

I. SCHOOL INFORMATION AND COVER PAGE

Created Monday, July 15, 2013

Updated Tuesday, July 30, 2013

Page 1

1. SCHOOL NAME

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

353100860959 JOHN W LAVELLE PREP CS

2. CHARTER AUTHORIZER

NYCDOE-Authorized Charter School

3. DISTRICT / CSD OF LOCATION

NYC CSD 31

4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
Corporate Commons One at 1 Teleport Drive	347-855-2238	718-709-7680	dvolini@lavelleprep.org

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

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

5. SCHOOL WEB ADDRESS (URL)

www.lavelleprep.org

6. DATE OF INITIAL CHARTER

2009-05-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

2009-09-01 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

 6

 7

 8

 9**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/CSD	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	Corporate Commons One at 1 Teleport Drive, Staten Island, NY 10311	347-855-2238	CSD 31	6-9	No	Rent/Lease

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	Kenneth Byalin	[REDACTED]		[REDACTED]
Operational Leader	Dana Volini	[REDACTED]		[REDACTED]
Compliance Contact	Dana Volini	[REDACTED]		[REDACTED]
Complaint Contact	Christopher Zilinski	[REDACTED]		[REDACTED]

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).

Yes

15. Summary of Charter Revisions

	Category (Select Best Description)	Specific Revision (150 word limit)	Date Approved by BOT (if applicable)	Date Approved by Authorizer (if applicable)
1	Change in admissions/enrollment policy	The charter was amended to be a two-tiered lottery, setting aside 40% of the seats for Special Education students.	09/27/2012	
2				
3				
4				
5				

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

• Yes

Signature, Head of Charter School



Signature, President of the Board of Trustees

see attached

Thank you.

Signature Page for President of Board of Trustees

Created Thursday, July 25, 2013

Page 1

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

- Yes
-

Signature, Board President

William F. Flemmi

Thank you.



Overcoming Barriers & Fulfilling the College Promise

Appendix B (Total Expenditures and Administrative Expenditures Per Child)

	Total Expenditures	Administrative Expenditures (excluding benefits)
Total :	\$ 6,800,898	\$ 568,222
Expenditures Per Pupil:	\$ 22,445	\$ 1,875

JOHN W. LAVELLE
PREPARATORY CHARTER SCHOOL

Audited Financial Statements In Accordance
With Government Auditing Standards

June 30, 2013

JOHN W. LAVELLE PREPARATORY CHARTER SCHOOL

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 – 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 12
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13 – 14
Schedule of Findings and Responses	15

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
John W. Lavelle Preparatory Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of John W. Lavelle Preparatory Charter School (the "School"), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization'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 John W. Lavelle Preparatory Charter School as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2013 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 15, 2013

**JOHN W. LAVELLE PREPARATORY CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2013**

Assets

Cash and cash equivalents (Notes 2b and 2c)	\$78,692
Restricted cash (Note 3)	70,083
Grant receivable - New York City (Notes 2h and 5)	18,513
Government grants and other receivable (Notes 2d and 2i)	186,950
Prepaid expenses	9,604
Fixed assets, net (Notes 2e and 4)	1,756,950
Lease acquisition costs (Note 8)	<u>386,295</u>
 Total assets	 <u><u>\$2,507,087</u></u>

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$691,090
Line of credit (Note 6)	100,000
Loans payable (Note 7)	737,961
Deferred rent (Note 2f)	1,142,920
Lease acquisition costs payable (Note 8)	<u>312,060</u>
 Total liabilities	 <u><u>2,984,031</u></u>

Net Assets: (Note 2a)

Unrestricted	(478,444)
Temporarily restricted	<u>1,500</u>
 Total net assets	 <u><u>(476,944)</u></u>
 Total liabilities and net assets	 <u><u>\$2,507,087</u></u>

*The attached notes and auditors' report
are an integral part of these financial statements.*

