

I. SCHOOL INFORMATION AND COVER PAGE

Created Saturday, July 27, 2013

Updated Thursday, August 01, 2013

Page 1

1. SCHOOL NAME

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

331700860950 EXPLORE EMPOWER CS

2. CHARTER AUTHORIZER

NYCDOE-Authorized Charter School

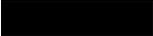
3. DISTRICT / CSD OF LOCATION

NYC CSD 17

4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
188 Rochester Avenue Brooklyn, NY 11213	718-771-2090	718-771-2128	empoweradmissions@explorenetwork.org

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Contact Name	Veronica Woolley
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Title	Director of Operations
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Emergency Phone Number (###-###-####)	

5. SCHOOL WEB ADDRESS (URL)

<http://www.explorenetwork.org/empower-charter-school>

6. DATE OF INITIAL CHARTER

2008-12-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

2009-08-01 00:00:00

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

(as reported on BEDS Day)

9. GRADES SERVED IN SCHOOL YEAR 2012-13

Check all that apply

• K

• 1

• 2

• 3

• 4

• 5

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

Yes/No	Name of CMO/EMO
Yes	Explore Schools Incorporated

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

	Name	Work Phone	Alternate Phone	Email Address	Contact this individual also in emergencies
CEO (e.g., network superintendent)	Morty Ballen	[REDACTED]		[REDACTED]	Yes
CFO (e.g., network CFO)	Shawn-Ann Mullen	[REDACTED]		[REDACTED]	Yes
Compliance Contact	Rebecca Daverin	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Complaint Contact	Rebecca Daverin	[REDACTED]	[REDACTED]	[REDACTED]	Yes

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 2013-14.

	Physical Address	Phone Number	District/C SD	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	188 Rochester Avenue Brooklyn, NY 11213	718-771-2090	CSD 17	K-6	No	DOE space
Site 2						
Site 3						

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

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Christina Cotter	[REDACTED]		[REDACTED]
Operational Leader	Veronica Woolley	[REDACTED]		[REDACTED]
Compliance Contact	Rebecca Daverin	[REDACTED]	[REDACTED]	[REDACTED]
Complaint Contact	Rebecca Daverin	[REDACTED]	[REDACTED]	[REDACTED]

13. Are the School sites co-located?

Yes

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

	Date School will leave current co-location	Is school working with NYCDOE to expand into current space?	If so, list year expansion will occur.	Is school working with NYCDOE to move to separate space?	If so, list the proposed space and year planned for move	School at Full Capacity at Site
Site 1 (primary site)	n/a	Yes	2013	No		No
Site 2						
Site 3						

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

Yes

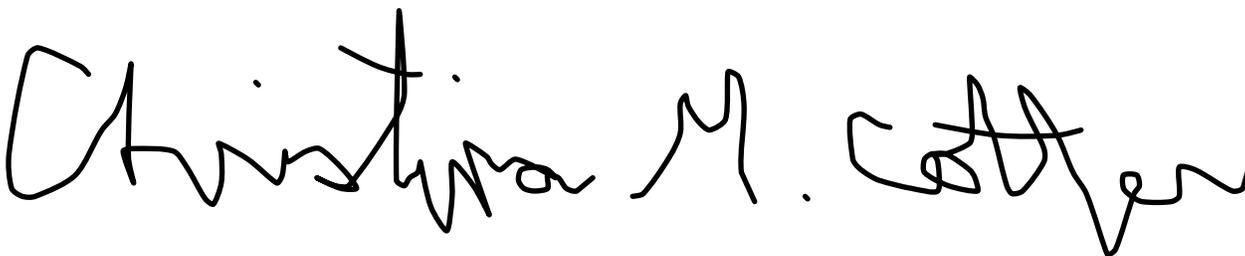
15. Summary of Charter Revisions

	Category (Select Best Description)	Specific Revision (150 word limit)	Date Approved by BOT (if applicable)	Date Approved by Authorizer (if applicable)
1	Change in admissions/enrollment policy	We will have a set aside preference in our Kindergarten Lottery for students who are English Language Learners. Each year we will determine what percentage of seats we will set aside in our lottery based on the percentage of ELLs in our geographic district.	01/2013	01/2013
2				
3				
4				
5				

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



Signature, President of the Board of Trustees

Thank you.

