years also project a healthy positive net cash flow. Financial statements comparing budgeted to actual financial performance will be presented at board meetings for review.

2014-2 Timeliness of Financial Statements

The Debt Service Coverage Ratio Covenant is required to be completed within 120 days after the close of each fiscal year and must be based on audited financial statements. As we did not receive the critical information to complete the audit in a timely manner (see *Difficulties Encountered in Performing the Audit* section above), it was virtually impossible to meet this covenant in a timely manner.

We recommend that procedures be developed and implemented to ensure the books and records are available as soon as possible in order for us to properly audit the books and records in a timely manner.

Management's Response:

The School recognizes the necessity to develop processing and accounting oversight to assure not only that the covenants are calculated and reported on a timely basis, but that the financial results are reviewed on a periodic basis and on an ongoing basis well before year end to assure that overall financial outcomes are trending favorably toward the School's financial goals, including meeting the covenants.

2014-3 Journal Entries

During the audit we noted journal entries entered for the 13/14 year in the general ledger software were not printed and approved.

We recommend that management implement procedures for to have an "entered" and "approved" indications on all journal entries printed. The individual entering the journal entries should not be the same individual approving the journal entries. These should also be filed accordingly by date with appropriate support documentation.

Management's Response:

The School will add these procedures to the revised *Fiscal Policies and Procedures Guide* and the month-end closing procedures. An individual outside of the Business Office will review the new *Month-End Closing Checklist* for compliance each month.

2014-4 Due to/from Related Schools

There are a significant number of transactions which effect not only the Girls and Boys elementary schools but also the Girls and Boys middle schools. At year end, not all of these balances due to and from the related schools agreed to the records of the other schools.

We recommend that procedures be developed and implemented to reconcile these balances on a regular basis.

Management's Response:

The Schools agree and, as part of the consolidation of financial functions across all four schools, will develop and implement procedures to assure that balances agree.

2014-5 Salary Reclassifications

During the audit we noted that certain salaries were reclassified from administrative to other categories (e.g. nurse, social worker, disciplinarian) for financial statement purposes only.

We recommend that the proper classifications be charged as payroll is incurred to eliminate the need for the reclassification and to more accurately reflect actual activity on interim financial reports.

Management's Response:

The School began a consolidation of its chart of accounts across all of its related schools in a manner to record transactions in the proper category in the first instance.

2014-6 New York Nonprofit Revitalization Act of 2013

The New York Nonprofit Revitalization Act of 2013 became effective July 1, 2014. The Schools have not taken steps to ensure compliance with the law.

Although the School may not be subject to the law due to its filing requirements we recommend that management consider procedures be developed and implemented to review the Schools' compliance with the law and take the necessary steps in areas of noncompliance.

Management's Response:

The School will review all of the provisions of the law to assure that it is compliant. The School believes that many of the requirements are already fulfilled because of existing charter school requirements, but recognizes the need to document its compliance.

2014-7 Related School Receivables/Payables

The amount due from the Girls School to the Boys School increased from \$18,323 in 2013 to \$108,078. There are no provisions for interest to be charged on these balances and no formal plan of repayment.

We recommend that management consider establishing formal repayment of related school balances and consider a provision for interest on long-term balances.

Management's Response:

The School will change its procedures to be able to more easily identify balances between the related schools. As part of that process, the magnitude of those balances will be reviewed and to the extent that they remain longer term balances, the School will consider the appropriateness of establishing an interest to offset any potential lost earnings.

2014-8 Payroll Process

During our sample testing we noted that a terminated employee did not have a termination form completed. We also noted that personnel action forms were not utilized for new hires.

We recommend that management utilize the proper termination form for terminated employees and keep this form in their personnel file. We also recommend utilizing the personnel action form for all new hires and to keep this form in their personnel file.

Management's Response:

The School implemented a new *Employee Handbook* in the fall of 2014. Included were an *Onboarding Checklist* and *Termination Checklist*, designated to guide management through the proper steps. The School will also perform a review of all current personnel files for compliance.

2014-9 Cash Disbursements Process

During our sample testing we noted seven out of sixty instances in which a packing slip was not attached to the support documentation and one separate instance where the packing slip was not signed-off on. We also noted twelve out of sixty instances in which an invoice was stamped 'Entered', however it was initialed by the Director of Finance rather than the Administrative Assistant. We also noted purchase orders were not utilized in over fifty percent of items sampled.

