

I. SCHOOL INFORMATION AND COVER PAGE

Created Tuesday, July 16, 2013

Updated Thursday, August 01, 2013

Page 1

1. SCHOOL NAME

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

310500860864 HARLEM CHILDREN'S ZONE PROMISE

2. CHARTER AUTHORIZER

NYCDOE-Authorized Charter School

3. DISTRICT / CSD OF LOCATION

NYC CSD 5

4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
245 West 129th Street, New York, NY 10027	646-556-6276		marquitta.speller@hczpromi se.org

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Contact Name	Sharleen Morris
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Title	Director of Student Services
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Emergency Phone Number (###-###-####)	

5. SCHOOL WEB ADDRESS (URL)

<http://www.hczpromiseacademy.org/home>

6. DATE OF INITIAL CHARTER

2004-05-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

2004-09-01 00:00:00

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

(as reported on BEDS Day)

9. GRADES SERVED IN SCHOOL YEAR 2012-13

Check all that apply

• K

• 1

• 2

• 3

• 4

• 5

• 6

• 7

• 8

• 9

• 12

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 2013-14.

	Physical Address	Phone Number	District/CS D	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	245 West 129th Street, New York, NY 10027	646-556-6276	CSD 5	K-9, 12	No	Own
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	Geoffrey Canada	[REDACTED]		[REDACTED]
Operational Leader	Sharleen Morris	[REDACTED]	[REDACTED]	[REDACTED]
Compliance Contact				
Complaint Contact				

13. Are the School sites co-located?

No

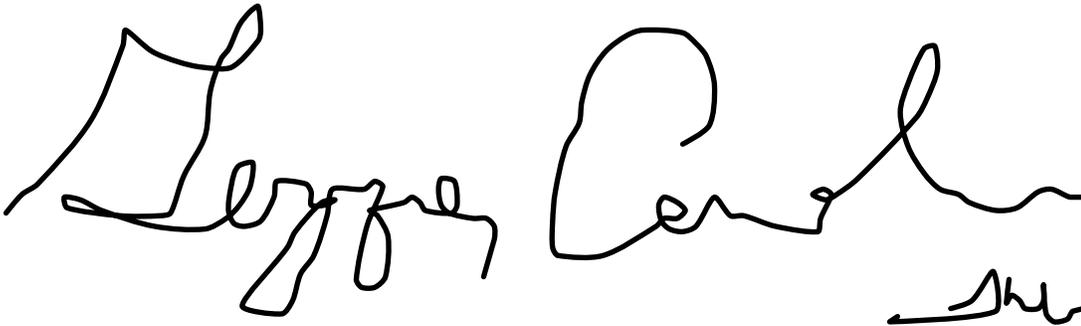
14. Were there any revisions to the school's charter during the 2012-2013 school year? (Please include both those that required authorizer approval and those that did not require authorizer approval).

No

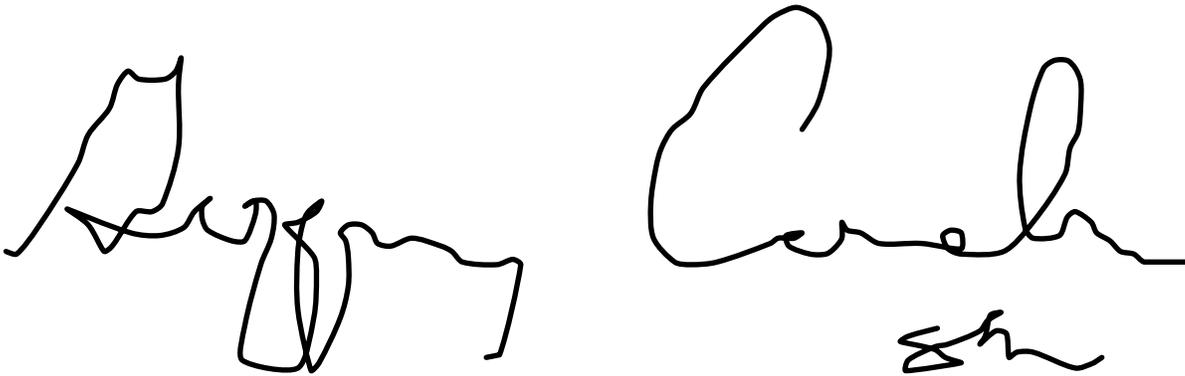
16. Our signatures below attest that all of the information contained herein is truthful and accurate and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in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

• Yes

Signature, Head of Charter School

Two handwritten signatures in black ink. The first signature is on the left and the second is on the right. Both are cursive and appear to be the same person's name.

Signature, President of the Board of Trustees

Two handwritten signatures in black ink, identical to the ones above. The first signature is on the left and the second is on the right.

Thank you.

Signature Page for President of Board of Trustees

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Updated Wednesday, July 31, 2013

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310500860864 HARLEM CHILDREN'S ZONE PROMISE

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 stylus on your mobile device to sign your name).

(No response)

Signature, Board President

Thank you.

Appendix A: Progress Toward Goals

Created Tuesday, July 16, 2013

Updated Friday, November 01, 2013

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Charter School Name: 310500860864 HARLEM CHILDREN'S ZONE PROMISE

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-2012-310500860864.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, 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 was met. Student enrollment was 91% of full enrollment.	
Academic Goal 2	Each year, the School will have an annual average student attendance rate of at least 95% as calculated by ATS.	Average daily attendance figures in ATS.	Goal was met. Promise Academy I had an annual average attendance rate of 95%	
Academic Goal 3	Each year, 95% of all students enrolled on the last day of the school year who do not move out of district	Student enrollment figures in ATS.	Goal was met. 95% of students enrolled on the last day of school and	

	will return the following September.		who did not move out of the district or graduate returned in September	
Academic Goal 4	Each year, 75 percent of students in grades 3—8 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 NYS ELA exams.	New York State English Language Arts Exam	Goal not met. 21.8% of students enrolled for at least two consecutive years performed at Level 3 or above on the NY State ELA exam.	<p>Professional development has been our focus this year. This summer we had our first district wide professional development days. Our teachers, teaching assistants, Title I teachers and administrators discussed student data, began the process of aligning our curriculum K-12 and attended professional development focused on hands on learning and the Common Core Standards. We also instituted the iReady diagnostic test district wide. Our teaching staff and administrators will use the data collected from these computer based tests to refine curriculum maps and create lesson plans that target our students' specific needs. Additionally, we are utilizing Fountas and Pinnel as measures for ELA. This data is all used to create action plans with benchmarks for achievement for our students. Our teachers work with students during our extended school day, Saturday School and during selected school vacation days. We have increased the time spent students spend in ELA with the goal of developing lifelong learners.</p> <p>Our students are also receiving targeted instruction based on biweekly assessments. The school administration and teachers come together and analyze the data to ensure students are spiral back to topics as needed. Our teachers are provided with feedback regularly to ensure that our teaching staff is given the time to reflect upon and refine their craft.</p>

Academic Goal 5	Each year, 75 percent of students in grades 3-8 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 NYS Math exams.	New York State Mathematics Exam	Goal not met. 28.1% of students enrolled for at least two consecutive years performed at Level 3 or above on the NY State Math exam.	Our schools utilize differentiated small group instruction. We also use informal assessments and formal assessments such as Math in Focus unit tests and iReady tests to individualize the support we provide to students. Staff professional development has been focused on explicitly teaching, use of concrete objects to develop an abstract understanding and application of math in real life. The math curriculum has been aligned to the Common Core Standards and students focus on problem solving skills.
Academic Goal 6	Each year, 75 percent of students in grades 4 and 8 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 NYS Science exams.	New York State Science Exam	Goal was met. 98% of Promise Academy II students in grade 4, who have been enrolled for two consecutive years, performed at a level 3 or above on the NY State Science Exam. 79% of Promise Academy II students in grade 8, who have been enrolled for two consecutive years, performed at a level 3 or above on the NY State Science Exam.	
Academic Goal 7	Each year, 75 percent of students in grades 5 and 8 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 NYS Social Studies exams.	New York State did not administer a Social Studies Exam during the 2012-2013 school year		
Academic Goal 8	For each year of the charter, grade-level cohorts of the same students (i.e. students who were continuously enrolled in the school at least two years on BEDS day) will reduce by one-half the difference between the percent at or above Level 3 on the previous year's State ELA exam and 75 percent at or above Level 3 on the current year's State ELA exam. In the event that the	New York State English Language Arts Exam	Goal not met. For all grade level cohorts the percent of students who scored a level 3 or 4 decreased from 11-12 to 12-13. Due to the changes made to the NYS test to align it with the Common Core, these percentages are not directly comparable	We have restructured parts of our ELA program to better meet the needs of our students. We continue to utilize targeted small group instruction and have refined our data collection process. The curricula that we use are considered living documents. Students take an assessment biweekly and the administration and teaching staff meet to decide the

number of students scoring above proficiency in a grade level cohort exceeded 75 percent on the previous year's ELA exam, Harlem Children's Zone Promise Academy will demonstrate growth (above 75 percent) in the current year.

make the necessary changes to lessons, units, and curriculum maps as needed. Our students also receive intervention after school and during school hours.