**JOHN W. LAVELLE PREPARATORY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenue:			
Public school district: (Notes 2h and 5)			
Revenue - resident student enrollment	\$4,062,266		\$4,062,266
Revenue - students with special education services	1,742,203		1,742,203
Subtotal public school district revenue	<u>5,804,469</u>	<u>0</u>	<u>5,804,469</u>
Government grants	473,333		473,333
Contributions (Note 2g)	67,979		67,979
In-kind contributions (Note 2j)	17,000		17,000
Benefit income (net of direct benefit to donors of \$10,910) (Note 11)	35,765		35,765
Rental and other income	35,764		35,764
Loss on disposal of fixed assets	<u>(8,952)</u>		<u>(8,952)</u>
Total public support and revenue	<u>6,425,358</u>	<u>0</u>	<u>6,425,358</u>
Expenses:			
Program services:			
Regular education	3,354,736		3,354,736
Special education	2,674,320		2,674,320
Total program services	<u>6,029,056</u>	<u>0</u>	<u>6,029,056</u>
Supporting services:			
Management and general	671,751		671,751
Fundraising	155,716		155,716
Total expenses	<u>6,856,523</u>	<u>0</u>	<u>6,856,523</u>
Change in net assets	(431,165)	0	(431,165)
Net assets - beginning	<u>(47,279)</u>	<u>1,500</u>	<u>(45,779)</u>
Net assets - ending	<u><u>(\$478,444)</u></u>	<u><u>\$1,500</u></u>	<u><u>(\$476,944)</u></u>

*The attached notes and auditors' report
are an integral part of these financial statements.*

**JOHN W. LAVELLE PREPARATORY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013**

	Program Services			Supporting Services		Total Expenses
	Regular Education	Special Education	Total	Management and General	Fundraising	
Salaries	\$1,643,322	\$1,473,519	\$3,116,841	\$323,769	\$96,650	\$3,537,260
Employee benefits and payroll taxes	416,526	373,487	790,013	82,065	24,498	896,576
Total personnel costs	2,059,848	1,847,006	3,906,854	405,834	121,148	4,433,836
Classroom supplies and instructional material	89,583	39,449	129,032			129,032
Professional fees (including in-kind) (Note 2j)	27,453	2,849	30,302	67,039	187	97,528
Office expenses	4,758	3,371	8,129	432	86	8,647
Technology, infrastructure, and software	20,109	14,259	34,368	1,828	366	36,562
Repairs and maintenance	119,426	84,683	204,109	10,857	2,171	217,137
Communications	6,967	4,941	11,908	633	127	12,668
Rent	753,415	534,240	1,287,655	68,492	13,698	1,369,845
Equipment rental	13,239	9,388	22,627	1,204	241	24,072
Liability insurance	15,111	10,715	25,826	1,374	275	27,475
Staff professional development	42,508	3,614	46,122			46,122
Student food services	82,700	36,418	119,118			119,118
Special events			0		15,339	15,339
Recruiting	5,329	2,346	7,675			7,675
Interest and bank charges			0	62,766		62,766
Depreciation and amortization	113,292	80,334	193,626	10,299	2,060	205,985
Bad debt expense			0	40,902		40,902
Other expenses	998	707	1,705	91	18	1,814
Total other than personnel costs	1,294,888	827,314	2,122,202	265,917	34,568	2,422,687
Total expenses	\$3,354,736	\$2,674,320	\$6,029,056	\$671,751	\$155,716	\$6,856,523

*The attached notes and auditors' report
are an integral part of these financial statements.*

**JOHN W. LAVELLE PREPARATORY CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013**

Cash Flows from Operating Activities:	
Change in net assets	(\$431,165)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	205,985
Loss on disposal of fixed assets	8,952
(Increase)/decrease in assets:	
Restricted cash	(74)
Grant receivable - New York City	76,085
Government grants and other receivable	9,424
Prepaid expenses	13,020
Increase/(decrease) in liabilities:	
Cash overdraft	(39,577)
Accounts payable and accrued expenses	41,220
Deferred rent	510,390
Total adjustments	<u>825,425</u>
Net cash provided by operating activities	<u>394,260</u>
Cash Flows from Investing Activities:	
Leasehold improvements	<u>(491,515)</u>
Net cash used for investing activities	<u>(491,515)</u>
Cash Flows from Financing Activities:	
Proceeds from loans	260,000
Repayment of loans	<u>(84,053)</u>
Net cash provided by financing activities	<u>175,947</u>
Net increase in cash and cash equivalents	78,692
Cash and cash equivalents - beginning of year	<u>0</u>
Cash and cash equivalents - end of year	<u><u>\$78,692</u></u>
Supplemental disclosures:	
Interest paid - \$62,766	
Taxes paid - \$0	