Signature Page for President of Board of Trustees

Created Tuesday, July 30, 2013

Updated Thursday, August 01, 2013

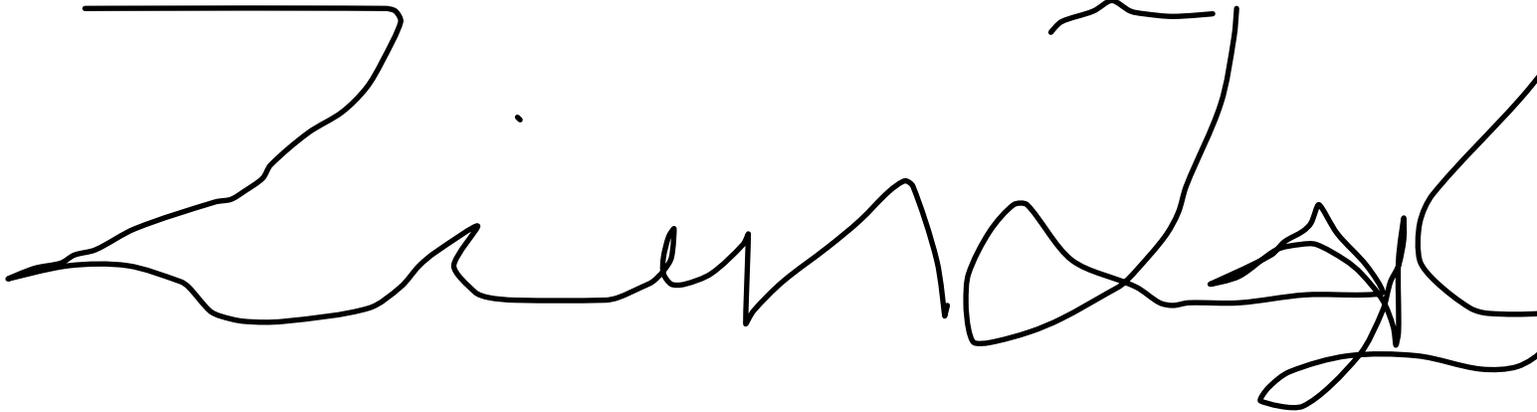
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331700860950 EXPLORE EMPOWER CS

16. My signature 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 stylist on your mobile device to sign your name).

- Yes
-

Signature, Board President

A handwritten signature in black ink, appearing to read "Jennifer K...", written across the page.

Thank you.

Appendix A: Progress Toward Goals

Created Tuesday, July 30, 2013

Updated Wednesday, September 04, 2013

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1. NEW YORK STATE REPORT CARD

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

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

<https://reportcards.nysed.gov/files/2011-12/RC-2012-331700860950.pdf>

2. APPENDIX A: PROGRESS TOWARD CHARTER GOALS

2a. ACADEMIC STUDENT PERFORMANCE GOALS

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

2012-13 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 1	Each year, 75 percent of 3rd-6th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State ELA examination.	NYS ELA scores.	N/A - NYS ELA scores not yet released.	
Academic Goal 2	Each year, 75 percent of 3rd-6th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Math examination.	NYS Math scores.	N/A - NYS Math scores not yet released.	

Academic Goal 3	Each year, 75 percent of 4th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Science examination.	NYS Science scores.	Goal met.	
Academic Goal 4	Each year, 75 percent of 4th graders who have been enrolled at the school on BEDS day for at least two consecutive years will perform at or above Level 3 on the New York State Social Studies examination.	NYS Social Studies scores.	N/A - Students do not take an NYS Social Studies test.	
Academic Goal 5	75% of students in grades K through 2 will be reading on grade level, as assessed by a teacher administered, research-based assessment.	Fountas & Pinnell Benchmark Assessment System.	Goal not met - Based on F & P assessments in June 2013, 72% of Kindergartners, 55% of 1st Graders and 60% of 2nd Graders were reading on or above grade level.	<p>This year we learned that teachers need additional support with planning and execution as well as additional time for independent reading, word study, and small group instruction. We also discovered that administration of the F & P resulted in inflated levels in prior years and re-trained teachers to ensure accuracy.</p> <p>To address this issue: we are going to provide teachers with a stronger framework for using curricular resources and additional time to discuss content and execution multiple times per week. Moreover, we have re-designed our schedule to increase time for small-group instruction, independent reading, and word study.</p> <p>Empower's Literacy Coordinator, in collaboration with the Explore Schools Literacy Specialist, will be providing support for teachers through PLC's (Professional Learning Communities) in these grade levels to ensure effective guided reading practices and to ensure the neediest students are receiving individualized instruction. We also re-trained teachers in the administration of the F & P to ensure accuracy of this assessment.</p>

Academic Goal 6	For years 2 through 5 of the proposed charter, each grade level cohort of the same students (i.e. students who are in the school for two years in a row) will reduce by one half the gap between the percent at or above Level 3 on the previous year's State ELA exam (baseline) and 75% at or above Level 3 on the current year's State ELA exam. For schools in which the number of students scoring above proficiency in a grade level cohort exceeded 75 percent on the previous year's ELA exam, the school is expected to demonstrate some growth (above 75%) in the current year (relevant for schools serving grades 3-8).	NYS ELA scores.	N/A - NYS ELA scores not yet released.
Academic Goal 7	For years 2 through 5 of the proposed charter, each grade level cohort of the same students will reduce by one half the gap between the percent at or above Level 3 on the previous year's State Math exam (baseline) and 75% at or above Level 3 on the current year's State Math exam. For schools in which the number of students scoring above proficiency in a grade level cohort exceeded 75% on the previous year's Math exam, the school is expected to demonstrate growth (above 75%) in the current year.	NYS Math scores.	N/A - NYS Math scores not yet released.
Academic Goal 8	Each year, the percent of students performing at or above Level 3 on the State ELA exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of the Community School District in which the school is located. This will be measure by an analysis of performance compared to CSDs conducted by NYCDOE.	NYS ELA scores.	N/A - NYS ELA scores not yet released.

2a1. Do have more academic goals to add?

