

**The State Education Department**  
The University of the State of New York

**Office of Innovative School Models**

Charter Schools Office  
462 EBA  
Albany, New York 12234  
518-474-1762

***Charter School Annual Report***  
***2009 - 2010***

**Charter School Information and Cover Page**

**Name of Charter School:** Harlem Children's Zone Promise Academy II Charter School

**Primary Address** 2005 Madison Ave., New York, New York, 10035

**Telephone** 917-492-1481

**Fax** 917-492-1576

**BEDS #** 310 500 860 886

**District/CSD of Location** New York City CSD 5

**Charter Entity** New York City Chancellor's Office and the New York Stated Dept. of Education

**Date School First Opened for Instruction** September 2005

**School Leader** Kathleen Fernald

(print name)

**E-mail Address of School Leader** kfernal@hczpromis.org

**President, Board of Trustees** Geoffrey Canada

(print name)

**E-mail Address and Phone Number of Board President** gcanada@hcz.org  
212-360-3255

## ***General Instructions***

1. Read and follow all instructions. Please be sure to provide all requested information. Do not provide data that are not requested.
2. Questions regarding the completion of these forms should be directed to the appropriate program office:

For assistance with student/teacher attrition rates, call the Charter Schools Office at 518-474-1762.

For assistance with the audit forms, call the Office of Audit Services at 518-473-4516.

All audits for the 2009-10 school year are due to the Department by **5:00 p.m. on November 1, 2010**. Please ensure that they are sent in **electronic form** to both the Charter Schools Office at [charterschools@mail.nysed.gov](mailto:charterschools@mail.nysed.gov) and James Conway in the Office of Audit Services at [fsandals33@mail.nysed.gov](mailto:fsandals33@mail.nysed.gov). Please put "Audit Report" in the subject line of the e-mail.

3. Each person who was a member of a charter school's Board of Trustees during the 2009-10 school year must complete and submit the Disclosure of Financial Interest questionnaire.
4. Submit the annual report as a PDF file (except where otherwise noted) to the Charter Schools Office by **5:00 p.m. November 1, 2010** at [charterschools@mail.nysed.gov](mailto:charterschools@mail.nysed.gov). Please put "Annual Report" in the subject line of the e-mail. ***Faxed versions will not be accepted.*** The original signed Statement of Assurances must be sent to the Charter Schools Office at the address provided on the cover page above.

## ***Section I***

### **Student Assessment Data**

This section refers to the academic achievement of your students on all standardized tests, per your charter, including all State exams. For the State Assessment results in grades 3 - 8, please provide the percent of students scoring at Levels 1 – 4 on each State Assessment in English Language Arts and Mathematics. Longitudinal data are being requested back through the 2006-07 school year. If the school was not in operation during any of the previous years, or if it did not serve students in grades for which there was a State exam, please leave those rows blank or enter “NA.”

You must also provide data for grades 9-12 as well (as applicable).

*For all other standardized assessment results*, provide the following information for each assessment, by grade, using the chart provided:

1. the full name of each assessment (not an acronym). Include portfolios and any performance-based assessment as well;
2. the name of each sub-test that was given (if applicable);
3. the grade of the students being tested;
4. the date the assessment was given;
5. the number of students enrolled in the grade on the date the assessment was given;
6. the number of students who were absent on the date that the assessment was administered;
7. the number of students who were exempted from such assessment per their IEP;
8. the number of students who were exempted from such assessment as a result of their ELL status;
9. the number of students who were actually assessed (this figure must equal the number of students in the grade on the date the test was given minus those who were absent or exempted);
10. the score obtained for each grade level (be sure to indicate the type of score being reported, e.g., percentile, normal curve equivalent, percent passing);
11. if applicable, include the qualitative levels of the scores (e.g. percent passing with distinction, percent achieving mastery); and,
12. any other evaluative data that describe the performance of your students on the assessments given.

Complete a separate chart for each subtest.