As per the *Fiscal Policies and Procedures Guide*, we recommend that packing slips should be attached to the invoice package as support and properly signed-off on, invoices should be entered by the Administrative Assistant, and purchase orders should be used (and attached to the invoice package as supporting documentation) for any non-recurring purchase over \$500.

Management's Response:

The School will review the cash disbursements process to determine if any adjustments should be made to the procedure and then encourage compliance. Review of documentation for non-recurring purchases over \$500 has been added to the month-end closing procedures. An individual outside of the Business Office will review the new *Month-End Closing Checklist* for compliance each month.

2014-10 Credit Card Process

During our testing of credit card statements, we noted several instances in which receipts were not properly attached to the statement. We also noted the Boys Middle School using the Girls Middle School credit card.

We recommend that each credit card charge should have a corresponding receipt indicating the purpose of the charge and should be properly attached as supporting documentation to the credit card statement. We also recommend the Boys Middle School obtaining their own credit card.

Management's Response:

The School is revising their month-end closing procedures, which includes a monthly reconciliation of credit card statements and receipts. In addition, management will consider whether the volume of purchases warrants obtaining a credit card for the Boys Middle School.

2014-11 Authorized Check Signers

During our audit we noted a former board member as a current authorized check signer for your bank accounts.

We recommend removing this former board member from your list of authorized check signers.

Management's Response:

The Middle Schools are already in the process of moving their bank accounts to the same bank as the Elementary Schools, so the signature cards will be updated to remove the former board member as a part of this change.

2014-12 Inventory

Inventory only includes food, not supplies.

We recommend adding costs for supplies and other related school lunch inventory to the inventory asset account.

Management's Response:

The amount of food service supplies was small, so it was not originally included as inventory. The School will record food service supplies as inventory going forward.

2014-13 Cash Receipts

During our audit we noted some discrepancies in your cash receipt process from the way it is currently executed versus what is stated in the *Fiscal Policies and Procedures Guide*. We also noted that cash received and a majority of school payments received are not entered into the receipt log.

We recommend the office manager open the mail and restrictively endorse any checks for deposit ("For Deposit Only") before forwarding them to the business manager. It is always recommended that the first person in contact with the checks for deposit should restrictively endorse these checks. We also recommend that all cash receipts be entered into the receipt log and reviewed at month end.

Management's Response:

The School will review the cash receipts process and revise the procedure accordingly. Review of the Office Manager's list of checks received has been added to the month-end closing procedures. An individual outside of the Business Office will review the new *Month-End Closing Checklist* for compliance each month.

2014-14 Bank Statement Review

During our audit we noted lack of policy for review of canceled checks in the *Fiscal Policies and Procedures Guide*.

We recommend the Principal, who reviews the bank reconciliation, also review the canceled checks provided by the bank for unusual activity.

Management's Response:

The School will add the review of the cancelled checks by the Principal to the revised *Fiscal Policies and Procedures Guide* and month-end closing procedures. An individual outside of the Business Office will review the new *Month-End Closing Checklist* for compliance each month.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees and management of Brighter Choice Charter Middle School for Girls and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Cusack & Company, CPA's LLC

Prepared by _____

**Brighter Choice Middle School for Girls
Adjusting Journal Entries**

2697

Page 1

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit
01	Adjusting	06/30/14			
		20000	ACCOUNTS PAYABLE	227,520.66	
		12100	Due to/from Boys Middle School		153,595.07
		12105	Due to/from Boys Elementary		7,774.94
		12110	Due to/from Girls Elementary		66,150.65
		12005	Other Schools		66,440.41
		12110	Due to/from Girls Elementary	1,218.02	
		12100	Due to/from Boys Middle School	45,517.25	
		12105	Due to/from Boys Elementary	19,705.14	
			Reclass related party A/R and A/P		
02	Adjusting	06/30/14			
		12015	Federal and State Grants Receivabl		7,000.00
		41200	Title I Grant Income	7,000.00	
			adjust Title I Revenue & A/R to agree to NYSED.gov		
03	Adjusting	06/30/14			
		11030	Lunch Receivable (Food Svc)	53,777.00	
		41400	School Lunch Program Revenue		53,777.00
			Correct School Lunch Revenue per CNMS		
04	Adjusting	06/30/14			
		52101	Salary		67,417.47
		52401	Salary		13,621.25
		52201	Salary		19,032.24
		20130	Accrued Salaries	100,070.96	
		52101	Salary	59,663.51	
		52401	Salary	14,525.98	
		52201	Salary	18,720.59	
		20130	Accrued Salaries		92,910.08
			Correct accrued payroll		
05	Adjusting	06/30/14			
		54130	FICA Employer		6,204.40
		54140	Medicare Employer		1,451.03
		20133	Accrued Payroll Taxes	7,655.43	
		54130	FICA Employer	5,760.42	
		54140	Medicare Employer	1,347.20	
		20133	Accrued Payroll Taxes		7,107.62
			Correct Medicare & FICA Accrual		