Yes

2012-13 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Academic Goal 9	Each year, the percent of students performing at or above Level 3 on the State Math exam in each tested grade will, in the majority of grades, exceed the average performance of students tested in the same grades of the Community School District in which the school is located. This will be measure by an analysis of performance compared to CSDs conducted by NYCDOE.	NYS Math scores.	N/A - NYS Math scores not yet released.	
Academic Goal 10	From years 2-4, the school will receive a “B” or higher on the student Progress section of the NYCDOE Progress Report.	NYC DOE Progress Report.	N/A - 2012-13 NYC DOE Progress Report not yet released.	Empower’s leadership has created professional development opportunities and sessions designed to maximize teacher growth as New York State fully transitions to the Common Core standards. In the 2012-2013 school year, Empower launched a coaching program in which teachers across the school were coached by Leadership and Culture team members. Each teacher was coached for at least a six week cycle, working on specific goals related to student achievement. The coaching cycle will be continued and strengthened in the 2013-2014 school year to improve student outcomes and facilitate effective and timely teacher development. Additionally, in the 2013-2014 school year Empower plans to increase the amount of time that teachers are engaged in collaboration, planning and lesson rehearsal with the addition of Professional Learning Community meetings. These meetings will happen four times per week and will involve teachers and school leaders meeting in grade level teams to rehearse lessons, discuss differentiation options, dig into lessons in great depth, and analyze student work. These meetings will allow teachers to make instructional choices and modifications to improve student outcomes.
Academic Goal 11	Each year, the school will be deemed “In Good Standing” on the NYS Report Card	NYS Report Card.	N/A - 2012-13 NYS Report Card not yet released.	
Academic Goal 12				

Academic
Goal 13

Academic
Goal 14

Academic
Goal 15

Academic
Goal 16

2a2. Do have more academic goals to add?

No

2b. ORGANIZATIONAL GOALS

2012-13 Progress Toward Attainment of Organizational Goals

	Organizational Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Org Goal 1	Each year, the school will have an average daily student attendance rate of at least 95%.	School attendance data.	Goal met.	
Org Goal 2	Each year, 95% of all students enrolled on the last day of the school year will return the following September.	Student enrollment figures in ATS.	N/A - We will report on this once 2013-14 school year begins and fall enrollment is confirmed	
Org Goal 3	Of the teachers who do not return to Empower each year, 0% will teach at another public charter school in New York City.	Teacher retention data collected and tracked by the HR Manager.	Goal not met. At least one teacher who resigned from Empower after the 2012-13 School Year will be teaching at another public charter school in NYC. Hours and salary sited among reasons for leaving.	Intentional initiatives have been put in place to address teacher retention at Empower. At the end of the 2012-2013 school year, an adult culture talk-back was facilitated by leadership to hear directly about the state of current staff contentedness. As a result of this discussion, leadership and staff collaboratively devised specific action items for next steps. In response to a greater desired teacher voice in the operation of the school, a Teacher Advisory Board will be organized for the 2013-2014 school year to meet with leadership on a monthly basis to address and discuss staff concerns. Teachers also expressed a desire for more staff team-building opportunities. A committee of teachers and leaders has been assembled and charged with the responsibilities of organizing staff events. Through these systems, Empower leadership hopes to help unite staff in camaraderie to stay dedicated to our Mission and Vision.
Org Goal 4	Each year, parents will express satisfaction with the school's program, based on the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic Expectations,	NYCDOE Learning Environment Survey.	N/A - 2012-13 NYCDOE Learning Environment Survey not yet released.	

Communication, Engagement and Safety and Respect. The school will only have met this if 50% or more of parents participate in the survey.

Org Goal 5	Each year, teachers will express satisfaction with the school leadership and professional development opportunities as determined by the teacher section of the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic Expectations, Communication, Engagement and Safety and Respect. The school will only have met this if 50% or more of teachers participate in the survey.	NYCDOE Learning Environment Survey.	N/A - 2012-13 NYCDOE Learning Environment Survey not yet released.
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2b.1 Do you have more organizational goals to add?

Yes

2012-13 Progress Toward Attainment of Organizational Goals

	Organizational Goal	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Org Goal 6	For schools serving grades 6 and higher, each year, students will express satisfaction with the school as determined by the student section of the NYCDOE Learning Environment Survey in which the school will receive scores of 7.5 or higher in each of the four survey domains: Academic Expectations, Communication, Engagement and Safety and Respect. The school will only have met this if 50% of more students participate in the survey.	NYCDOE Learning Environment Survey.	N/A - 2012-13 NYCDOE Learning Environment Survey not yet released.	
Org Goal 7	Each year, student enrollment will be within 15% of full enrollment as defined in the school's contract. This will be measured each year by an analysis of student enrollment figures in ATS.	Student enrollment figures in ATS.	Goal met.	
Org Goal 8	Each year, the school will comply with all applicable laws, rules, regulations and contract terms including, but not limited to, the	Empower Charter Agreement, New York Charter Schools Act, FOIL, NY Open Meetings Law, Individuals with Disabilities Education Act,	Goal met.	

New York Charter Schools Act, the New York Freedom of Information Law, the New York Open Meetings Law, the federal Individuals with Disabilities Education Act, and Federal Family Educational Rights and Privacy Act.

FERPA and applicable city and state laws.