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	For each year of the charter, grade-level cohorts of the same students (i.e. students who were continuously enrolled in the school at least two years on BEDS day) will reduce by one-half the difference between the percent at or above Level 3 on the previous year's State Math exam and 75 percent at or above Level 3 on the current year's State Math exam. In the event that the number of students scoring above proficiency in a grade level cohort exceeded 75 percent on the previous year's Math exam, Harlem Children's Zone Promise Academy will demonstrate growth (above 75 percent) in the current year.	New York State Mathematics Exam	Goal not met. For all grade level cohorts the percent of students who scored a level 3 or 4 decreased from 11-12 to 12-13. Due to the changes made to the NYS test to align it with the Common Core, these percentages are not directly comparable	This year we are putting a special focus on the grades that did not reach our goals for SY 2011-12. There will be a small student to teacher ratio and teachers will be providing more hours of instruction to the students. Our curriculum focuses on developing critical thinking and problem solving skills. We have been developing a curriculum that is aligned with the Common Core Standards and provide teachers with regular feedback.
Academic Goal 10	Each year, the percent of students in grades 3—8 performing at or above Level 3 on the State ELA exam in each tested grade will 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 measured by an analysis of performance compared to CSDs conducted by NYCDOE [1]	New York State English Language Arts Exam	Goal met. 21.8% of Promise Academy I students performed at a level 3 or 4 compared to 13.4% of students in CSD 5	
Academic Goal 11	Each year, the percent of students in grades 3—8	New York State Mathematics Exam	Goal met.	

	<p>performing at or above Level 3 on the State ELA exam [State Math exam (typo in charter)] in each tested grade will 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 measured by an analysis of performance compared to CSDs conducted by NYCDOE.</p>		<p>28.1% of Promise Academy I students performed at a level 3 or 4 compared to 13.1% of students in CSD 5</p>	
Academic Goal 12	<p>Each year the school will receive a 'B' or higher on the Student Progress section of the NYCDOE Progress Report.</p>	<p>New York City Department of Education 2012-2013 Progress Report</p>	<p>Goal not met. Promise Academy I received a C on the Student Progress section of the NYCDOE Progress Report.</p>	<p>We are proactively addressing the improvement of student progress in a couple of different ways. Our school will be providing more professional development for teachers and using standard district-wide measures for student progress and teacher development. Our teachers are now participating in professional development more frequently. During these professional development sessions, teachers learn about the Common Core Standards, classroom management and teachers also provide feedback to each other as a way of sharing best practices. Through the exchange of ideas and exposure to the latest news in education, our teachers and administrators are creating curriculum that is both aligned to the Common Core Standards and addressing the needs of our students. We recognize the importance of developing a common language when evaluating student and teacher progress. To build this common language, we are using i-Ready as a tool to track student progress and CLASS as an evaluation tool for teachers. All of our students will be assessed using i-Ready. i-Ready is a computer-adaptive diagnostic that is standards based</p>

therefore each teacher can identify each students' specific areas of need. Using this information, teachers will be able to focus in the individual needs of each of their students. Moreover, administration and teachers across district use this data to share resources and best practices more effectively and efficiently. The CLASS evaluation tool is being used district wide and all our administrators have been trained in CLASS. This evaluation tool is used to guide teacher feedback and provides us with a common language when discussing various strategies to continue developing a strong teaching staff. The CLASS evaluation tool places a strong emphasis on strong teacher and student relationships, high level questioning, and student engagement.

Academic Goal 13	Each year, the school will be deemed "In Good Standing" on the NYS Report Card.	New York City Department of Education 2012-2013 Progress Report [2]	Goal met. Promise Academy I was deemed "In Good Standing"	
Academic Goal 14	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, Communication, Engagement, and Safety and Respect. The school will only have met this goal if 50% or more parents participate in the survey.	New York City Department of Education 2012-2013 Learning Environment Survey	Goal met. Academic Expectations: 8.1 Communication: 8.5 Engagement: 8.1 Safety & Respect: 8.3	
Academic Goal 15	Each year, teachers will express satisfaction with school leadership and professional development opportunities as determined by the teacher section of the NYCDOE Learning Environment Survey in which the school will receive	New York City Department of Education 2012-2013 Learning Environment Survey	Goals were not met. Academic Expectations: 7.4 Communication: 7.3 Engagement: 7.2 Safety & Respect: 7.4	This year we have instituted several different types of weekly staff meetings. Our staff meets as a grade level, in their content area and participates in professional development at least once a month. We have also increased the

	<p>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 goal if 50% or more teachers participate in the survey.</p>			<p>number of deans to support school discipline.</p>
Academic Goal 16	<p>For grades 5 and higher, each year, students will express satisfaction with the school 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 goal if 50% or more of students enrolled participate in the survey.</p>	<p>New York City Department of Education 2012-2013 Learning Environment Survey</p>	<p>Goals were not met. Academic Expectations: 7.8 Communication: 7.9 Engagement: 6.9 Safety & Respect: 6.9</p>	<p>We are committed to engaging students and parents by improving ongoing communication with our families.</p>

2a2. 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 17	<p>Each year, 75% of students enrolled in grades 9-12 will accumulate 10 or more credits towards graduation. The school will report this each September by submitting a report of student credit accumulation from the previous school year for purposes of the NYCDOE Progress Report.</p>	<p>School credit records</p>	<p>Goal was met. 88.5% of students enrolled in grades 9 and 12 accumulated 10 or more credits towards graduation.</p>	
Academic Goal 18	<p>Each year, beginning in 2010-2011, 75 percent of the cohort[3] will have scored at least 65 on the New York State Regents examinations in ELA.</p>	<p>New York State Regents Exam in English Language Arts</p>	<p>Goal was met. 2009 entry cohort[4]: 98.5% students in the in cohort scored at least a 65 on the NYS Regents Exam in English</p>	

Academic Goal 19	Each year, 75 percent of the first cohort will have scored at least 65 on the New York State Regents examinations in Math.	New York State Mathematics Regents Exams (Algebra, Geometry, Algebra II/Trig)	Goal was met. 2012 entry cohort: 92% students in the in cohort scored at least a 65 on the NYS Regents Exam in Math 2009 entry cohort: 97% students in the in cohort scored at least a 65 on the NYS Regents Exam in Math	
Academic Goal 20	Each year, 75 percent of the initial cohort will have scored at least 65 on the New York State Regents examinations in Science (Living Environment, Chemistry, or other).	New York State Science Regents Exams (Living Environment, Earth Science, Chemistry, Physics)	Goal was met. 2012 entry cohort[4]: 92% students in the in cohort scored at least a 65 on the NYS Regents Exam in Science 2009 entry cohort: 98.5% students in the in cohort	
Academic Goal 21	Each year, beginning in 2010-2011, 75 percent of the initial cohort will have scored at least 65 on the New York State Regents examinations in History (Global Studies or U.S. History).	New York State History Regents Exams (Global Studies, U.S. History)	Goal was met. 2009 entry cohort[4]: 98.5% students in the cohort scored at least 65 on the NYS Regents Exam in History	
Academic Goal 22	Each year, the average performance of students in the 12th grade will exceed the state average on the SAT or ACT tests in reading and mathematics.	SAT tests	Goal was not met. 12th grade students had an average SAT reading score of 382, while the NY State mean was 485 12th grade students had an average SAT math score of 433, while the NY State mean was 501	In an effort to ensure that we are meeting our SAT goals, our high school partners with Bard Early College Program and The Princeton Review. Our partnership with Bard will inform our daily practice in the classroom. Teachers will learn pedagogical methods that help to increase the rigor of their daily lessons. Our work with The Princeton Review will allow our students to hone their test-taking skills so that they perform better on the SAT and ACT.
Academic Goal 23	Each year, at least 75% of each student cohort (as defined by NYSED)[5] graduates within five years.	Graduation in ATS	Goal was met. 100% of the 2008 freshmen cohort have graduated.	