Prepared by _____

**Brighter Choice Middle School for Girls
Adjusting Journal Entries**

2697
Page 2

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit
06	Adjusting	06/30/14			
		54300	401k Employer Contribution		3,002.13
		54205	Health Insurance		21,252.80
		20135	Accrued Benefits - Other	24,254.93	
		54300	401k Employer Contribution	3,657.51	
		54205	Health Insurance	9,852.73	
		20135	Accrued Benefits - Other		13,510.24
			Correct Accrued Benefits		
07	Adjusting	06/30/14			
		82600	Bad Debt Expense	21,588.35	
		40110	Albany City School District		24,363.10
		40210	Albany City School District	3,607.25	
		42305	E-Rate Phone/Cable/Internet		832.50
			Adjust Bad Debt Expense		
08	Adjusting	06/30/14			
		15200	Accrued Revenue	3,751.08	
		42305	E-Rate Phone/Cable/Internet		3,751.08
			Adjust eRate accrued revenue		
09	Adjusting	06/30/14			
		13520	Food Inventory	5,883.00	
		58499	Food Inventory Offset Expense		5,883.00
			Record School Lunhc Inventory		
10	Adjusting	06/30/14			
		54800	Title I Fringe Benefits	9,432.51	
		52800	Title I Salaries	123,300.84	
		54130	FICA Employer		9,432.51
		52101	Salary		123,300.84
			Title I salary & FICA		
		TOTAL		<u>767,810.36</u>	<u>767,810.36</u>

Prepared by _____

**Brighter Choice Middle School for Girls
Adjusting Journal Entries**

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit
PY	Adjusting	06/30/13			
		20000	ACCOUNTS PAYABLE	73,919.78	
		12051	Due from BCMSB		73,919.78
		12105	Due to/from Boys Elementary	5,362.00	
		12110	Due to/from Girls Elementary	5,693.00	
		12005	Other Schools		11,055.00
			adjust PY intercompany balances for F/S		
		TOTAL		<u>84,974.78</u>	<u>84,974.78</u>

Prepared by _____

Reviewed by _____

Brighter Choice Middle School for Girls Adjusting Journal Entries

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper	Misstatement
Pass1	Potential	06/30/14						
		82600	Bad Debt Expense	16,000.00				
		11020	School Districts Receivable		16,000.00			
			Passed entry - To record estimated bad debt expense			(16,000.00)		
			TOTAL	<u>16,000.00</u>	<u>16,000.00</u>	<u>(16,000.00)</u>		



**Brighter Choice Charter Middle School for Girls
Corrective Action Plan for 2014 Management Letter Comments**

2014-1 Recurring Losses - Net Asset Balance

The School had consecutive losses of \$123,876 in 2014 and \$732,576 in 2013 resulting in an unrestricted net asset deficit of (\$156,608).

We understand that the School has been working with the Albany Charter School Network to revise their budget for fiscal year 2015 and has completed a major budget revision which results in a balanced budget. We encourage the Board of Directors to monitor the financial status on an ongoing basis and implement any further revisions necessary to assure that the financial results are balanced for fiscal year 2015.

Corrective Action Planned to Avoid This Issue	
The revised 2015 budget projects a \$5,291 surplus, and the school has begun making operational adjustments to realize this outcome. The three-year budget was also revised and reflects net surpluses in each of the upcoming years. Because the school recognizes over \$300,000 in non-cash building depreciation expense, the current and future years also project a healthy positive net cash flow. Financial Statements comparing budgeted to actual financial performance will be presented at board meetings for review.	
Responsible Person	Anticipated Completion
David Jenkins	1/21/2015

2014-2 Timeliness of Financial Statements

The Debt Service Coverage Ratio Covenant is required to be completed within 120 days after the close of each fiscal year and must be based on audited financial statements. As we did not receive the critical information to complete the audit in a timely manner (*see Difficulties Encountered in Performing the Audit* section above), it was virtually impossible to meet this covenant in a timely manner.

We recommend that procedures be developed and implemented to ensure the books and records are available as soon as possible in order for us to properly audit the books and records in a timely manner.