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Goal 9

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2c. FINANCIAL GOALS

2012-13 Progress Toward Attainment of Financial Goals

	Financial Goals	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Financial Goal 1	Upon completion of the school's first year of operation and every year thereafter, the school will undergo an independent financial audit that will result in an unqualified opinion and no major findings.	Independent audit by Fruchter Rosen & Company, PC	The financial audit for fiscal year 2012-13 is not yet complete. We will submit the independent auditors' report before the Nov 1, 2013 deadline.	
Financial Goal 2	Each year, the school will operate on a balanced budget and maintain a stable cash flow.	Independent audit by Fruchter Rosen & Company, PC	The financial audit for fiscal year 2012-13 is not yet complete. We will submit the audited financial statements before the Nov 1, 2013 deadline.	
Financial Goal 3				
Financial Goal 4				
Financial Goal 5				

Per Pupil Expenditures: 2012-13

Empower

Total Administrative Expenditures Per Pupil	2,338.14
Total Expenditures Per Pupil	14,240.29

Audited Financial Statement Checklist

Created Friday, November 01, 2013

Page 1

Charter School Name:

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

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

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

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

Thank you Rebecca .

EXPLORE EMPOWER CHARTER SCHOOL

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

FRUCHTER ROSEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
156 WEST 56TH STREET
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600
FAX: (212) 957-3696

October 2, 2013

To the Audit Committee of the Board of Trustees
Explore Empower Charter School

We have audited the financial statements of Explore Empower Charter School (the "School") for the year ended June 30, 2013, and have issued our report thereon dated October 2, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted 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 March 8, 2013. 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 Explore Empower Charter School are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the School 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.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were 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 October 2, 2013.

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 School’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 School’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 have issued a separate report to you, also dated October 2, 2013, containing our comments on the School’s internal control.

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 U.S. generally accepted accounting principles, 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 Explore Empower Charter School and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

EXPLORE EMPOWER CHARTER SCHOOL

MANAGEMENT LETTER

JUNE 30, 2013

FRUCHTER ROSEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
156 WEST 56TH STREET
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600
FAX: (212) 957-3696

October 2, 2013

Audit Committee of the Board of Trustees
Explore Empower Charter School

In planning and performing our audit of the financial statements of Explore Empower Charter School (the "School") as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Exhibits I and II accompanying this letter summarize observations for the year ended June 30, 2013 and the corrective actions taken by the School on prior year observations. We determined that these observations did not constitute a significant deficiency or material weakness. Management's responses to the observations have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Board of Trustees, federal, state and local awarding agencies, New York City Department of Education, The State Education Department of the State University of New York, and others within the School and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate your cooperation and the assistance we received during the course of our audit.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 2, 2013

EXPLORE EMPOWER CHARTER SCHOOL
MANAGEMENT LETTER
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JUNE 30, 2013

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- A. Insurance Coverage 2

EXPLORE EMPOWER CHARTER SCHOOL
MANAGEMENT LETTER
JUNE 30, 2013

EXHIBIT I – CURRENT YEAR OBSERVATION

A. APPROVAL OF DEBIT CARD PURCHASES

Observation

Even though the majority of debit card purchases tested were adequately supported by receipts, invoices, and other documentation, we noted that many of the purchase request forms were signed after the purchase date. The School explained that the requests are often made for repeat purchases and that the approvals are made verbally, with the signing of the purchase request form taking place later as part of a batch signing of various documents.

Recommendation

We recommend that in circumstances where the School cannot obtain a written approval prior to a purchase, that the School obtain approvals by e-mail rather than verbally so as to retain a record of the authorization that would evidence the actual timing of approval.

Management's Response

The School will adopt the practice of obtaining email approvals, prior to the purchase, for credit card transactions when written approval is not feasible. The School will retain the record of authorization with the purchase receipt to substantiate the timing of the approval and purchase.

EXPLORE EMPOWER CHARTER SCHOOL
MANAGEMENT LETTER
JUNE 30, 2013

EXHIBIT II – CORRECTIVE ACTION TAKEN ON PRIOR YEAR OBSERVATION

A. INSURANCE COVERAGE

Observation

We noted insurance coverage under business personal property is limited to \$185,658. This coverage appears low based on replacement cost of property and equipment of approximately \$381,000 at June 30, 2012. Therefore, we believe the School is underinsured in regards to the above coverage.

Recommendation

We recommend an increase of coverage for business personal property to cover, at minimum, the cost maintained in you fixed asset register. In addition, the School should periodically review insurance coverage to ensure proper and adequate means by which to preserve School assets.

Corrective Action Taken

During our 2013 audit, we reviewed the School's insurance coverage. It was noted that the School increased its coverage of business personal property to \$450,000.

EXPLORE EMPOWER CHARTER SCHOOL
FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
EXPLORE EMPOWER CHARTER SCHOOL

Report on the Financial Statements

We have audited the accompanying financial statements of Explore Empower Charter School (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 the School as of June 30, 2013, 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.

Report on Summarized Comparative Information

We have previously audited the School's 2012 financial statements, and our report dated October 19, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2013, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 2, 2013

EXPLORE EMPOWER CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,584,665	\$ 1,004,544
Grants and contracts receivable	143,969	99,253
Due from related parties	-	11,426
Prepaid expenses and other current assets	45,509	39,542
Total current assets	1,774,143	1,154,765
Other assets:		
Property and equipment, net of accumulated depreciation and amortization of \$259,475 and \$126,772 respectively	204,425	254,626
Restricted cash	70,168	70,075
Total other assets	274,593	324,701
TOTAL ASSETS	\$ 2,048,736	\$ 1,479,466
 LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 84,728	\$ 158,026
Accrued payroll and payroll taxes	417,267	319,710
Due to related parties	3,233	-
Refundable advances	7,373	-
Total current liabilities	512,601	477,736
Unrestricted net assets:		
Undesignated	646,135	936,730
Board-designated for reserve fund	890,000	65,000
Total unrestricted net assets	1,536,135	1,001,730
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$ 2,048,736	\$ 1,479,466

The accompanying notes are an integral part of the financial statements.