*The attached notes and auditors' report
are an integral part of these financial statements.*

JOHN W. LAVELLE PREPARATORY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1 - Organization and Nature of Activities

John W. Lavelle Preparatory Charter School (the "School"), located in Staten Island, New York, is a not-for-profit educational corporation chartered by the Board of Regents of the University of the State of New York. The School provides a college preparatory education curriculum that equips and empowers students for success. The School welcomes all students, including those living with emotional disabilities, and integrates all students in its classes and activities. In fostering both the academic and emotional growth of all students, the School serves as an innovative, holistic educational model for other high-performing schools.

On April 21, 2009, the School was granted a provisional charter by the Board of Regents of the University of the State of New York for a term of five years. Such provisional charter may be extended upon application for a term of up to five years in accordance with the provisions of Article 56 of the Education law.

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The School has not been designated as a private foundation.

Note 2 - Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid. All significant receivables, payables and other liabilities have been reflected.

The School's net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted* – represent those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. Temporarily restricted contributions, the requirements of which are met in the year of donation, are reported as unrestricted. Temporarily restricted net assets at June 30, 2013 relate specifically to scholarships.
- *Permanently restricted* – accounts for activity restricted by donors that must

remain intact in perpetuity. The School did not have any permanently restricted net assets at June 30, 2013.

b. Cash and Cash Equivalents

Checking accounts with local banks and highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents for purposes of the accompanying statement of cash flows.

c. Concentration of Credit

Financial instruments which potentially subject the School to concentration of credit risk consist of cash accounts, which have been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end, there were no significant uninsured balances.

d. Grants and Other Receivables

All receivables at June 30, 2013 are due within one year.

The School reviews receivables that are unlikely to be collected based on historical experience and a review of activity subsequent to the balance sheet date. No allowance for doubtful accounts exists as of June 30, 2013. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

e. Capitalization Policy

Leasehold improvements, equipment and furniture that exceed pre-determined amounts and that have a useful life of greater than one year are recorded at cost or at the fair market value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Furniture and fixtures – *7 years*

Computer hardware and software – *3 years*

Office equipment – *5 years*

Leasehold improvements – *Life of lease*

f. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be until it is zero at the end of the lease.

g. Contributions

Contributions are recorded as revenue at the earlier of the receipt of cash or when pledges are considered unconditional in nature. Contributions are available for unrestricted use, unless specifically restricted by the donor, in which case they are recorded in one of the restricted losses of net assets, depending on the nature of the restriction.

Contributions expected to be received within one year are recorded at their net realizable value. Long-term pledges are recorded at fair value using a risk adjusted discount rate. Conditional contributions are recorded as liabilities and are recognized as income when the conditions have been substantially met.

h. Revenue – Public School District and Government Grants

Program revenue is recognized based on the number of students enrolled using rates established by the School's funding source in the period during which services are provided. The School is dependent upon grants from the New York City Department of Education ("NYCDOE") to carry out its operations.

i. Government Grants

Government grants are evaluated to determine if they have traits closer to a contribution or exchange transaction. All existing government grants have been treated as exchange transactions.

The difference between cash received and revenue recognized is treated as government grants receivable or advances payable.

j. Donated Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. The School received \$17,000 of donated legal services.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the School. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

k. Functional Allocation of Expenses

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

l. Use of Estimates

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

m. Contingencies

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified.

n. Accounting for Uncertainty in Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax returns for periods ending June 30, 2010 and later are subject to examination by applicable taxing authorities.

o. **Subsequent Events**

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through October 15, 2013, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or further disclosure in the financial statements have been made.

Note 3 - Restricted Cash

An escrow account has been established to meet the requirement of NYCDOE. The purpose of this account is to ensure sufficient funds are available for an orderly dissolution or transition process in the event of termination of the charter or school closure.