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 comply with all applicable laws, rules, regulations and contract terms including, but not limited to, the New York Charter Schools Act, the New York Freedom of Information Law, the New York Open Meetings Law, the federal Individuals with Disabilities Education Act, and federal Family Educational Rights and Privacy Act.		Goal was met.	
Org Goal 2	As reflected in the Board minutes, the Superintendent or Principals will present Program reports that outline enrollment, attendance, discharge status, IEP, and ELL numbers as well as any available testing results at every Board of Trustees meeting. The Superintendent or Chief Financial Officer will present an up-to-date Financial Report as well.		Goal was met.	
Org Goal 3	95% of the members of the Board of Trustees will be active members of a subcommittee of the Board.		Goal was met.	

2b.1 Do you have more organizational goals to add?

(No response)

2012-13 Progress Toward Attainment of Organizational Goals

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

2012-13 Progress Toward Attainment of Financial Goals

	Financial Goals	Measure Used to Evaluate Progress	2012-2013 Progress Toward Attainment	If Not Met, Describe Efforts to be Taken
Financial Goal 1	Upon completion of the each school year the school will undergo an independent financial audit that will result in an unqualified opinion and no major findings[6].			Audit Pending
Financial Goal 2	Each year, the school will operate on a balanced budget[7] and maintain a stable cash flow.			Audit Pending

Appendix B (Total Expenditures and Administrative Expenditures Per Child):

Total expenditures (FY 2013) per pupil (BEDS Day Count)

	BEDS Day Count	Total Expenditures	Cost per child
PA1	923	14,445,348.20	15,650.43

Administrative expenditures per pupil:

	BEDS Day Count	Total Expenditures	Cost per child
PA1	923	722,267.41	782.52

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	True	False
CSP Agreed Upon Procedures (if applicable)	False	True	False
Management Letter	True	False	False
Report on Extracurricular Student Activity Accounts (if applicable)	False	False	True
Corrective Action Plans for any Findings	True	False	False

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

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

Thank you Ari .

Financial Statements and Supplementary
Information Together with
Reports of Independent Certified Public Accountants

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**

For the years ended June 30, 2013 and 2012

HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Harlem Children's Zone Promise Academy Charter School:

Report on the financial statements

We have audited the accompanying financial statements of Harlem Children's Zone Promise Academy Charter School (the "School"), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 School'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 School'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 Harlem Children's Zone Promise Academy Charter School as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the years ended June 30, 2013 and 2012 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary 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 November 1, 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 the effectiveness of 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.

Grant Thornton LLP

New York, New York
November 1, 2013

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Statements of Financial Position
As of June 30, 2013 and 2012

ASSETS	<u>2013</u>	<u>2012</u>
Cash	\$ 3,874,979	\$ 1,834,185
Restricted cash	70,496	70,397
Government grants and contracts receivable	875,449	1,567,181
Due from Harlem Children's Zone - 457(f) plan	5,778,881	4,403,139
Other assets	45,784	222,513
Property and equipment, net	<u>349,017</u>	<u>267,665</u>
Total assets	<u><u>\$ 10,994,606</u></u>	<u><u>\$ 8,365,080</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,637,241	\$ 1,678,493
Due to related parties	202,767	-
457(f) plan liability	<u>5,245,164</u>	<u>4,094,907</u>
Total liabilities	<u>7,085,172</u>	<u>5,773,400</u>
NET ASSETS - unrestricted	<u>3,909,434</u>	<u>2,591,680</u>
Total liabilities and net assets	<u><u>\$ 10,994,606</u></u>	<u><u>\$ 8,365,080</u></u>

The accompanying notes are an integral part of these statements.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Statements of Activities
For the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
SUPPORT AND REVENUE		
Support:		
In-kind contributions	\$ 4,871,205	\$ 6,024,290
Subsidy from Harlem Children's Zone for 457(f) plan	<u>1,303,500</u>	<u>645,198</u>
Total support	<u>6,174,705</u>	<u>6,669,488</u>
Revenue:		
Government grants and contracts	14,117,810	14,409,003
Other income	<u>99</u>	<u>100</u>
Total revenue	<u>14,117,909</u>	<u>14,409,103</u>
Total support and revenue	<u>20,292,614</u>	<u>21,078,591</u>
EXPENSES		
Program services:		
Regular education	15,781,048	17,185,563
Special education	<u>2,304,382</u>	<u>2,536,784</u>
Total program services	18,085,430	19,722,347
Management and general	<u>889,430</u>	<u>945,574</u>
Total expenses	<u>18,974,860</u>	<u>20,667,921</u>
Change in net assets	1,317,754	410,670
Net assets, beginning of year	<u>2,591,680</u>	<u>2,181,010</u>
Net assets, end of year	<u>\$ 3,909,434</u>	<u>\$ 2,591,680</u>

The accompanying notes are an integral part of these statements.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Statements of Cash Flows
For the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,317,754	\$ 410,670
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	116,642	167,475
Changes in assets and liabilities:		
Decrease (increase) in government grants and contracts receivable	691,732	(1,053,292)
(Increase) decrease in due from Harlem Children's Zone - 457(f) plan	(1,375,742)	167,387
Decrease (increase) in other assets	176,729	(149,476)
(Decrease) increase in accounts payable and accrued expenses	(42,652)	110,802
Increase in due to related parties	204,167	-
Increase in 457(f) plan liability	<u>1,150,257</u>	<u>485,559</u>
Net cash provided by operating activities	<u>2,238,887</u>	<u>139,125</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(197,994)</u>	<u>(91,535)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in restricted cash	<u>(99)</u>	<u>(100)</u>
Net increase in cash	2,040,794	47,490
Cash, beginning of year	<u>1,834,185</u>	<u>1,786,695</u>
Cash, end of year	<u>\$ 3,874,979</u>	<u>\$ 1,834,185</u>

The accompanying notes are an integral part of these statements.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Notes to Financial Statements
June 30, 2013 and 2012

1. NATURE OF OPERATIONS

Harlem Children's Zone Promise Academy Charter School (the "School") is a public charter school that is open to all New York City public school children via a lottery. Opened in 2004, the School features small class sizes, an extended day and year, high expectations, and access to an extended support system through its Institutional Partner, Harlem Children's Zone, Inc. ("HCZ").

HCZ is a not-for-profit organization that offers a wide array of education and social programs to the children and families of Harlem. Created in 1970 as a truancy prevention agency (then called "Rheedlen"), HCZ has expanded its services to address the needs of children from birth through college, and as part of that mission, it also works to strengthen families and the surrounding community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The financial statement presentation conforms with accounting principles generally accepted in the United States of America for non-profit organizations, which require that the School report information regarding its financial position and changes in net assets according to three classes of net assets, as follows:

Unrestricted net assets

Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of the School.

Temporarily restricted net assets

Net assets which include resources that have been limited by donor-imposed stipulations that either expire with the passage of time and/or can be fulfilled by the actions of the School pursuant to those stipulations. At June 30, 2013 and 2012, the School did not possess any temporarily restricted net assets.