EXPLORE EMPOWER CHARTER SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	<u>2013</u>	<u>2012</u>
Operating revenue:		
State and local per pupil operating revenue	\$ 5,245,993	\$ 4,238,996
Federal grants	312,709	215,419
State and city grants	<u>26,614</u>	<u>22,214</u>
Total operating revenue	<u>5,585,316</u>	<u>4,476,629</u>
Operating expenses:		
Program services		
Regular education	3,964,450	3,076,576
Special education	<u>240,075</u>	<u>162,540</u>
Total program services	4,204,525	3,239,116
Management and general	<u>866,291</u>	<u>774,400</u>
Total operating expenses	<u>5,070,816</u>	<u>4,013,516</u>
Surplus from operations	514,500	463,113
Support and other revenue:		
Contributions:		
Individuals	1,000	-
Corporations and foundations	4,000	-
Other revenue	1,924	527
Fundraising event	<u>12,981</u>	<u>13,280</u>
Total support and other revenue	<u>19,905</u>	<u>13,807</u>
Changes in unrestricted net assets	534,405	476,920
Unrestricted net assets - beginning of year	<u>1,001,730</u>	<u>524,810</u>
Unrestricted net assets - end of year	<u>\$ 1,536,135</u>	<u>\$ 1,001,730</u>

The accompanying notes are an integral part of the financial statements.

EXPLORE EMPOWER CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS THEN ENDED JUNE 30,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in unrestricted net assets	\$ 534,405	\$ 476,920
Adjustments to reconcile changes in unrestricted net assets to net cash provided by operating activities:		
Depreciation and amortization	132,703	83,264
(Increase) Decrease in certain assets:		
Grants and contracts receivable	(44,716)	116,625
Due from related parties	11,426	(11,426)
Prepaid expenses and other current assets	(5,967)	28,951
Restricted cash	(93)	(74)
Increase (Decrease) in certain liabilities:		
Accounts payable and accrued expenses	(73,298)	101,862
Accrued payroll and payroll taxes	97,557	11,825
Due to related parties	3,233	(7,499)
Refundable advances	7,373	(7,264)
	662,623	793,184
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property and equipment	(82,502)	(224,965)
	580,121	568,219
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,004,544	436,325
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,584,665	\$ 1,004,544

The accompanying notes are an integral part of the financial statements.

EXPLORE EMPOWER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Explore Empower Charter School (the "School") is an educational corporation that operates a charter school in the borough of Brooklyn, New York. The School was granted a provisional charter on December 16, 2008 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The School was established to provide its students with academic skills and critical thinking abilities they need to succeed in a college preparatory high school. Furthermore, the School was established to prepare such underserved students for higher education, civic involvement and lifelong success through a structured, caring environment of high academic expectations. The School provided education to approximately 353 students in kindergarten through fifth grade during the 2012-2013 academic year.

The School has an agreement with the NYCDOE to use public school open space at no annual cost. The School's management does not anticipate this agreement will be terminated in the near future. The School is not responsible for rent, utilities, custodial services, maintenance and school safety services other than those required over the summer when traditional DOE schools are not in service.

Food and Transportation Services

The New York City Department of Education provides free lunches and transportation directly to a majority of the School's students. Such costs are not included in these financial statements. The School covers the cost of lunches for children not entitled to the free lunches.

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii). The School is subject to income taxes only on net unrelated business income. The School did not have any unrelated business income for the years ended June 30, 2013 and 2012.

The School's accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The School has no uncertain tax positions resulting in an accrual of tax expense or benefit.

EXPLORE EMPOWER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Status (Continued)

IRS Forms 990 filed by the School are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Forms filed by the School are no longer subject to examination for the fiscal years ended June 30, 2009, and prior.

Basis of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification (“ASC”) No. 958-205 which provides guidance for the classification of net assets. The amounts for each of the three classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

Unrestricted

Unrestricted net assets of the School are assets whose use has not been restricted by an outside donor or by law. The unrestricted net assets represent the portion of expendable funds that are available for the support of the operations of the School.

Board-designated net assets were established by the Board of Trustees to provide a reserve for unforeseen facility, personnel, and other issues.

Temporarily Restricted

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time or period or for a specific purpose. Temporarily restricted gifts are recorded as additions to temporarily restricted net assets in the period received. When restricted net assets are expended for their stipulated purpose, temporarily restricted net assets become unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

Permanently Restricted

Net assets of the School whose use has been permanently limited by donor-imposed restrictions. Such assets include contributions required to be invested in perpetuity, the income from which is available to support charitable purposes designated by the donors.

The School had no temporarily or permanently restricted net assets at June 30, 2013 and 2012.

EXPLORE EMPOWER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations. Restricted contributions and grants that are made to support the School's current year activities are recorded as unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value.

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agency.

Use of Estimates

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

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments which potentially subject the School to concentrations of credit risk are cash and cash equivalents. The School places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of \$250,000 per institution at various times during the year. The School believes that there is little risk in any losses and has not experienced any losses in such accounts.