Corrective Action Planned to Avoid This Issue
Both middle schools are realigning their general ledger chart of accounts to improve the speed of processing payroll and accounts payable for shared expenses. A standard set of month-end

closing procedures is being developed, which will require the monthly reconciliation of salary classifications and related school receivables and payables. Interim financial reports will also include an analysis of the required cash reserve and debt service coverage ratio measures so the staff and the Board of Directors can monitor them throughout the year.

These changes will ensure that the financial records are ready for audit fieldwork to begin within 60 days of the fiscal year-end. The board will ensure that merit pay decisions are made within 75 days of the fiscal year-end. This will allow the external auditor proper time to complete their fieldwork and prepare the audited financial statements and covenant compliance calculations in advance of the 120 day requirement.

Responsible Person	Anticipated Completion
David Jenkins	1/21/2015

2014-3 Journal Entries

During the audit we noted journal entries entered for the 13/14 year in the general ledger software were not printed and approved.

We recommend that management implement procedures for to have an “entered” and “approved” indications on all journal entries printed. The individual entering the journal entries should not be the same individual approving the journal entries. These should also be filed accordingly by date with appropriate support documentation.

Corrective Action Planned to Avoid This Issue	
The School will add these procedures to the revised <i>Fiscal Policies and Procedures Guide</i> and the month-end closing procedures. An individual outside of the Business Office will review the new <i>Month-End Closing Checklist</i> for compliance each month.	
Responsible Person	Anticipated Completion
David Jenkins	1/21/2015

2014-4 Due to/from Related Schools

There are a significant number of transactions which effect not only the Girls and Boys elementary schools but also the Girls and Boys middle schools. At year end, not all of these balances due to and from the related schools agreed to the records of the other schools.

We recommend that procedures be developed and implemented to reconcile these balances on a regular basis.

Corrective Action Planned to Avoid This Issue

As noted above, the schools are realigning their general ledger chart of accounts to improve the speed of processing payroll and accounts payable for shared expenses. A standard set of month-end closing procedures is being developed, which will require the monthly reconciliation of salary classifications and related school receivables and payables. This will ensure that these balances agree throughout the year and that discrepancies are addressed in a timely manner, resulting in more accurate interim financial reports.

Responsible Person	Anticipated Completion
David Jenkins	2/18/2015

2014-5 Salary Reclassifications

During the audit we noted that certain salaries were reclassified from administrative to other categories (e.g. nurse, social worker, disciplinarian) for financial statement purposes only.

We recommend that the proper classifications be charged as payroll is incurred to eliminate the need for the reclassification and to more accurately reflect actual activity on interim financial reports.

Corrective Action Planned to Avoid This Issue	
As noted above, the schools are realigning their general ledger chart of accounts to improve the speed of processing payroll and accounts payable for shared expenses. A standard set of month-end closing procedures is being developed, which will require the monthly reconciliation of salary classifications and related school receivables and payables. This will ensure that compensation classifications are regularly reviewed and will result in more accurate interim financial reports.	
Responsible Person	Anticipated Completion
David Jenkins	1/21/2015

2014-6 New York Nonprofit Revitalization Act of 2013

The New York Nonprofit Revitalization Act of 2013 became effective July 1, 2014. The Schools have not taken steps to ensure compliance with the law.

Although the School may not be subject to the law due to its filing requirements we recommend that management consider procedures be developed and implemented to review the Schools' compliance with the law and take the necessary steps in areas of noncompliance.

Corrective Action Planned to Avoid This Issue



The School will review all of the provisions of the law to assure that it is compliant. The School believes that many of the requirements are already fulfilled because of existing charter school requirements, but recognizes the need to document its compliance.

Responsible Person	Anticipated Completion
David Jenkins	2/18/2015

2014-7 Related School Receivables/Payables

The amount due from the Girls School to the Boys School increased from \$18,323 in 2013 to \$108,078. There are no provisions for interest to be charged on these balances and no formal plan of repayment.

We recommend that management consider establishing formal repayment of related school balances and consider a provision for interest on long-term balances.