***Student Assessment Data  
New York State Assessment Results  
Grades 3 – 8 ELA and Math  
2009-10 Annual Report***

**Grades 3 – 8 State ELA Assessments Results**

<i>Year of Test</i>	<b>Grade 3</b>				<b>Grade 4</b>				<b>Grade 5</b>				<b>Grade 6</b>				<b>Grade 7</b>				<b>Grade 8</b>			
	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4
<b>2009-10 – All Students</b>	6	28	52	14	3	47	50	0	0	33	61	6												
<b>General Education Students</b>	2	27	53	18	3	40	57	0	0	33	61	6												
<b>Special Education Students</b>	21	29	50	0	0	75	25	0	-	-	-	-												
<b>2008-09 – All Students</b>	3	11	57	29	0	17	80	3																
<b>General Education Students</b>	0	14	55	31	0	14	55	31																
<b>Special Education Students</b>	17	0	67	17	0	100	0	0																
<b>2007-08 – All Students</b>	4	15	74	7																				
<b>General Education Students</b>	0	12	80	8																				
<b>Special Education Students</b>	50	50	0	0																				
<b>2006-07 – All Students</b>																								
<b>General Education Students</b>																								
<b>Special Education Students</b>																								

*New York State Assessment Results*

**Grades 3 – 8 State Math Assessments Results**

<i>Year of Test</i>	<b>Grade 3</b>				<b>Grade 4</b>				<b>Grade 5</b>				<b>Grade 6</b>				<b>Grade 7</b>				<b>Grade 8</b>			
	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4	L1	L2	L3	L4
<b>2009-10 – All Students</b>	3	14	46	36	0	24	47	29	0	15	70	15												
<b>General Education Students</b>	0	11	51	38	0	17	47	37	0	15	70	15												
<b>Special Education Students</b>	14	29	29	29	0	50	50	0	-	-	-	-												
<b>2008-09 – All Students</b>	0	0	57	43	0	3	57	40																
<b>General Education Students</b>	0	0	54	46	0	0	54	46																
<b>Special Education Students</b>	0	0	71	29	0	100	0	0																
<b>2007-08 – All Students</b>	0	0	63	37																				
<b>General Education Students</b>	0	0	60	40																				
<b>Special Education Students</b>	0	0	100	0																				
<b>2006-07 – All Students</b>																								
<b>General Education Students</b>																								
<b>Special Education Students</b>																								

**New York State Assessment Results**

<i>NYS English as a Second Language Achievement Test</i>	<i>Year</i>	<i>All Students</i>				<i>General Education Students</i>				<i>Students with Disabilities</i>						
		<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring:</i>				<i>Total Tested</i>	<i>% Scoring at or above:</i>			
			<i>≤54</i>	<i>55- 64</i>	<i>65- 84</i>	<i>≥85</i>		<i>≤54</i>	<i>55- 64</i>	<i>65- 84</i>	<i>≥85</i>		<i>≤54</i>	<i>55- 64</i>	<i>65- 84</i>	<i>≥85</i>
<b>Listening &amp; Speaking (Gr. K-1)</b>	<b>2009-10</b>	<b>31</b>	<b>42%</b>	<b>58%</b>			<b>25</b>	<b>36%</b>	<b>64%</b>			<b>6</b>	<b>67%</b>	<b>33%</b>		
	2008-09															
	2007-08															
	2006-07															
<b>Reading &amp; Writing (Gr. K-1)</b>	<b>2009-10</b>	<b>31</b>	<b>100%</b>				<b>25</b>	<b>100%</b>				<b>6</b>	<b>100%</b>			
	2008-09															
	2007-08															
	2006-07															
<b>Listening &amp; Speaking (Gr. 2-4)</b>	<b>2009-10</b>	<b>19</b>	<b>58%</b>	<b>42%</b>			<b>18</b>	<b>56%</b>	<b>44%</b>			<b>1</b>	<b>100%</b>			
	2008-09															
	2007-08															
	2006-07															
<b>Reading &amp; Writing (Gr. 2-4)</b>	<b>2009-10</b>	<b>19</b>	<b>100%</b>				<b>18</b>	<b>100%</b>				<b>1</b>	<b>100%</b>			
	2008-09															
	2007-08															
	2006-07															
<b>Listening &amp; Speaking (Gr. 5-6)</b>	<b>2009-10</b>															
	2008-09															
	2007-0-8															
	2006-07															
<b>Reading &amp; Writing (Gr. 5-6)</b>	<b>2009-10</b>															
	2008-09															
	2007-08															
	2006-07															

**Other Student Assessment Data  
2009-10**

Name of Test: IOWA Test of Basic Skills

Subtest: Word Analysis

Grade	Date of Test (DOT)	# Enrolled in Grade on DOT	# Absent on Grade on DOT	# Exempted in Grade by IEP	# Exempted in Grade by ELL Status	# Students Assessed in Grade*	Score (Indicate Type of Score, e.g., NCE)	Qualitative Level and Percent Attaining**	Other ***
Kindergarten	June 2010	95	0	0	0	95	66 NCE	NA	NA

\* This number should equal the number of students enrolled on the day of the test, minus the number absent and the number exempted by either their IEP or their ELL status.