Permanently restricted net assets

Net assets which include funds whereby the donors have stipulated that the principal contributed be invested and maintained in perpetuity. Income earned from these investments is available for expenditures according to restrictions, if any, imposed by donors. At June 30, 2013 and 2012, the School did not possess any permanently restricted net assets.

Property and Equipment

Property and equipment purchased for a value greater than \$1,000 and with depreciable lives greater than one year are carried at cost, net of depreciation. Significant additions or improvements extending asset lives are capitalized; normal maintenance and repair costs are expensed as incurred. Leasehold improvements are amortized based on the lesser of the estimated useful life or remaining lease term.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Notes to Financial Statements
June 30, 2013 and 2012

Property and equipment used in operations are depreciated over their estimated useful lives using the straight-line method, as follows:

	Useful Life (Years)
Furniture, fixtures, and equipment	5

Revenue

Revenue is recorded on the accrual basis of accounting. The School derives its revenue principally from the New York state and New York City governments, through the New York City Department of Education Office of Charter Schools, based on pupil enrollment for regular and special education, with the balance from contributions, subsidies and US Federal government grants.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by explicit donor-imposed restrictions. Revenues based on pupil enrollment are recognized over the period earned. Amounts received in advance are reported as deferred revenue.

Revenue from other grants and contracts is recognized as the related expenses are incurred in accordance with the terms of the respective grant or contract agreement. Amounts received in advance are reported as deferred revenues.

The School records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair market value of the assets received and are classified as either unrestricted, temporarily restricted or permanently restricted support, depending on whether the donor has imposed a restriction on the use of such assets. When a donor restriction expires (i.e., when a stipulated time restriction ends and/or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Receivables

Receivable contains some level of uncertainty surrounding timing and amount at collection. Therefore, management provides an allowance for doubtful accounts based on the consideration of the type of receivable, responsible party, the known financial condition of the respective party, historical collection patterns and comparative aging. These allowances are maintained at a level management considers adequate to provide for subsequent adjustments and potential uncollectible accounts. These estimates are reviewed periodically and, if the financial condition of a party changes significantly, management will evaluate the recoverability of any receivables from that organization and write off any amounts that are no longer considered to be recoverable. Any payments subsequently collected on such written-off receivables are recorded as income in the period received.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Notes to Financial Statements
June 30, 2013 and 2012

Accounting for Income Taxes

The School follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. Management determined that there are no uncertain tax positions within its financial statements.

The School is exempt from federal income taxation by virtue of being an organization described in Section 501(c)(3) of the Internal Revenue Code. Nevertheless, the School may be subject to tax on any income deemed unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The tax years ending June 30, 2010, 2011, and 2012 are still open to audit for both federal and state purposes.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

3. CASH

The School maintains cash balances in financial institutions, which from time to time exceed the amount insured by the Federal Depository Insurance Corporation (“FDIC”) and subject the School to credit risk. The School monitors this risk on a regular basis and has not experienced, nor does it anticipate, nonperformance by any of these financial institutions.

4. RESTRICTED CASH

Pursuant to an addendum to the Charter Agreement dated August 4, 2008, with the NYCDOE, the School is required to set up an escrow of at least \$70,000. In the event of termination of the Charter, whether prematurely or otherwise, the School shall establish and follow procedures consistent with those required by Section 2851(2)(t) of the New York State Education Law in its use of the escrow.

5. PUPIL ENROLLMENT AND OTHER REVENUES FROM GOVERNMENT AGENCIES

Under the School’s Charter agreement and the Charter Schools Act, the School is entitled to receive funding from state and federal sources that are available to public schools. These funds include New York City pupil enrollment funds, federal food subsidies, and Title I and Title II funds. The calculation of the amounts to be paid to the School under these programs is determined by the State and is based on complex laws and regulations, enrollment levels, and economic information related to the home school districts of the children enrolled in the School. If these regulations, some of which are relatively new in the State of New York, were to change, or other factors included in the calculations were to change, the level of funding that the School receives could vary significantly.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Notes to Financial Statements
June 30, 2013 and 2012

The amounts received and receivable from government agencies and included as revenue in the financial statements consisted of the following as of and for the years ended June 30, 2013 and 2012:

	<u>Revenues</u>	<u>Receivable</u>	<u>Revenues</u>	<u>Receivable</u>
City of New York (Pupil enrollment)	\$ 12,847,982	\$ -	\$ 13,239,592	\$ 20,346
Outside the City of New York (Pupil enrollment)	131,725	82,204	-	-
Title I	370,296	153,867	595,244	862,729
Title II	34,440	369	11,990	13,642
E-rate	291,794	26,356	98,931	12,038
Food Service - State of New York	<u>441,573</u>	<u>612,653</u>	<u>463,246</u>	<u>658,426</u>
Total grants and contracts from government sources	<u>\$ 14,117,810</u>	<u>\$ 875,449</u>	<u>\$ 14,409,003</u>	<u>\$ 1,567,181</u>

6. PROPERTY AND EQUIPMENT, NET

At June 30, 2013 and 2012, property and equipment consisted of the following:

	<u>2013</u>	<u>2012</u>
Computer equipment	\$ 751,604	\$ 553,609
Furniture and fixtures	<u>620,632</u>	<u>620,633</u>
	1,372,236	1,174,242
Less: accumulated depreciation	<u>(1,023,219)</u>	<u>(906,577)</u>
Total	<u>\$ 349,017</u>	<u>\$ 267,665</u>

Depreciation expense for the years ended June 30, 2013 and 2012 amounted to \$116,642 and \$167,475, respectively.

7. PROFIT-SHARING PLAN

The School maintains the Vanguard Profit Sharing Plan (the "Plan") with Vanguard Fiduciary Trust Company for all eligible employees. The Plan is non-contributory and employees become eligible once they have reached age 21 and have completed one year of service. Employees participating in the Plan will be fully vested after completing six years of service. Employer contributions made to the Plan are discretionary. For the years ended June 30, 2013 and 2012, contributions made to the Plan amounted to \$210,629 and \$225,000, respectively.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Notes to Financial Statements
June 30, 2013 and 2012

8. RELATED-PARTY TRANSACTIONS

457(f) Plan

HCZ maintains a 457(f) plan for certain eligible employees of the School. Employees become eligible to participate in this plan based solely at the discretion of the School's Board of Trustees. The amounts contributed vest five years after the date of the initial contribution and will then be paid to eligible employees when vested. Forfeitures of the plan are allocated to the remaining eligible employees at the discretion of management. Terminated employees become vested immediately at the date of their termination. HCZ provides the School with an annual subsidy to cover this cost by contributing to a HCZ investment account. During fiscal 2013 and 2012, HCZ provided a subsidy of \$1,303,500 and \$645,198 for contributions to the 457(f) plan. The cumulative amount due from HCZ relating to the 457(f) plan was \$5,778,881 and \$4,403,139 at June 30, 2013 and 2012, which will then be settled with the eligible employees when they become vested or represents reimbursements of amounts already paid by the School in advance of receiving the funds from HCZ. The cumulative amount due from the School to eligible employees was \$5,245,164 and \$4,094,907 at June 30, 2013 and 2012, respectively.

In-Kind Support

Pursuant to the terms of a commitment letter between HCZ and the School, HCZ, as the School's Institutional Partner, committed to provide the School certain services at no cost at least through August 10, 2014. These services include financial management, social, library, technology, fundraising, public relations, and teaching assistance services. In addition, HCZ committed to provide the School with the use of space in its premises located at 35 East 125th Street, New York, NY. The commitment to the School can be cancelled by either party with one year's notice.

HCZ's in-kind services for the years ended June 30, 2013 and 2012 amounted to \$4,871,205 and \$6,024,290, respectively. These amounts included personnel service costs for the years ended June 30, 2013 and 2012, of \$3,963,703 and \$4,976,480 and non-personnel service costs of \$907,502 and \$1,047,810, respectively.