EXPLORE EMPOWER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Purchased property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding, whereas the government agency retains legal title to the long lived asset is expensed as incurred. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Furniture and fixtures	5 years
Computers and equipment	3 years
Software	3 years

Restricted Cash

Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution should it occur.

Refundable Advances

The School records certain government operating revenue as refundable advances until related services are performed, at which time they are recognized as revenue.

Comparative Financial Information

The accompanying statements of activities and functional expenses are presented with summarized comparative information. Such prior year information is not presented by net asset class in the statement of activities or by functional category in the statement of functional expenses. Accordingly, such information should be read in conjunction with the School's 2012 financial statements from which the summarized information was derived.

Reclassifications

Certain 2012 accounts have been reclassified to conform to the 2013 financial statement presentation. The reclassifications have no effect on 2012 total assets, liabilities, net assets and changes in net assets.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of federal, state, and city entitlements and grants. The School expects to collect these receivables within one year.

EXPLORE EMPOWER CHARTER SCHOOL
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013 AND 2012

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30,:

	2013	2012
Furniture and fixtures	\$ 62,669	\$ 60,026
Computers and equipment	365,414	287,385
Software	35,817	33,987
	463,900	381,398
 Less: Accumulated depreciation and amortization	 (259,475)	 (126,772)
	\$ 204,425	\$ 254,626

Depreciation and amortization expense was \$132,703 and \$83,264 for the years ended June 30, 2013 and 2012, respectively.

NOTE 4 - CONTINGENCY

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

NOTE 5 - REVENUE CONCENTRATION

The School receives a substantial portion of its support and revenue from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSE

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expense includes those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

EXPLORE EMPOWER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 7 - RETIREMENT PLAN

The School maintains a defined contribution 403(b) plan covering all eligible employees. Under this plan, employer contributions are discretionary and are based on a percentage of employees' salaries as determined by the School's board of trustees. The School matched 50% of the employees' elective contributions not to exceed 10% of the employee's salary for the years ended June 30, 2013 and 2012. The total employer contribution did not exceed 5% of the employee's salary. Retirement expense incurred by the School for the years ended June 30, 2013 and 2012, amounted to \$29,964 and \$13,561, respectively.

NOTE 8 - RELATED PARTY TRANSACTIONS

The School is affiliated with Explore School's Inc., ("ESI"), a New York State not-for-profit corporation established under the laws of the State of New York on July 31, 2008. ESI supports the School by providing educational models, recruiting, leadership coaching and professional development, start-up funding, and governance and operational support. The School is also affiliated with Explore Charter School ("Explore") through common Board members, Explore Excel Charter School ("Excel") and Explore Exceed Charter School ("Exceed") through common management.

The School entered into an agreement with ESI on July 1, 2011 to provide the School with educational management services and designs. Pursuant to the agreement, ESI is to select and implement educational programs, coaching and professional development to school-based leadership, manage the School's business administration and support the Board in all governance issues. As compensation to ESI for these services, the School pays an annual fee of 11.5% of the School's per pupil operating revenue. Management fee expense for the years ended June 30, 2013 and 2012 was \$550,351 and \$460,417, respectively.

For operational efficiency and purchasing power, the School shares certain expenses with ESI, Explore, Exceed, and Excel. Following are net shared operational expenses for the years ended June 30,:

	<u>2013</u>	<u>2012</u>
ESI	\$ 7,637	\$ 11,426
Explore	969	-
Exceed	335	-
Excel	260	-
	<u>\$ 9,201</u>	<u>\$ 11,426</u>

EXPLORE EMPOWER CHARTER SCHOOL
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013 AND 2012

NOTE 8 - RELATED PARTY TRANSACTIONS (Continued)

The net balance due (to)/from related parties consisted of the following at June 30,:

	2013	2012
ESI	\$ (3,308)	\$ 11,426
Exceed	75	-
	\$ (3,233)	\$ 11,426

NOTE 10 - SUBSEQUENT EVENTS

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 2, 2013, the date the financial statements were available to be issued.

FRUCHTER ROSEN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

NEW YORK, NEW YORK 10019

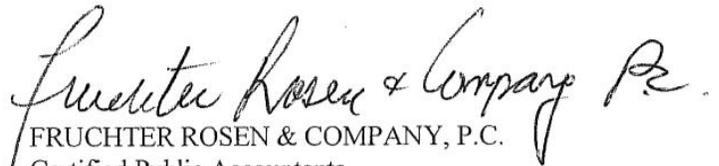
TEL: (212) 957-3600

FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
EXPLORE EMPOWER CHARTER SCHOOL

We have audited the financial statements of Explore Empower Charter School as of and for the year ended June 30, 2013, and have issued our report thereon dated October 2, 2013, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the 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 subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 2, 2013

EXPLORE EMPOWER CHARTER SCHOOL
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