Corrective Action Planned to Avoid This Issue	
<p>As noted above, a standard set of month-end closing procedures is being developed and will require the monthly reconciliation of salary classifications and related school receivables and payables. Interim financial reports will also include an analysis of the related school receivables and payables so the staff and the Board can monitor them throughout the year. The Board of Directors will advise the staff to process the repayment of current balances where possible. If the size and age of the balances continue to increase, the Board will revise the <i>Fiscal Policies and Procedures Guide</i> to require the formal repayment of related school balances and a provision for interest on long-term balances at the March 2015 board meeting.</p>	
Responsible Person	Anticipated Completion
David Jenkins	3/18/2015

2014-8 Payroll Process

During our sample testing we noted that a terminated employee did not have a termination form completed. We also noted that personnel action forms were not utilized for new hires.

We recommend that management utilize the proper termination form for terminated employees and keep this form in their personnel file. We also recommend utilizing the personnel action form for all new hires and to keep this form in their personnel file.

Corrective Action Planned to Avoid This Issue
The School implemented a new <i>Employee Handbook</i> in the fall of 2014. Included were an



Onboarding Checklist and Termination Checklist, designed to guide management through the proper steps. The School will also perform a review of all current personnel files for compliance.

Responsible Person	Anticipated Completion
David Jenkins	2/18/2015

2014-9 Cash Disbursements Process

During our sample testing we noted seven out of sixty instances in which a packing slip was not attached to the support documentation and one separate instance where the packing slip was not signed-off on. We also noted twelve out of sixty instances in which an invoice was stamped ‘Entered’, however it was initialed by the Director of Finance rather than the Administrative Assistant. We also noted purchase orders were not utilized in over fifty percent of items sampled.

As per the Fiscal Policies and Procedures Guide, packing slips should be attached to the invoice package as support and properly signed-off on, invoices should be entered by the Administrative Assistant, and purchase orders should be used (and attached to the invoice package as supporting documentation) for any non-recurring purchase over \$500.

Corrective Action Planned to Avoid This Issue	
The School will review the cash disbursements process to determine if any adjustments should be made to the procedure and then encourage compliance. Review of documentation for non-recurring purchases over \$500 has been added to the month-end closing procedures. An individual outside of the Business Office will review the new <i>Month-End Closing Checklist</i> for compliance each month.	
Responsible Person	Anticipated Completion
David Jenkins	2/18/2015

2014-10 Credit Card Process

During our testing of credit card statements, we noted several instances in which receipts were not properly attached to the statement. We also noted the Boys Middle School using the Girls Middle School credit card.

We recommend that each credit card charge should have a corresponding receipt indicating the purpose of the charge and should be properly attached as supporting documentation to the credit card statement. We also recommend the Boys Middle School obtaining their own credit card.



Corrective Action Planned to Avoid This Issue	
The School is revising their month-end closing procedures, which includes a monthly reconciliation of credit card statements and receipts. In addition, management will consider whether the volume of purchases warrants obtaining a credit card for the Boys Middle School.	
Responsible Person	Anticipated Completion
David Jenkins	2/18/2015

2014-11 Authorized Check Signers

During our audit we noted a former board member as a current authorized check signer for your bank accounts.

We recommend removing this former board member from your list of authorized check signers.

Corrective Action Planned to Avoid This Issue	
The Middle Schools are already in the process of moving their bank accounts to the same bank as the Elementary Schools, so the signature cards will be updated to remove the former board member as a part of this change.	
Responsible Person	Anticipated Completion
David Jenkins	1/21/2015

2014-12 Inventory

Inventory only includes food, not supplies.

We recommend adding costs for supplies and other related school lunch inventory to the inventory asset account.

Corrective Action Planned to Avoid This Issue	
The amount of food service supplies was small, so it was not originally included as inventory. The school will record food service supplies as inventory going forward.	
Responsible Person	Anticipated Completion
David Jenkins	3/18/2015



2014-13 Cash Receipts

During our audit we noted some discrepancies in your cash receipt process from the way it is currently executed versus what is stated in the Fiscal Policies and Procedures Guide. We also noted that cash received and a majority of school payments received are not entered into the receipt log.

We recommend the office manager open the mail and restrictively endorse any checks for deposit (“For Deposit Only”) before forwarding them to the business manager. It is always recommended that the first person in contact with the checks for deposit should restrictively endorse these checks. We also recommend that all cash receipts be entered into the receipt log and reviewed at month end.

Corrective Action Planned to Avoid This Issue	
The School will review the cash receipts process and revise the procedure accordingly. Review of the Office Manager’s list of checks received has been added to the month-end closing procedures. An individual outside of the Business Office will review the new <i>Month-End Closing Checklist</i> for compliance each month.	
Responsible Person	Anticipated Completion
David Jenkins	1/21/2015

2014-14 Bank Statement Review

During our audit we noted lack of policy for review of canceled checks in the Fiscal Policies and Procedures Guide.