\*\*If the assessment provides qualitative levels of achievement, e.g., “with honors,” indicate the applicable levels and the percent of students who took the test in each grade who attained each level. If not applicable, enter “NA.”

\*\*\* For any other evaluative data that describe the performance of your students on the assessments given. If not applicable, enter “NA.”

**Other Student Assessment Data  
2009-10**

Name of Test: IOWA Test of Basic Skills

Subtest: Reading Total

Grade	Date of Test (DOT)	# Enrolled in Grade on DOT	# Absent on Grade on DOT	# Exempted in Grade by IEP	# Exempted in Grade by ELL Status	# Students Assessed in Grade*	Score (Indicate Type of Score, e.g., NCE)	Qualitative Level and Percent Attaining**	Other ***
1 <sup>st</sup> Grade	June 2010	93	2	0	0	91	63 NCE	NA	NA
2 <sup>nd</sup> Grade	June 2010	74	3	0	0	71	60 NCE	NA	NA
3 <sup>rd</sup> Grade	June 2010	68	2	0	0	66	52 NCE	NA	NA
4 <sup>th</sup> Grade	June 2010	38	0	0	0	38	48 NCE	NA	NA
5 <sup>th</sup> Grade	June 2010	33	1	0	0	32	48 NCE	NA	NA

\* This number should equal the number of students enrolled on the day of the test, minus the number absent and the number exempted by either their IEP or their ELL status.

\*\*If the assessment provides qualitative levels of achievement, e.g., “with honors,” indicate the applicable levels and the percent of students who took the test in each grade who attained each level. If not applicable, enter “NA.”

\*\*\* For any other evaluative data that describe the performance of your students on the assessments given. If not applicable, enter “NA.”

**Other Student Assessment Data  
2009-10**

Name of Test: IOWA Test of Basic Skills

Subtest: Math Total

<b>Grade</b>	<b>Date of Test (DOT)</b>	<b># Enrolled in Grade on DOT</b>	<b># Absent on Grade on DOT</b>	<b># Exempted in Grade by IEP</b>	<b># Exempted in Grade by ELL Status</b>	<b># Students Assessed in Grade*</b>	<b>Score (Indicate Type of Score, e.g., NCE)</b>	<b>Qualitative Level and Percent Attaining**</b>	<b>Other ***</b>
Kindergarten	June 2010	95	0	0	0	95	59 NCE	NA	NA
1 <sup>st</sup> Grade	June 2010	93	0	0	0	93	54 NCE	NA	NA
2 <sup>nd</sup> Grade	June 2010	74	3	0	0	71	62 NCE	NA	NA
3 <sup>rd</sup> Grade	June 2010	68	2	0	0	66	61 NCE	NA	NA
4 <sup>th</sup> Grade	June 2010	38	0	0	0	38	56 NCE	NA	NA
5 <sup>th</sup> Grade	June 2010	33	2	0	0	31	53 NCE	NA	NA

\* This number should equal the number of students enrolled on the day of the test, minus the number absent and the number exempted by either their IEP or their ELL status.

\*\*If the assessment provides qualitative levels of achievement, e.g., “with honors,” indicate the applicable levels and the percent of students who took the test in each grade who attained each level. If not applicable, enter “NA.”

\*\*\* For any other evaluative data that describe the performance of your students on the assessments given. If not applicable, enter “NA.”

### **Progress Toward Goal Attainment**

Using the table provided below, state each goal as listed in your approved charter, and provide a narrative that describes the type and amount of progress made toward attaining that goal. Provide specific examples, and indicate the measures that were used to determine such progress. These measures must also be the same as those listed in your approved charter. If the goal has not been met, describe why you think it was not met, and the efforts that you will undertake in the following year to attain it.