New Building Construction

During the fiscal year ended June 30, 2011, HCZ entered into agreements for the construction of a new charter school (the "School Project"). The agreements provided that the New York School Construction Authority (the "SCA") contribute up to \$60,000,000 towards the School Project, with the estimated balance of approximately \$40,000,000, to be contributed by HCZ or other donors. Upon completion of construction and issuance of the certificate of occupancy, title to the School Project will be transferred to the New York City Department of Education (the "DOE") and leased back to HCZ. Although the lease will be between HCZ and the DOE, the lease agreement will designate the School as an initial user of the premises.

Upon transfer and execution of the leases, the School will record a right of use asset and contribution revenue for the fair value of the lease from HCZ.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Notes to Financial Statements
June 30, 2013 and 2012

9. CONCENTRATION OF RISK

The School is dependent on various government agencies for funding and is responsible for meeting the requirements of such agencies. If the School were to lose students or the related government funding, it could have a substantial effect on the School's ability to continue operations.

As discussed in Note 8, HCZ is responsible for certain operations of the School and donates its services and space. If this relationship were to change or cease, such change could have a substantial effect on the School's ability to continue operations.

10. CONTINGENCIES

Government Agency Audits

The School participates in a number of federal and state programs. These programs require that the School comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from any such audits of government contracts by government agencies is presently not determinable, it should not, in the opinion of management, have a material effect on the School's financial position or change in net assets. Accordingly, no provision for any such liability that may result has been made in the accompanying financial statements.

Litigation

The School may be involved in various legal actions from time to time arising in the normal course of business. In the opinion of management, there are no matters outstanding that would have a material adverse effect on the financial statements of the School.

11. SUBSEQUENT EVENTS

The School evaluated its June 30, 2013 financial statements for subsequent events through November 1, 2013, the date the financial statements were available to be issued. The School is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Schedule of Functional Expenses
For the year ended June 30, 2013

	<u>Regular Education</u>	<u>Special Education</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 10,162,327	\$ 1,483,924	\$ 612,961	\$ 12,259,212
Payroll taxes	821,233	119,918	49,534	990,685
Employee benefits	1,834,038	267,810	110,624	2,212,472
Retirement plan contribution	<u>174,602</u>	<u>25,496</u>	<u>10,531</u>	<u>210,629</u>
Total personnel services	<u>12,992,200</u>	<u>1,897,148</u>	<u>783,650</u>	<u>15,672,998</u>
Admissions	28,872	4,216	1,741	34,829
Student travel	147,512	21,540	-	169,052
Consultants and professional fees	343,063	50,095	20,693	413,851
Depreciation	96,691	14,119	5,832	116,642
Classroom supplies	282,762	41,290	17,055	341,107
Equipment rental and maintenance	131,580	19,214	7,937	158,731
Food	658,462	96,150	-	754,612
Insurance	54,276	7,926	3,274	65,476
Occupancy	140,539	20,522	8,477	169,538
Office supplies	64,981	9,489	3,919	78,389
Payroll processing	9,558	1,396	577	11,531
Printing, publications, and memberships	87,127	12,722	5,255	105,104
Software/software maintenance	94,159	13,749	5,679	113,587
Special services/incentives	176,887	25,829	-	202,716
Staff travel	21,891	3,197	1,320	26,408
Telephone	159,814	23,336	9,639	192,789
Training	208,107	30,388	12,552	251,047
Uniforms	52,286	7,635	2	59,923
Miscellaneous	<u>30,281</u>	<u>4,421</u>	<u>1,828</u>	<u>36,530</u>
Total other than personnel services	<u>2,788,848</u>	<u>407,234</u>	<u>105,780</u>	<u>3,301,862</u>
Total expenses	<u>\$ 15,781,048</u>	<u>\$ 2,304,382</u>	<u>\$ 889,430</u>	<u>\$ 18,974,860</u>

This schedule should be read in conjunction with the accompanying financial statements and notes thereto.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL**
Schedule of Functional Expenses
For the year ended June 30, 2012

	<u>Regular Education</u>	<u>Special Education</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 11,033,164	\$ 1,628,620	\$ 666,410	\$ 13,328,194
Payroll taxes	1,013,119	149,548	61,193	1,223,860
Employee benefits	2,060,680	304,180	124,465	2,489,325
Retirement plan contribution	<u>186,256</u>	<u>27,493</u>	<u>11,251</u>	<u>225,000</u>
Total personnel services	<u>14,293,219</u>	<u>2,109,841</u>	<u>863,319</u>	<u>17,266,379</u>
Admissions	49,170	7,258	-	56,428
Student travel	157,605	23,264	-	180,869
Consultants and professional fees	377,228	55,683	22,714	455,625
Depreciation	138,637	20,464	8,374	167,475
Classroom supplies	320,862	47,363	-	368,225
Equipment rental and maintenance	125,435	18,516	7,576	151,526
Food	784,512	115,803	-	900,315
Insurance	21,192	3,128	1,280	25,600
Occupancy	89,580	13,223	5,336	108,139
Office supplies	198,416	29,289	11,984	239,689
Payroll processing	10,099	1,491	610	12,200
Printing, publications, and memberships	43,779	6,462	2,644	52,885
Software/software maintenance	196,893	29,064	11,892	237,849
Special services/incentives	114,800	16,946	-	131,746
Staff travel	23,253	3,432	1,404	28,089
Telephone	83,862	12,379	5,065	101,306
Training	93,992	13,874	2,694	110,560
Uniforms	51,758	7,640	-	59,398
Miscellaneous	<u>11,271</u>	<u>1,664</u>	<u>682</u>	<u>13,617</u>
Total other than personnel services	<u>2,892,344</u>	<u>426,943</u>	<u>82,255</u>	<u>3,401,542</u>
Total expenses	<u>\$ 17,185,563</u>	<u>\$ 2,536,784</u>	<u>\$ 945,574</u>	<u>\$ 20,667,921</u>

This schedule should be read in conjunction with the accompanying financial statements and notes thereto.

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of
Harlem Children’s Zone Promise Academy Charter School:

We have audited, 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, the financial statements of Harlem Children’s Zone Promise Academy 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 November 1, 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 design 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 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 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. However, we identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as finding 2013-01, that we consider to be a material weakness in the School’s internal control.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL
Schedule of Functional Expenses
For the year ended June 30, 2012**

Our consideration of internal control was also not designed to identify all deficiencies in internal control that might be significant deficiencies. 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-02, that we consider to be significant deficiencies in the School's internal control.

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*.

School's response to findings

The School's response to our findings, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the School's response.

Intended purpose

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 report is not suitable for any other purpose.

Grant Thornton LLP

New York, New York
November 1, 2013

This schedule should be read in conjunction with the accompanying financial statements and notes thereto.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the year ended June 30, 2013**

FINDING NO. 2013-01 – INTERNAL CONTROLS OVER FINANCIAL REPORTING (MATERIAL WEAKNESS)

Criteria:

Government Auditing Standards require an auditee to design and implement an internal control environment to achieve effective and efficient operations; reliability of financial reporting; and compliance with applicable laws and regulations. The control environment sets the tone of an organization, which influences the control consciousness of its people. The key factors impacting the control environment include, among other things, management's philosophy and operating style, organizational structure, assignment of authority and responsibility and policies and practices with respect to human resources.

Condition, Context, Effect and Recommendation:

During our fiscal 2013 audit, we noted a material weakness in the internal control over financial reporting with regard to the School's journal entry process. We noted that the CFO, Assistant CFO, Controller and Senior Accountants all had the ability to prepare and post journal entries. Additionally, while the School's policies and procedures call for the CFO to review journal entries, our review of the journal entry documentation did not indicate that an approval process was performed. We also noted that many reversing journal entries were made to correct prior entries made during the year. The above findings indicate that there is both a lack of segregation of duties, as well as a lack of internal controls over the journal entry process. We recommend that a formal journal entry process be implemented that will address the segregation of duties as well as the review process.