Note 4 - Fixed Assets

At June 30, 2013, fixed assets consisted of the following:

Furniture and fixtures	\$276,351
Computer hardware and software	197,854
Office equipment	134,216
Leasehold improvements	<u>1,575,271</u>
Total fixed assets - cost	2,183,692
Less: accumulated depreciation	<u>(426,742)</u>
Total fixed assets - net	<u>\$1,756,950</u>

Note 5 - Grant Receivable – New York City Department of Education

Grants receivable consists of the following:

Amounts due from New York City for fiscal year 6/30/12	\$53,696
Summary of fiscal year 6/30/13:	
Funding based on allowable FTE's	\$5,804,469
Advances received – fiscal year 2012-2013	<u>(5,839,652)</u>
Amounts due to New York City for fiscal year 6/30/13	<u>(35,183)</u>
Grants receivable from New York City at 6/30/13	<u>\$18,513</u>

Note 6 – Line of Credit

The School has a revolving line of credit for a maximum amount of \$100,000 with a local bank that accrues interest at 7.5%. As of June 30, 2013, the School was using the full line of credit. The line is secured by the School's property and is guaranteed by its President and a trustee from the Board of Trustees.

Note 7 – Loans Payable

On September 1, 2011, the School entered into a loan for \$500,000 with its landlord for the renovation of the School's phase one space. The loan has a maturity date of August 31, 2031 and an annual interest rate of 8.75%. The outstanding principal on this loan at June 30,

2013 was \$481,633.

On October 8, 2012, the School entered into another loan with its landlord for \$260,000 for the renovation of the School's phase two space. The loan has a maturity date of August 31, 2031 and an annual interest rate of 8.9%. The outstanding principal on this loan at June 30, 2013 was \$256,328.

Both loans are secured by the School's property and are cross-collateralized with both phases one and two of the lease.

As of June 30, 2013, future minimum principal payments on the loans payable are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$17,258
2015	18,840
2016	20,567
2017	22,452
2018	24,510
Thereafter	<u>634,334</u>
Total	<u>\$737,961</u>

Note 8 - Lease Commitments

The School occupies space in Staten Island under a lease agreement that expires on August 31, 2031. The lease agreement contains two phases, and consists of the following:

Phase One

Phase one is for the third floor of the space, which commenced on May 1, 2011 and terminates on August 31, 2031.

Phase Two

Phase two was an option that the School exercised for additional space in the same facility. A non-refundable reservation fee of \$412,060 is required to be paid of which \$100,000 has been remitted as of year-end. The full amount is reflected as an asset on the statement of financial position and the remaining balance is reflected as a liability.

Lease acquisition costs are being amortized over the life of the phase two portion of the lease on a straight line basis. Amortization expense on the lease acquisition costs for the year ended June 30, 2013 was \$25,765.

The School is expected to pay the remainder of the lease acquisition costs payable balance as follows:

<u>Year</u>	<u>Amount</u>
2014	\$185,750
2015	<u>126,310</u>
Total	<u>\$312,060</u>

The phase two space also requires a security deposit of \$500,000. Payments are due as follows:

September 1, 2016	\$100,000
September 1, 2017	20,000
September 1, 2018	80,000
September 1, 2019	100,000
September 1, 2020	100,000
September 1, 2021	<u>100,000</u>
Total	<u>\$500,000</u>

As of June 30, 2013, future minimum rental payments for both phases are due are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$1,009,260
2015	1,054,539
2016	1,262,731
2017	1,348,723
2018	1,448,293
Thereafter	<u>20,448,099</u>
Total	<u>\$26,571,645</u>

Note 9 - Significant Concentrations

The School is dependent upon grants from NYCDOE to carry out its operations. For the year ended June 30, 2013, approximately 90% of the School’s total public support and revenue was received from NYCDOE. If NYCDOE were to discontinue funding, it would have a severe economic impact on the School’s ability to operate.

Note 10 - Retirement Plan

The School adopted a 401(k) profit sharing plan (the “Plan”) which covers most of the employees. The Plan is a defined contribution plan. Employees are eligible to enroll in the Plan on the first day of employment. Those employees who have completed at least one full day of service are also eligible for employer contribution. The Plan provides for the School to contribute up to 5% of the participating employee’s salary. The School contribution becomes fully vested upon issuance. The amount of estimated matching payments of \$66,000 has been included in payroll taxes and employee benefits in the accompanying statement of functional expenses for the year ended June 30, 2013.