Charter schools authorized by the Trustees of the State University of New York may attach a copy of their Accountability Plan and a report of the progress made towards meeting the goals and objectives described in the Plan.

### **Progress Toward Goal Attainment 2009-10**

<b>Goal/Objective: Desired Level of Attainment</b>	<b>Actual Result: Observed Level of Attainment</b>	<b>Measure Used to Indicate Attainment of the Goal/Objective</b>	<b>Was the Goal/ Objective Met? (Y/N)</b>	<b>Explanation if Not Met/Efforts to be Undertaken</b>
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<p>Students who have completed at least two consecutive years at HCZ Promise Academy II will meet or exceed the performance of Community School District 5 students on the New York State and/or City Math Tests (as determined by the distributions across levels 1 through 4).</p>	<p>62.5% of Promise II students got a 3 or 4, compared to 29.3% of students in CSD 5</p>	<p>New York State ELA Exam</p>	<p>Yes</p>	
<p>Students who have completed at least two consecutive years at HCZ Promise Academy II will meet or exceed the performance of Community School District 5 students on the New York State and/or City Reading Tests (as determined by the distributions across levels 1 through 4).</p>	<p>82.5% of Promise II students got a 3 or 4, compared to 38.4% of students in CSD 5</p>	<p>New York State Math Exam</p>	<p>Yes</p>	
<p>For each cohort of students who have completed at least two consecutive years at HCZ Promise Academy II, the average scores on the Iowa Test of Basic Skills (Math) and Terra Nova (English) will each increase by 1 NCE a year until the average NCE of the cohort is at or above 50.</p>	<p>3 of 5 grades met this goal in Reading 5 of 5 grades met this goal in Math</p>	<p>Iowa Test of Basic Skills in Reading and Math</p>	<p>No</p>	<p>HCZ PA II did not meet their goal in two of the 8 grade subsets of the ITBS, grade 4 and 5 ELA. Two years ago a decision was made to deemphasize the ITBS in order to focus on NYS standards and the skills needed for success on state assessments; thus the school is looking for another nationally recognized standardized</p>

				test which will align more closely to NYS standards. We are also in the process of re-aligning our curriculum in anticipation of New York State's adoption of the Common Core Standards.
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Provided that the school ever fails to meet New York State's school performance criteria (an indexed score) and a formula is established for Adequate Yearly Progress to reduce the performance gap, HCZ Promise Academy II students' performance will exceed the established goals in the target grades and school subjects.	N/A	N/A	N/A	
Every year, HCZ Promise Academy II's average student mobility rate will be lower than the combined average mobility rate for Community School District 5 students for the preceding three years of published data.	Mobility rate was calculated by adding the number of students who left the school after October 1 <sup>st</sup> to the number of students who enrolled after October 1 <sup>st</sup> , then dividing by the total number of children who were enrolled at any point during the school year. Mobility rate was 2.4%	Promise Academy II mobility rate. We could not find district rate comparison	N/A	
Every year, HCZ Promise Academy II's average daily attendance rate will meet or exceed New York City's average daily attendance rate.	Promise II: 94% NYC: 94% <sup>1</sup>	Average daily attendance rate	Yes	
Every year, at least 95% of HCZ Promise Academy II's students will merit promotion from one grade to the next, as determined by their school performance.	95.8% (384 of 401) of students merit promotion to the next grade	Percent of children who merit promotion to the next grade	Yes	
In the annual spring survey of parents, at least 75% of parents surveyed will give HCZ Promise Academy II a satisfactory or better	98% of parents were satisfied or very satisfied with "the education my child has received this year"	NYCDOE Learning Environment Survey	Yes	

<sup>1</sup> From <http://ppes.nycenet.edu/cognos/cgi-bin/ppdsisapi.dll> on 10/18/2010

<p>rating (on a scale of excellent, good, satisfactory, or poor) when asked to rate the school's academic program, their children's growth, and the relationship between school and family.</p>	<p>97% of parents agreed or strongly agreed with "My child is learning what he or she needs to know to succeed in later grades or after graduating from high school"</p> <p>97% of parents were satisfied or very satisfied with "how well my child's school communicates with me"</p>			
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***Section II***

***Charter School Student and Teacher Attrition Rates***

**Instructions**

Separate tables are included for students and teachers. For students, please provide the total **number** who left for the reasons identified in the table. Then provide the highest number of students enrolled during the course of the year. Using that enrollment figure and the total number of students who left during the year (July 1 – June 30), calculate the percent of students who left the school each year (2006-07 through 2009-10). Do not provide averages or FTEs.