FINDING NO. 2013-02 – INTERNAL CONTROLS OVER FINANCIAL REPORTING (SIGNIFICANT DEFICIENCY)

Criteria:

Government Auditing Standards require an auditee to design and implement an internal control environment to achieve effective and efficient operations; reliability of financial reporting; and compliance with applicable laws and regulations. The control environment sets the tone of an organization, which influences the control consciousness of its people. The key factors impacting the control environment include, among other things, management's philosophy and operating style, organizational structure, assignment of authority and responsibility and policies and practices with respect to human resources.

Condition, Context, Effect and Recommendation:

During our audit, we noted a significant deficiency in the internal control over financial reporting with regard to the following:

Accounting for 457(f) Plan

During our fiscal 2013 audit, we noted that the School does not retain adequate documentation or approval of the calculations performed for payments made to terminated employees and that the School does not have formal policies or procedures in place for the payments to terminated employees. We recommend that the school establish formal policies and procedures for deferred compensation payments made to employees, including formal documentation and approval for all payments.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the year ended June 30, 2013**

Accounting for In-kind Contributions

During our fiscal 2013 audit, we noted that the School recorded an expense and payable for bonuses pertaining to fiscal 2013, however these bonuses were paid by HCZ on behalf of the School. As such, the School overstated its payables and understated its in-kind contribution for the bonuses paid by HCZ for the School's employees. As a result, an audit adjustment of approximately \$55,000 was recorded to reduce the payable and record the in-kind contribution.

During our fiscal 2013 audit, we also noted that the School recorded an incorrect amount of in-kind revenue and expense for employer payroll taxes that were paid by HCZ for the School's employees. As a result, an audit adjustment was recorded for approximately \$26,000 to decrease in-kind contribution revenue and in-kind payroll tax expenses. We also noted that the School did not record in-kind revenue and expense for the free space provided by HCZ, resulting in an adjustment of \$100,000 to increase both in-kind revenue and in-kind rent expense.

We recommend that the School meet with personnel from HCZ on a monthly basis to capture, reconcile and record all of the in-kind contributions made by HCZ.

Bank Reconciliations

During our fiscal 2013 audit, we noted that the School did not complete bank reconciliations on a monthly basis for its payroll account. As such, upon reconciling the account at year-end, an audit adjustment was recorded for approximately \$7,000 to increase the payroll cash account balance and decrease payroll tax expense. We recommend the School complete bank reconciliations on a monthly basis going forward, in order to properly manage cash balances throughout the year.

Accounting Staff

Although HCZ hired a new controller during fiscal 2013, the position was not filled until the latter part of the year. As a result, as of year-end, the School had not implemented adequate monitoring controls and there were significant processes that were not supported by up-to-date written policies and procedures. We recommend that HCZ and the School ensure the personnel in the accounting/finance function are sufficiently qualified to meet the financial reporting needs of the organization. We also recommend that additional written policies, procedures and controls be implemented to ensure that accounts are analyzed and reconciled in a timely manner, that the general ledger is closed timely and that financial statements are accurately prepared.

Questioned Costs:

None noted.

Views of Responsible Officials and Planned Corrective Action:

Journal Entries

We agree that the ability to both prepare and post journals is not a proper segregation of duties; however, we note that there were no improper journal entries posted as a result. The staff size and skill sets that existed throughout most of the fiscal year were not conducive to establishing the requisite segregation of duties with regard to journal entries. During the second half of the year, a new CFO and Controller were added to the financial management team and, effective beginning fiscal 2014, we have implemented a procedure whereby each journal entry contains a

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the year ended June 30, 2013**

cover sheet, requiring signoff by a preparer and a separate approver, generally the Controller – the CFO signs off of any journal entries prepared by the controller.

Accounting for 457(f) Plan

Though the payments made to terminated employees were based on account balances at the time of termination, we agree that not retaining a copy of such account balances was an inadequate control. Effective late in fiscal 2013, accounting for the 457(f) plan was transferred to the new Controller and, effective for fiscal 2014, we will retain a copy each month's file of employee account balances. We will also ensure each payment to employees is properly authorized and documented.

Accounting for In-kind Contributions

Beginning effective with fiscal 2014, we implemented weekly staff meetings of the financial and business office personnel for HCZ and the School to better ensure proper coordination of accounting and payment activities between HCZ and the School.

Bank Reconciliations

We note that all reconciliations of the payroll bank accounts were completed prior to finalizing the audit, but that such reconciliations were not performed timely during fiscal 2013. We are in the process of adding accounting resources, with roles specifically assigned to prepare such reconciliations on a monthly basis.

Accounting Staff

As noted in prior comments, we added a new CFO and Controller in the second half of fiscal 2013. We have recently concluded a review of our staffing and are implementing a new staffing plan that will better define the roles and add resources to improve the internal control environment as well as the quality and timeliness of financial reporting, both internally and externally.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL
Schedule of Prior Year (Fiscal 2012) Audit Findings and Corrective Action Plan
For the year ended June 30, 2013**

FINDING NO. 2012-01 – INTERNAL CONTROLS OVER FINANCIAL REPORTING (MATERIAL WEAKNESS)

Criteria:

Government Auditing Standards require an auditee to design and implement an internal control environment to achieve effective and efficient operations; reliability of financial reporting; and compliance with applicable laws and regulations. The control environment sets the tone of an organization, which influences the control consciousness of its people. The key factors impacting the control environment include, among other things, management's philosophy and operating style, organizational structure, assignment of authority and responsibility and policies and practices with respect to human resources.

Condition, Context, Effect and Recommendation:

During our audit, we noted a material weakness in the internal control over financial reporting with regard to the following:

Accounting for 457(f) Plan

During our fiscal 2012 audit, we noted that the deferred compensation balance related to the School's 457(f) Plan was overstated at June 30, 2012. The School does not maintain and/or reconcile a schedule by participant, which was why the overstatement was not detected. As such, an audit adjustment was recorded to reduce the deferred compensation balance by approximately \$352,000. We recommend that the School maintain a detailed schedule by participant and reconcile the balance to the general ledger periodically throughout the year to ensure that the deferred compensation balance is properly stated.

Accounting for In-kind Contributions

During our fiscal 2012 audit, we noted that the School did not properly record an in-kind contribution for bonuses that were paid by Harlem Children's Zone for the School's employees. As such, an audit adjustment was recorded for approximately \$89,000 to record the in-kind contribution.

Grant Revenue

During our fiscal 2012 audit, we noted that the School incorrectly calculated grant revenue earned during the year, which resulted in both the revenue and receivable to be overstated. As such, an audit adjustment was recorded for approximately \$44,000 to reduce both the revenue and the receivable recorded during fiscal 2012.

In addition, during our fiscal 2012 audit, we noted that the School did not recognize deferred revenue from the prior year that was earned during fiscal 2012, which resulted in the School's deferred revenue to be overstated and the revenue to be understated. As such, an audit adjustment was recorded for approximately \$62,000 to reduce the School's deferred revenue and to record the additional revenue earned.

Year-end Accruals

During our fiscal 2012 audit, we noted that the School did not properly reconcile and adjust their bonus and vacation accruals, which resulted in both accounts payable and expenses to be overstated. As such, an audit adjustment was recorded for approximately \$142,000 to reduce the bonus and vacation expenses and the related payable balances.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL
Schedule of Prior Year (Fiscal 2012) Audit Findings and Corrective Action Plan
For the year ended June 30, 2013**

In addition, during our fiscal 2012 audit, we noted that the School did not accrue for severance package agreements that were in effect at the end of fiscal 2012. As such, an audit adjustment was recorded for approximately \$112,000 to record the severance accrual at June 30, 2012.

Backdating Checks

During our fiscal 2012 audit, we noted that checks written in July 2012 for expenses incurred during fiscal 2012 were backdated using a June 30, 2012 date. These checks were then included in the list of June 30, 2012 outstanding checks as if they were issued in June. As such, an audit adjustment was recorded for approximately \$44,000 to reclassify the amount of these checks to accounts payable.