Note 11 - Fundraising Event

The School’s special event proceeds are summarized as follows:

	<u>Gala Benefit</u>
Gross revenue	\$46,675
Less: expenses with a direct benefit to donor	<u>(10,910)</u>
Net	35,765
Less: indirect expenses	<u>(4,899)</u>
Total	<u>\$30,866</u>

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

To the Board of Trustees of
John W. Lavelle Preparatory Charter School

Report on the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of John W. Lavelle Preparatory Charter School (the "School"), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 15, 2013.

Internal Control over Financial Reporting

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

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

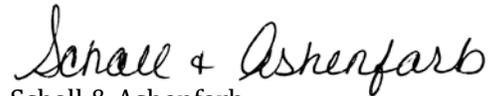
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Schall & Ashenfarb
Certified Public Accountants, LLC

October 15, 2013

**JOHN W. LAVELLE PREPARATORY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2013**

Current Year:

None

Prior Year:

None

Appendix E: Disclosure of Financial Interest Form

Created Monday, July 22, 2013

Updated Tuesday, July 23, 2013

Page 1

353100860959 JOHN W LAVELLE PREP CS

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

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

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

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

Thank you.

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

Yes

Thank you.

Appendix F: BOT Membership Table

Created Tuesday, July 16, 2013

Updated Tuesday, July 30, 2013

Page 1

353100860959 JOHN W LAVELLE PREP CS

1. Current Board Member Information

	Full Name of Individual Trustees	Position on Board (Officer or Rep).	Voting Member	Area of Expertise &/or Additional Role	Terms Served & Length (include date of election and expiration)	Committee affiliations
1	William Henri	Chair/President	Yes	Retired CEO, South Beach Psychiatric Center	Term 2 & 3 years Elected 2009 Expires 2014	Executive, Finance and Audit, Governance and Nominating
2	Sheldon Blackman	Treasurer	Yes	Retired VP for Grants and Program Development, Staten Island University Hospital	Term 2 & 3 years Elected 2009 Expires 2014	Executive, Finance and Audit
3	Joseph Carroll	Member	Yes	District Manager, Community Board #1, Staten Island, NY	Term 2 & 3 years Elected 2009 Expires 2013	Governance and Nominating
4	Richard Fragiacomano	Member	Yes	Entrepreneur	Term 2 & 3 years Elected 2009 Expires 2013	Finance and Audit
5	Dolores Morris	Member	Yes	Executive Director & Founder SI Youth Media Project	Term 1 & 3 years Elected 2012 Expires 2015	
6	Deborah Miller	Secretary	Yes	Director, Parent Resource Center, Jewish Board of Family and Children Services	Term 2 & 3 years Elected 2009 Expires 2015	Executive, Governance and Nominating
7	Lily McNair	Member	Yes	Provost and VP of Academic Affairs at Wagner College	Term 1 & 2 years Elected 2012 Expires 2014	
8	Nelly Tournaki	Member	Yes	Associate Professor, Coordinator for the Master's degree program in Special Education, College of Staten Island	Term 2 & 3 years Elected 2009 Expires 2014	Education and Accountability
9	Doris Schueler	Member	Yes	Psychologist in private practice	Term 2 & 3 years Elected 2009 Expires 2015	Education and Accountability
10	Susan Lavelle	Vice Chair/Vice President	Yes	Staten Island University Hospital	Term 2 & 3 years Elected 2009 Expires 2015	Executive
11	Francisco (Paco) Lugovina	Member	Yes	Consultant, Real Estate Developer	Term 2 & 3 years Elected 2009 Expires 2013	
12	Dirk Tillotson	Member	Yes	Attorney At Law New York Charter School Incubator	Term 1 & 1 year Elected 2012	

13

14

15

16

17

18

19

20

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

3

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

0

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

15

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

10

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

12

Thank you.