For teachers, provide the total number of classroom teachers (e.g., grades K-6, or secondary subject matter classroom teachers). Do not include guidance counselors, social workers, etc. Do not provide FTEs. A part-time teacher is counted as one teacher. If one person teaches more than one subject area, count them once. Also provide the number of special area teachers (e.g., music, technology, special education). Again, count each such teacher only once. Then, provide the total number of teachers who were retained at the end of each school year. For example, if you had seven classroom teachers (e.g., one each K-6) and three special area teachers (for a total of ten teachers), and three were let go (or otherwise decided not to return in 2010-11) at the end of the 2009-10 school year, your teacher attrition rate would be 30 percent. A teacher on leave is not counted toward the attrition rate.

If you have any questions, please call the Charter School Office at 518-474-1762.

**Charter School Student Attrition Rates  
2009-10**

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Number of students leaving for lack of transportation	0	0	0	0
Number of students leaving for geographic reasons (e.g., out of state/district relocation)	13	5	7	5
Number of students leaving for more restrictive special education setting	0	1	0	0
Number of students leaving due to parental choice (e.g., school transfer closer to residence, local elementary school, parent convenience)	11	8	5	2
Number leaving for other reasons (undetermined)	1	1	4	7
Total number of students leaving.	25	15	16	14
Highest Number Enrolled (July 1 – June 30)	412	299	203	133
<b>Total Percent Attrition</b>	<b>6.0%</b>	<b>5.0%</b>	<b>7.9%</b>	<b>10.5%</b>

**Charter School Teacher Attrition Rates  
2009-10**

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Number of Classroom Teachers	24	19	12	8
Number of Special Area Teachers	12	12	6	3
Total Number of Teachers	36	31	18	11
Total Number of Teachers Leaving	3	1	4	4
<b>Total Percent Attrition</b>	<b>8.3%</b>	<b>3.2%</b>	<b>22.2%</b>	<b>36.4%</b>

	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Number of teachers leaving for geographic reasons (out of state/relocation)	1	0	0	0
Number of teachers leaving to take a position in a school district	0	0	0	0
Number of teachers leaving to take a position in another charter school	0	0	0	0
Number of teachers not retained	0	0	0	0
Number of teachers leaving for other reasons (or undetermined)	2	1	4	4

### Section III

## Guidelines for Audits of the Financial Statements of Charter Schools

The New York charter schools act of nineteen hundred ninety-eight requires that a charter school “shall be subject to the financial audits, the audit procedures, and the audit requirements set forth in the charter. Such procedures and standards shall be applied consistent with generally accepted accounting and audit standards. Independent fiscal audits shall be required at least once annually.”

These guidelines are provided to assist charter schools in New York State and their auditors through the annual audit process. The guidelines are also intended to provide some uniformity in the reporting by charter schools and to assist the Board of Regents in meeting its responsibilities for ensuring accountability over public funds and for reporting annually to the Governor and Legislature on the status of charter schools.

Each audit should meet the following minimum standards:

#### Audit Requirements:

- ❑ An independent and licensed Certified Public Accountant or Public Accountant should perform the audit.
- ❑ The audits should be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.
- ❑ If the charter school spends **\$500,000** or more in federal awards during the fiscal year, an independent audit as prescribed in the federal Office of Management and Budget Circular A-133 must also be completed and filed with the federal government and the State Education Department.

#### Reporting Requirements:

- ❑ The sample format for the financial statements is provided in accordance with Section 2851 of the Education Law.
- ❑ The financial statements should be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for not-for-profit organizations.
- ❑ All statements required by Financial Accounting Standards Board (FASB) Statement No. 117, *Financial Statements of Not-for-Profit Organizations*, should be presented including a Statement of Financial Position, Statement of Activities and Statement of Cash Flows. Required note disclosures and others that are deemed appropriate should be included.
- ❑ A supplemental schedule of functional expenses, in a format consistent with the attached, should be included and subject to the auditing procedures applied in the audit of the general purpose financial statements. Such supplemental schedule is not a required part of the general purpose financial statements and should be included for the purposes of additional analysis.
- ❑ When applicable, the auditor should prepare and submit a management letter. A copy of the management letter should be submitted with the financial statements along with the school’s corrective action plan to address any weaknesses identified in the report or the management letter.
- ❑ Reports (the independent auditor’s report on the financial statements, report on compliance, report on internal control over financial reporting, management letter, and federal Single Audit, if applicable)

must be submitted in electronic form within 120 days of the end of the charter school fiscal year to the following addresses:

State Education Department  
Office of Audit Services  
89 Washington Avenue Room 524 EB  
Albany, New York 12234  
[FSandA133@mail.nysed.gov](mailto:FSandA133@mail.nysed.gov)

State Education Department  
Charter School Office  
89 Washington Avenue Room 462 EBA  
Albany, New York 12234  
[charterschools@mail.nysed.gov](mailto:charterschools@mail.nysed.gov)

## ***SAMPLE FINANCIAL STATEMENTS***

Sample financial statements are provided for illustrative purposes. Charter schools and their auditors should consult applicable standards when determining the specific requirements that apply to their schools. The auditor should not consider these examples to be all-inclusive or a substitute for professional judgment.

The following sample financial statements are attached:

- Statement of Financial Position
- Statement of Activities
- Statement of Cash Flows
- Schedule of Functional Expenses

Explanations are provided below for certain key terms included in the sample financial statements:

### **Revenue:**

#### **Public School District:**

**Revenue - Resident Student Enrollment** - Revenue from public school districts based on resident students attending the charter school and each district's adjusted expense per student or the agreed upon amount per student.

**Revenue - Students with Disabilities** - Revenue from public school districts for aid attributable to special education services or programs provided by the charter school to a student with a disability enrolled in the charter school.

**Other Revenue from Public School Districts** - Revenues from public school districts other than those defined above.

**State Grants:** Report state funded grants or other apportionments received directly from the State of New York.

**Federal Grants:** Report federal funded grants or other apportionments received directly from the federal government or through the State of New York.

**Private Grants:** Report privately funded grants or other apportionments received.

### **Program Service Expenses:**

**Regular Education:** Report instructional activities involving the teaching of students, instructional supervision, developing and utilizing learning materials and related services in the classroom or learning environment.

**Special Education:** Report instructional activities involving the teaching of students with Individualized Education Programs, or those receiving special education services, instructional supervision, developing and utilizing learning materials and related services in the classroom or learning environment.

**Other Program:** Services other than instructional provided to students, i.e., community services, health services, food services, athletic services, music and theatre arts, and other student activities.

### **Supporting Service Expenses:**

**Management and General:** Activities related to the overall management and direction of the school that are not identifiable with a particular program or fundraising activity. Management and general expenses typically include the organization oversight, board expenses, business management, record keeping, budgeting, financing and other administrative activities.

**Fundraising:** Activities related to publicizing and conducting fund-raising campaigns, maintaining donor mailing lists, conducting special fund-raising events, activities involved in the solicitation of contributions from individuals, foundations, government agencies, etc.

### **Schedule of Functional Expenses:**

The schedule of functional expenses must present, in reasonable detail, the nature of the expenses incurred in each category of program and supporting services reported in the activity statement. The sample schedule shows the typical level of detail expected. Charter schools are encouraged to add additional categories if it will enhance the reader's understanding of the schedule. Likewise, classifications not used, or not material to the school's presentation, may be eliminated.

If not otherwise presented, charter schools employing management companies should obtain and provide in note disclosure a breakdown of contracted services fees in a similar format to the schedule of functional expenses to facilitate comparisons among districts.

**Note on Allocation of Expenses:** Charter schools must use allocation methods that are fair and reasonable. Such allocation methods, as well as the statistical basis used to calculate allocation percentages, should be documented and retained for review upon audit. Salaries of employees who perform tasks for more than one program must be allocated among all programs for which they work. The cost of supplies that are purchased for distribution among multiple programs must be allocated among these programs if direct charges are not possible. Allocation percentages should be reviewed, at a minimum, on an annual basis and adjusted as necessary.