Journal Entries

During our fiscal 2012 audit, we noted that the CFO, Assistant CFO, and Senior Accountants all had the ability to prepare and post journal entries. Also, while the School's policies and procedures call for the CFO to review journal entries, our review of the journal entry documentation did not indicate that an approval process was performed. We also noted that many reversing journal entries were made to correct prior entries made during the year. The above findings indicate that there is both a lack of segregation of duties, as well as a lack of internal controls over the journal entry process. We recommend that a formal journal entry process be followed that will address the segregation of duties as well as review process.

Accounting Staff

During our fiscal 2012 audit, we noted that the School lacks an adequate number of experienced accounting/finance personnel to properly manage the accounting/finance function and prepare financial statements in a timely and accurate manner. The School has not implemented adequate monitoring controls and there are significant processes that are not supported by up-to-date written policies and procedures. We recommend that the School hire additional competent personnel to strengthen its accounting/finance function. We also recommend that additional written policies, procedures and controls be implemented to ensure that accounts are analyzed and reconciled in a timely manner, that the general ledger is closed timely and that financial statements are accurately prepared.

Questioned Costs:

None noted.

Views of Responsible Officials and Planned Corrective Action:

Accounting for 457(f) Plan

During the Fiscal 2012 audit, a detailed schedule by participant was created which resulted in the overstatement being detected. The School will maintain the schedule going forward and reconcile the balance to the general ledger periodically through the year to ensure that the deferred compensation balance is properly stated.

Accounting for In-kind Contributions

The in-kind contribution was included with the total bonus expense for the School. In the future, the School will ensure that bonuses are presented in a matter that separates school expenses and in-kind contribution.

**HARLEM CHILDREN'S ZONE
PROMISE ACADEMY CHARTER SCHOOL
Schedule of Prior Year (Fiscal 2012) Audit Findings and Corrective Action Plan
For the year ended June 30, 2013**

Grant Revenue

The School will ensure that grant revenue is recorded properly and in the correct fiscal year.

Year-end Accruals

The School will ensure that year-end accruals are properly reconciled to ensure expenses are accurately reported.

Backdating Checks

The School only backdated checks related to invoices which they received during the first ten days of the following fiscal year. In the future, the School will ensure that all checks are dated the day they are written.

Journal Entries

The CFO and the Assistant CFO do not post journal entries for the School. In the future, the School will ensure that the proper approval is in place to ensure the accuracy of the entry and to avoid multiple reversing journal entries.

Accounting Staff

A new Controller has been hired and the School, in partnership with HCZ, is still in the process of finalizing an internal review of accounting policies and personnel. Based on the results of the internal review, the School and HCZ will develop policies and procedures to ensure that all accounting related activities are accounted for consistently and in accordance with US GAAP.

Fiscal 2013 Status:

Please refer to Findings 2013-01 and 2013-02.

Appendix E: Disclosure of Financial Interest Form

Created Thursday, July 11, 2013

Updated Thursday, August 01, 2013

Page 1

310500860864 HARLEM CHILDREN'S ZONE PROMISE

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 Monday, July 29, 2013

Updated Wednesday, July 31, 2013

Page 1

310500860864 HARLEM CHILDREN'S ZONE PROMISE

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	Geoffrey Canada	Chair/President	Yes	CEO	2004, 5 terms, expired June 2013	Supervision and Evaluation Subcommittee, Student Achievement Subcommittee, Executive Subcommittee and Finance Subcommittee
2	Kenneth G. Langone	Vice Chair/Vice President	Yes		2004, 4.5 terms, expired June 2014	Executive Subcommittee
3	Mitch Kurz	Treasurer	Yes		2004, 5 terms, expired June 2013	Supervision and Evaluation Subcommittee, Executive Subcommittee, and Finance Subcommittee
4	Aisha Tomlinson	Parent Rep	Yes		2008, 2.5 terms, expired June 2014	Student Achievement Subcommittee
5	Stanley Druckenmiller	Member	Yes		2004, 4.5 terms, expired June 2014	Executive Subcommittee and Finance Subcommittee
6	Denise-Nash Fuller	Member	Yes		2006, 3.5 terms, expires July 2014	Supervision and Evaluation Subcommittee
7	Arlene Gibson	Member	Yes		2007, 3.5 terms, expires July 2014	Student Achievement Subcommittee
8	Dorlin Reyes	Member	Yes		2004, 5.5 terms, expires July 2014	
9	Madeline White	Member	Yes		2004, 5 terms, expired July 2013	
10	Alfonso Wyatt	Member	Yes		2004, 4.5 terms, expires July 2014	Supervision and Evaluation Subcommittee, Student Achievement Subcommittee
11	Willie Mae Lewis	Member	Yes		2012, 0.5 term, expires July 2014	Student Achievement Subcommittee
12						
13						
14						
15						
16						

17

18

19

20

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

0

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

2

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

17

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

5

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

9

Thank you.

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

HCZ Promise Academy encourages students and families with special needs, students and families who speak English as a second language, and those who are eligible for free and reduced lunch to apply for admission to the school and ensures equal access to admissions for students with disabilities. HCZ Promise Academy will employ procedures for identifying and servicing special education students that are consistent with the *Child Find* regulations (34CFR#300.125), which require schools to have in place a process for identifying, locating, and evaluating students with disabilities.

Publicity used by HCZ Promise Academy to inform parents and students about its programs will be carefully reviewed for the purpose of identifying and removing any statement, photo, statistic, etc. that may discourage parents of students who have or may have a disability from participating in HCZ Promise Academy's enrollment process. Publicity will also include specific reference to the policies and procedures of HCZ Promise Academy that describe its compliance with all laws, regulations and guidelines related to the education of students with disabilities, language needs, and who are eligible for free and reduced lunch. HCZ Promise Academy will also provide the general public with information about its educational practices related to special education and its philosophical commitment to its inclusion approach in the education of its special education, English language learning, and free and reduced lunch eligible students.

HCZ Promise Academy, in coordination with its partner Harlem Children's Zone, will implement several recruiting measures with consideration to parents of children with special needs, students who speak languages besides English at home, and students who are eligible for free and reduced lunch, including: (1) posting flyers and placing notices in local newspapers, supermarkets, churches, community centers, and apartment complexes; (2) conducting open houses at after-school programs and youth centers; (3) visiting local organizations in surrounding neighborhoods; and (4) canvassing neighborhoods to further reach interested families. With the success of these measures, HCZ Promise Academy expects to attract and retain a comparable or greater enrollment of students with disabilities, students who are English language learners, and students who are eligible for free and reduced lunch, as compared to the enrollment figures for students in its Community School District.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Wednesday, July 24, 2013

Updated Friday, July 26, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/126c8fdb734cdf006e1cd2618e1039>

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:

Geoffrey Canada

2. Charter School Name:

Harlem Children's Zone Promise Academy 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?

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	President & CEO
[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	(No response)
[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	\$196,875
[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	1990

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

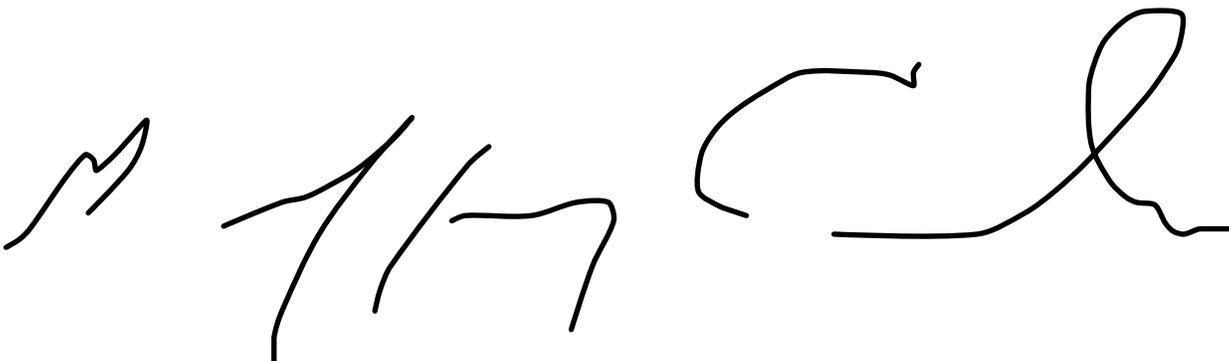
14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest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

Yes

14a. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school and in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write None.