	2013				Total	2012
	Regular Education	Special Education	Total Program Services	Management and General		
Salaries	\$ 2,428,507	\$ 123,000	\$ 2,551,507	\$ 445,994	\$ 2,997,501	\$ 2,317,326
Payroll taxes and employee benefits	545,305	27,619	572,924	100,145	673,069	494,718
Management fees	342,917	18,048	360,965	189,386	550,351	460,417
Audit and accounting	-	-	-	23,250	23,250	18,250
Recruiting and marketing	2,017	106	2,123	29,550	31,673	31,540
Outside services	161,027	25,285	186,312	12,197	198,509	122,757
Conferences, meetings, and staff development	60,475	3,183	63,658	9,769	73,427	64,442
Curriculum and classroom	118,082	22,028	140,110	-	140,110	232,661
Student meals	6,333	1,182	7,515	-	7,515	6,008
Student and family services	24,623	4,594	29,217	-	29,217	15,909
Insurance	23,447	1,234	24,681	4,356	29,037	24,447
Postage and shipping	20,345	1,071	21,416	3,779	25,195	29,692
Office supplies	9,349	1,039	10,388	10,386	20,774	28,611
Miscellaneous	33,741	1,776	35,517	6,266	41,783	24,685
Telephone, technology, and communications	78,088	4,110	82,198	14,504	96,702	58,789
Depreciation and amortization	110,194	5,800	115,994	16,709	132,703	83,264
Total	<u>\$ 3,964,450</u>	<u>\$ 240,075</u>	<u>\$ 4,204,525</u>	<u>\$ 866,291</u>	<u>\$ 5,070,816</u>	<u>\$ 4,013,516</u>

FRUCHTER ROSEN & COMPANY, P.C.

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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
EXPLORE EMPOWER CHARTER SCHOOL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Explore Empower Charter School (the "School"), which comprise the statement of financial position as of June 30, 2013, 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 October 2, 2013.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

TO THE BOARD OF TRUSTEES OF
EXPLORE EMPOWER CHARTER SCHOOL

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*.

We noted certain matters that we reported to the management of the School in a separate letter dated October 2, 2013.

Purpose of this Report

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


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 2, 2013

Appendix E: Disclosure of Financial Interest Form

Created Tuesday, July 30, 2013

Page 1

331700860950 EXPLORE EMPOWER CS

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

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

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

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

Thank you.

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

Yes

Thank you.

Appendix F: BOT Membership Table

Created Saturday, July 27, 2013

Updated Tuesday, July 30, 2013

Page 1

331700860950 EXPLORE EMPOWER CS

1. Current Board Member Information

	Full Name of Individual Trustees	Position on Board (Officer or Rep).	Voting Member	Area of Expertise &/or Additional Role	Terms Served & Length (include date of election and expiration)	Committee affiliations
1	Timothy Taylor	Chair/President	Yes		Elected in 2011, has served one full two-year term.	ESI Contract, Principal Compensation
2	Angelica Thomas	Member	Yes		Elected in 2010, is serving second two-year term.	Discipline
3	Kimesha Carnegie	Secretary	Yes		Elected in 2011, has served one full two-year term.	Finance, ESI Contract
4	Morty Ballen	Member	Yes	CEO of CMO	Term renews annually with contract.	Principal Compensation, Discipline
5	Suellyn Scull	Member	Yes		Elected in 2013, is serving first two-year term.	Will join committees in Fall 2013.
6	Beth Cohen	Member	Yes		Elected in 2012, is serving first two-year term.	Will join committees in Fall 2013.
7	Trevor Alfred	Member Ex-Officio	No	PTA President	Ex-officio term for PTA representatives is one year.	n/a
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

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

2

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

3

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

16

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

8

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

8

Thank you.

Enrollment and Retention Efforts

Information Sessions and Tours: During the recruitment period, open houses are held weekly in the mornings and evenings. These meetings are open to all interested families and provide families with an opportunity to complete applications and learn more about Explore Empower Charter School. During the school year, school tours are conducted.

Website: Explore Empower Charter School leverages its website to disseminate information about upcoming information sessions and tours.

Community Outreach: Explore Empower Charter School seeks and develops relationships with organizations that serve families of preschool children within the community, including those that service students with disabilities, English Language Learners (ELL) and students whose families qualify for free or reduced priced lunch. These organizations include, but are not limited to, local day care centers, preschools, Head Start programs, community boards, community-based organizations (health-based organizations, WIC Centers, etc.) and public libraries in the Community School District. In addition to mailings announcing our recruitment period, Explore Empower Charter School staff makes presentations to Head Start programs and other programs that have potential applicants. This information includes recruitment flyers and the dates of upcoming information sessions, as well as key features of Explore Empower's academic program.

Flyers: Flyers are posted and distributed that emphasize Explore Empower Charter School's small class and school size and specifically highlight the benefits of the school that would attract families of special needs students and ELL students. Additionally, flyers have information on open houses, how to enroll and important due dates.

Canvassing: When time and weather permitted the team prepared information packages and walked the neighborhood, distributing recruitment information to Fast Food restaurants, Laundromats, Beauty parlors, Barber shops, Nail salons, Tax Preparation centers and Supermarkets. One of our goals is to establish greater community presence.

Language Accessibility: Our applications and flyers are available in Haitian Creole and Spanish and we utilized the Vanguard mailing system. Bilingual staff members are available at open houses as necessary. Furthermore, we added an ELL set-aside to our Kindergarten Lottery Process, which states that we will set aside a percentage of our Kindergarten Lottery seats (based on the percentage of ELLs in our district) for students who are English Language Learners.