We recommend the Principal, who reviews the bank reconciliation, also review the canceled checks provided by the bank for unusual activity.

Corrective Action Planned to Avoid This Issue	
The School will review the cash receipts process and revise the procedure accordingly. Review of the Office Manager’s list of checks received has been added to the month-end closing procedures. An individual outside of the Business Office will review the new <i>Month-End Closing Checklist</i> for compliance each month.	
Responsible Person	Anticipated Completion
David Jenkins	1/21/2015



Budget and Quarterly Report Template
for SUNY Authorized Charter Schools

Brighter Choice Charter Middle

Contact Name: Andrew Grebe
Contact Email: agrebe@brighterchoice.org
Contact Phone: 518 527 1045

Prior Year: 2013-14
Current Year: 2014-15

Appendix E: Disclosure of Financial Interest Form

Created Friday, August 01, 2014

Page 1

010100860977 BRIGHTER CHOICE CS MIDDLE-GIRLS

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 2013-14 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-trustee-disclosure-form/>. Trustees may download and/or email their forms to you upon completion.

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 <https://fluidsurveys.com/account/surveys/540612/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 Friday, August 01, 2014

Page 1

010100860977 BRIGHTER CHOICE CS MIDDLE-GIRLS

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	Martha Snyder	Chair/President	Yes	Educational Policy	Term Expires 11/2015	
2	Rebecca Calos	Vice Chair/Vice President	Yes	Education	Term Expires 6/2017	
3	Zoe Nelson	Secretary	Yes	Legislative	Term Expires 6/2016	
4	Shawn Wallace	Treasurer	Yes	Parent/Community	Term Expires 8/2015	
5	Nilsa Velilla	Member	Yes	Parent/HR	Term Expires 08/2015	

2. Total Number of Members Joining Board during the 2013-14 school year

2

3. Total Number of Members Departing the Board during the 2013-14 school year

3

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 2013-14 school year?

6

6. How many times will the Board meet during the 2014-15 school year?

6

Thank you.

Brighter Choice Charter Middle School for Girls

Appendix H: Enrollment & Retention Efforts

In 2013-14, the school made a good faith effort to attract and retain a greater enrollment of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program. The following list summarizes the actions taken.

Students with Special Needs

- Advertising that mentions special needs
- School website that mentions special needs

English Language Learners

- Outreach by multi-lingual staff
- Outreach to immigrant community/ies
- Outreach to specialized feeder schools and programs
- School materials are translated as needed
- Multi-lingual advertising
- A Google language translator dropdown is available on our website
- With notice, translators will be made available for families at school events, such as parent-teacher conferences

Students Eligible for Free and Reduced Lunch Programs

- Meal program was covered at school open house, on application and during tours
- Support is offered to assist families in completing all necessary paperwork to ensure eligible students participate in the lunch program
- Recruitment occurred throughout neighborhoods surrounding the school and in the local district

Going forward in 2014-15, the school plans to utilize additional measures.

- All school brochures, mailings and application will mention that the school accommodates students with disabilities, English language learners and participates in the free and reduced lunch program
- School information session(s) will be held in trusted cultural centers in the community to attract more families who speak a language other than English
- Advertising materials will be distributed in the primary languages other than English spoken in the area
- The school's website will be updated to highlight availability of programs for ELL students and students with disabilities
- Will work with ELL teacher and other community representatives to identify and reach out to target ELL groups

Appendix I: Teacher and Administrator Attrition

Created Friday, August 01, 2014

Page 1

Charter School Name: 010100860977 BRIGHTER CHOICE CS MIDDLE-GIRLS

Instructions for completing the Teacher and Administrator Attrition Tables
ALL charter schools should provide, for teachers and administrators only, the full time equivalent (FTE) of staff on June 30, 2013, the FTE for added staff from July 1, 2013 through June 30, 2014, and the FTE for any departed staff from July 1, 2013 through June 30, 2014 using the two tables provided.

2013-14 Teacher Attrition Table

FTE Teachers on June 30, 2013	FTE Teachers Additions 7/1/13 – 6/30/14	FTE Teacher Departures 7/1/13 – 6/30/14
16	9	3.5

2013-14 Administrator Position Attrition Table

FTE Administrator Positions On 6/30/2013	FTE Administrator Additions 7/1/13 – 6/30/14	FTE Administrator Departures 7/1/13 – 6/30/14
3.75	.25	1

Thank you