Overcoming Barriers & Fulfilling the College Promise

Appendix H: Enrollment and Retention Efforts

Lavelle Preparatory Charter School has consistently exceeded targets for Free/Reduced Lunch and Special Education. As of BEDS Day, October 3, 2012, 77.3% of Lavelle Prep students received Free/Reduced price lunch and 27.3% received Special Education services. Lavelle Prep more narrowly meets the target for English Language Learners. With 3% ELL's in grades 6-8 in 2012-2013, Lavelle Prep slightly recedes the District target of 4.3%. To better reach the non-English speaking communities, Lavelle Prep has enhanced its outreach to community-based organizations which serve this sector, i.e. Russian American Council of Staten Island, the South Asian and Indo-Caribbean Americans for Political Progress, the Staten Island Asian Coalition, the Staten Island Latino Civic Association, and the Staten Island Pakistani Civic Association.

Lavelle Prep works to improve the retention of all students. Lavelle Prep strives to ensure parents are making informed decisions at the time of admission. It is critical that parents understand the school's academic and promotional expectations. This is particularly true for parents whose students enter Lavelle Prep significantly behind academically. Students entering more than two years behind grade level are at significant risk of retention during their first year in the school. This may exist because the student has been on Modified Promotion Criteria in their previous school, or simply has been "pushed" ahead. If parents are well informed of Lavelle prep's program and expectations, they are less likely to withdraw their child as these challenges are confronted.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Tuesday, July 23, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/c46f614c0054a239146f48b3c1d913>

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:

Sheldon Blackman

2. Charter School Name:

John W. Lavelle Preparatory 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

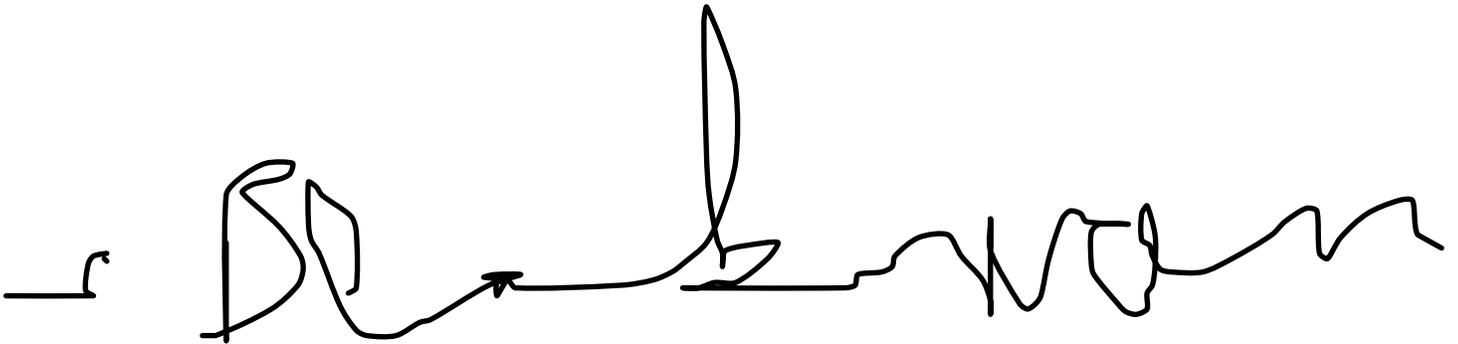
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

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 "D. Brown". The signature is written in a cursive style with a large, prominent initial "D" and a long horizontal stroke extending across the middle of the name.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Tuesday, July 23, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/5b4348f9816e92e2f92bc422c06e9c5>

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:

William F. Henri

2. Charter School Name:

John W. Lavelle Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address|

8. Select all positions you held on Board:

(check all that apply)

- Chair/President

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

No

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

No

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

William F. Henri

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/d019d51eef12f7b109f653c062d8c94>

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:

Francisco Lugovina

2. Charter School Name:

John W. Lavelle Preparatory 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