	Organization Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee and/or Immediate Family Member with Interest	Steps Taken to Avoid Conflict of Interest
1	Harlem Children's Zone, Inc.	Institutional Partner	HCZ provides the school with the use of space in its premises at 35 E. 125th St., NY, NY, 10035; for this space, HCZ charges the school a below-market service fee of \$2.70 per square foot per year	Geoffrey Canada, President & CEO, HCZ, Inc.	N/A
2					
3					
4					
5					

Signature of Trustee

The image shows three handwritten signatures in black ink. The first signature on the left is a stylized, cursive 'M'. The middle signature is a more complex, cursive script. The signature on the right is a large, bold, cursive signature that appears to be 'G. Canada'.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

Updated Tuesday, July 23, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/05e5f2a469f2cad2da444d62a259028>

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:

Stanley Druckenmiller

2. Charter School Name:

Harlem Children's Zone Promise Academy 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	Trustee of the Harlem Children's Zone, Inc.
[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	Chairman
[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	None
[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	1995

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

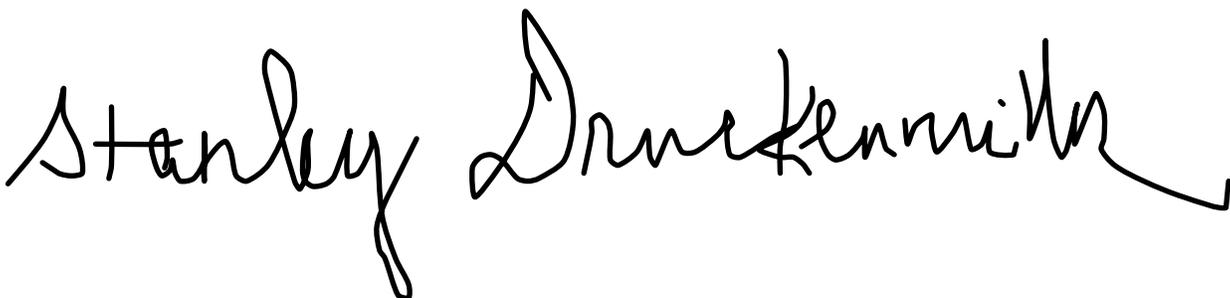
14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest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

Yes

14a. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school and in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write None.

	Organization Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee and/or Immediate Family Member with Interest	Steps Taken to Avoid Conflict of Interest
1	Harlem Children's Zone, Inc.	Institutional Partner	HCZ provides the school with the use of space in its premises at 35 E. 125th St., NY, NY, 10035; for this space, HCZ charges the school a below-market service fee of \$2.70 per square foot per year	Stanley Druckenmiller, Chairman, HCZ, Inc.	N/A
2					
3					
4					
5					

Signature of Trustee



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/a404eb1a2b41c68180d11754590b75>

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:

Denise-Nash Fuller

2. Charter School Name:

Harlem Children's Zone Promise Academy 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

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 22, 2013

Updated Tuesday, July 23, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/9decb167f656587224e0fc47d70e110>

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:

Arlene Gibson

2. Charter School Name:

Harlem Children's Zone Promise Academy 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

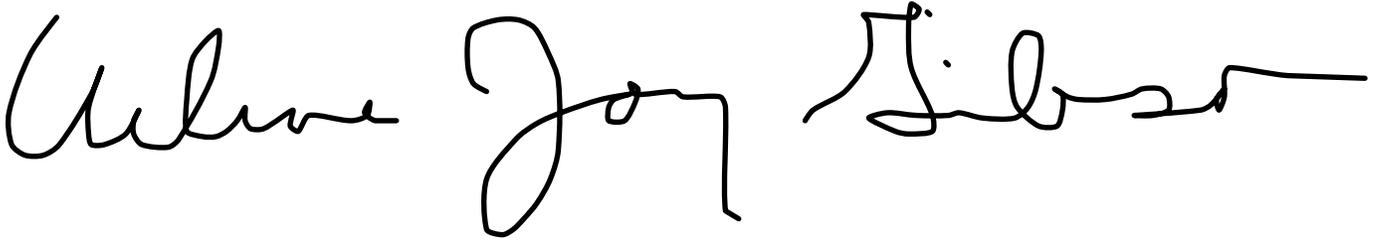
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

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 that reads "Andrew Jay Silber". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

Updated Wednesday, July 24, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/931346e9f0e6e0e9b2b05bfeb217df9>

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:

Mitch Kurz

2. Charter School Name:

Harlem Children's Zone Promise Academy 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?

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	Trustee of the Harlem Children's Zone, Inc.
[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	Treasurer
[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	None
[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	1993

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?

Yes

14a. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school and in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write None.

	Organization Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee and/or Immediate Family Member with Interest	Steps Taken to Avoid Conflict of Interest
1	Harlem Children's Zone, Inc.	Institutional Partner	None	Mitch Kurz, Trustee, HCZ, Inc.	N/A
2					
3					
4					
5					

Signature of Trustee



Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

Updated Friday, July 26, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/5fed70d489a72269a67f04f7635ef5c>

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:

Kenneth G. Langone

2. Charter School Name:

Harlem Children's Zone Promise Academy 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?

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	Trustee of the Harlem Children's Zone, Inc.
[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	(No response)
[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	None
[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	2001

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?

Yes

14a. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school and in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school that is doing business with the school through a management or services agreement, please identify only the name of the organization, your position in the organization as well as the relationship between such organization and the school. If there was no financial interest, write None.

	Organization Conducting Business with the School	Nature of Business Conducted	Approximate Value of the Business Conducted	Name of Trustee and/or Immediate Family Member with Interest	Steps Taken to Avoid Conflict of Interest
1	Harlem Children's Zone, Inc.	Institutional Partner	None	Kenneth G. Langone, Trustee, HCZ, Inc.	N/A
2					
3					
4					
5					

Signature of Trustee

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

Updated Thursday, July 25, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/b01dc6dbeafb37f4fd98f0966958>

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:

Willie Mae Lewis

2. Charter School Name:

Harlem Children's Zone Promise Academy 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

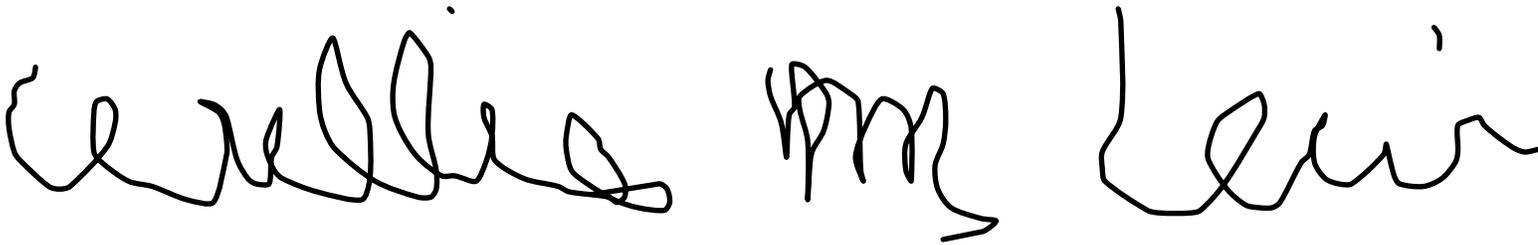
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

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, appearing to read "Willie M. Lewis". The signature is written in a cursive, flowing style with some loops and flourishes.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

Updated Friday, July 26, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/cdb21095ae19bc4b73a6316215f186>

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:

Aisha Tomlinson

2. Charter School Name:

Harlem Children's Zone Promise Academy 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

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 read "Asha Tomlinson". The signature is written in a cursive, flowing style with large loops and a prominent initial 'A'.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

Updated Saturday, July 27, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/e89534d5a3eab47dc4315a3c9f897ec>

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:

Alfonso Wyatt

2. Charter School Name:

Harlem Children's Zone Promise Academy 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

Rev. Alfonso Wyatt