All methods of outreach, including information sessions, tours and any meetings and interviews used during the recruitment period expressly state that attendance at these events is not a requirement for admission.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Tuesday, July 09, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/f15c911fd423d4229ac3495afd3e9dd>

Page 1

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

1. Trustee Name:

Morty Ballen

2. Charter School Name:

Explore Empower Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

(No response)

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

No

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

Yes

10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next

[cmoeY.0] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Position Held	CEO & Founder
[cmoeY.1] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Responsibilities	Oversee the CMO and its four schools currently serving 1,500 students in central Brooklyn.
[cmoeY.2] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Salary	\$208,000
[cmoeY.3] 10a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Start Date	2002

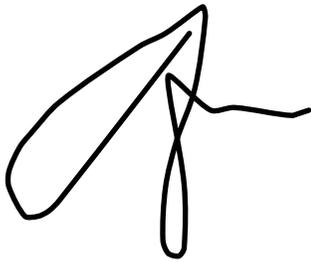
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

A handwritten signature in black ink, consisting of a large, sweeping loop on the left side, followed by a vertical stroke that loops back down, and a horizontal tail extending to the right.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

Updated Wednesday, July 31, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/efde2d82bda09edfe5640cde8e7765b>

Page 1

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

1. Trustee Name:

Kimesha Carnegie

2. Charter School Name:

Explore Empower Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Secretary

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

No

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

No

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

No

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

No

Signature of Trustee

A handwritten signature in black ink, appearing to be the initials 'K.G.' followed by a long horizontal stroke.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Friday, July 19, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/274e4941387c78706035b5eb279ff8>

Page 1

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

1. Trustee Name:

Beth H. Cohen

2. Charter School Name:

Explore Empower Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Other, please specify...: general member

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

No

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

No

Page 2

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

No

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

No

Signature of Trustee

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 15, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/fca774816120f4dd3c16c015417094>

Page 1

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

1. Trustee Name:

Stephen Cook

2. Charter School Name:

Explore Empower Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

(No response)

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

No

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

No

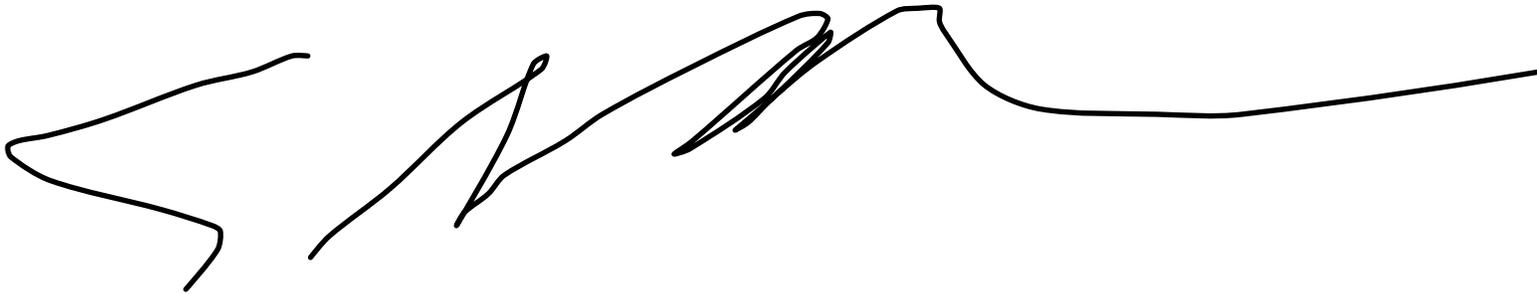
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

A handwritten signature in black ink, consisting of several connected, fluid strokes. The signature is written across the width of the page, starting from the left margin and extending towards the right edge.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/d4c9dbbb48fe3fd5a64ab0193edca75>

Page 1

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

1. Trustee Name:

Nekesha Sawh

2. Charter School Name:

Explore Empower Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Parent Representative

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

No

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

No

Page 2

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

No

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

No

Signature of Trustee

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Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 08, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/86505b0a8501c902d29fa87d0f4f17e>

Page 1

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

1. Trustee Name:

Timothy Taylor

2. Charter School Name:

Explore Empower Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Chair/President

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

No

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

No

Page 2

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

No

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

No

Signature of Trustee

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Tuesday, July 09, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/768076973b6503ab3a8808d60a61f6>

Page 1

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

1. Trustee Name:

Angelica L. Thomas

2. Charter School Name:

Explore Empower Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Treasurer

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

No

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

No

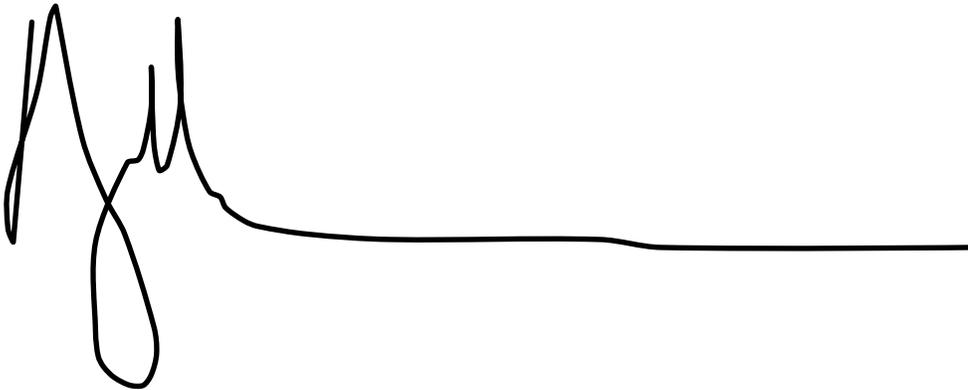
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

A handwritten signature in black ink, consisting of a series of loops and a long horizontal line extending to the right.