-
- Other, please specify...: trustee

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

No

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

No

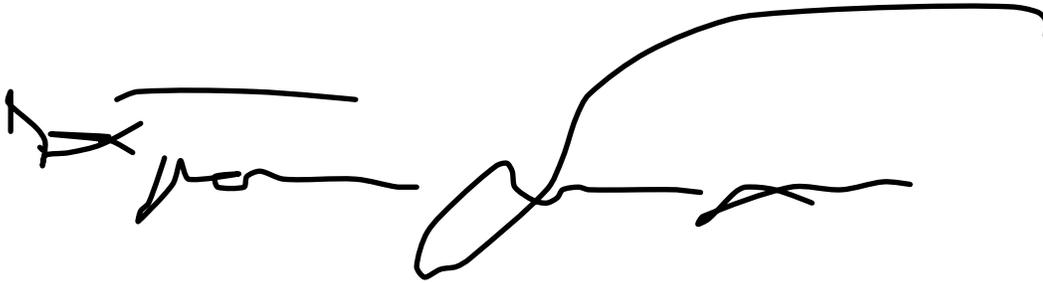
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

A handwritten signature in black ink, consisting of several connected strokes. It starts with a small vertical line on the left, followed by a series of loops and horizontal lines that extend to the right. The signature is fluid and cursive in style.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Monday, July 22, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/958b62c5c5c3b2c0ba98a609c1ac1e>

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:

Dolores N Morris

2. Charter School Name:

John W. Lavelle Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Other, please specify...: board member

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

No

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

No

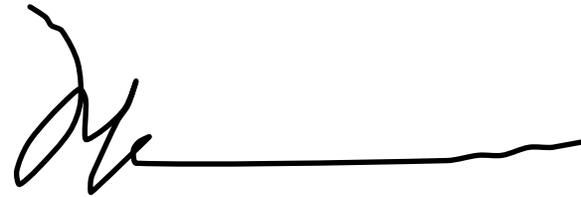
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

 M. 

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Wednesday, July 24, 2013

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/5efe004d00b26c4a37eadc70ee532cb>

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:

Doris E. Schueler

2. Charter School Name:

John W. Lavelle Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Other, please specify...: Chair of Education and Accountability Committee

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

<http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/78d5f07e76e7ad36a189ca64f985aff9>

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:

dirk tillotson

2. Charter School Name:

John W. Lavelle Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

(No response)

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

No

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

No

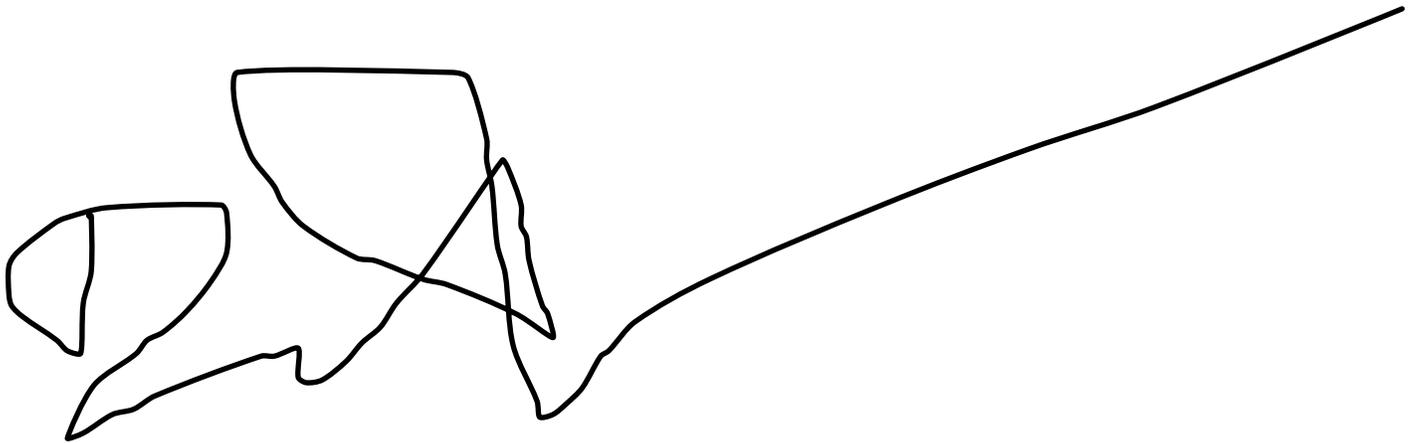
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

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

No

Signature of Trustee

A handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping horizontal stroke extending to the right.