**Sample Statement of Financial Position**  
**Charter School Name**  
**Statement of Financial Position**  
**As of June 30, 20XX**

	As of June 30, 20XX
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$
State and Federal Aid Receivable	
Contributions receivable	
Other Receivables, Net	
Short-term Investments	
Inventories	
Prepaid Expenses	
Total Current Assets	_____
Assets restricted to investment in land, buildings and equipment	
Land, Buildings and Equipment	
Long-term Investments	
Total Assets	\$ _____
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	\$
Accrued Liabilities	
Other Liabilities	
Deferred Revenues	
Current Portion of Long-term Debt	
Total Current Liabilities	_____
Long-term Debt	
Total Liabilities	_____
<b>Net Assets</b>	
Unrestricted	
Temporarily restricted	
Permanently restricted	
Total Net Assets	_____
Total Liabilities and Net Assets	\$ _____

**Sample Statement of Activities  
Charter School  
Statement of Activities  
For the Year Ended June 30, 20XX**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, gains and other support:</b>				
Public School District:				
Revenue - Resident Student Enrollment				
Revenue - Students with Disabilities				
Other Revenue from Public School Districts				
State Grants				
Federal Grants				
Private grants				
Contributions				
Investment Income				
Other Income				
Net Assets Released from Restrictions				
<b>Total Revenues, Gains and Other Support</b>				
<b>Expenses:</b>				
<u>Program Expenses:</u>				
Regular Education				
Special Education				
Other Program				
<u>Supporting Services:</u>				
Management and General				
Fundraising				
<b>Total Expenses</b>				
Change in Net Assets				
Net Assets Beginning of Year				
<b>Net Assets End of Year</b>				

**Sample Statement of Cash Flows**  
**Charter School Name**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 20XX**

	20XX
Cash flows from operating activities:	
Revenues from School Districts	\$
Grant revenues	
Contributions and fund-raising activities	
Miscellaneous sources	
Payments to vendors for goods and services rendered	(            )
Payments to charter school personnel for services rendered	(            )
Interest payments	(            )
Net cash provided by operating activities	
Cash flows from investing activities:	
Purchase of equipment	(            )
Net cash used by investing activities	(            )
Cash flows from financing activities:	
Principal payments on long-term debt	(            )
Net cash provided by investing activities	(            )
Net increase in cash	
Cash at beginning of year	
Cash at ending of year	\$
Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	
(Increase) Decrease in assets:	
Accounts receivable	
Increase (Decrease) in liabilities:	
Accounts payable	
Accrued liabilities	(            )
Net cash provided by operating activities	\$

**Sample Schedule of Functional Expenses**  
**Charter School Name**  
**Schedule of Functional Expenses**  
**For the Year Ended June 30, 20XX**

	Program Services			Supporting Services		Total
	Regular Education	Special Education	Other Program	Fundraising & Special Events	Management and General	
Salaries	\$	\$	\$	\$	\$	\$
Employee Benefits and Payroll Taxes						
Accounting/Auditing Fees						
Board Expenses						
Consultants - Computer						
Consultants – Education						
Contracted Services – Management Co.						
Contracted Services - Other						
Equipment Rental/Lease						
Food						
Insurance						
Interest Expense						
Legal						
Library						
Maintenance & Repairs						
Occupancy						
Printing						
Supplies & Materials						
Other Expenses						
Staff Development						
Telephone						
Textbooks						
Transportation (Student)						
Travel						
Utilities						
Vehicle Rental/Lease						
Depreciation and Amortization						
Total Expenses	\$	\$	\$	\$	\$	\$

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**Section IV**

**Disclosure of Financial Interest by a Charter School Trustee  
Annual Report 2009-10**

**Name (print)** \_\_\_\_\_

**Name of Charter School** \_\_\_\_\_

**Charter Entity** \_\_\_\_\_

**Home Address** \_\_\_\_\_

**Business Address** \_\_\_\_\_

**Daytime Phone** \_\_\_\_\_

**E-Mail Address** \_\_\_\_\_

1. List all positions, current or past, with dates, held on the board (e.g., officer (specify), committee chair, parent representative):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Is the trustee an employee of the School? \_\_\_ **Yes** \_\_\_ **No**

3. If you checked **Yes**, please provide a description of the position you hold and your responsibilities, your salary and your start date.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Is the trustee an employee or agent of the management company? \_\_\_ **Yes** \_\_\_ **No**

5. Is the trustee an employee or agent of any institutional partner of the School? \_\_\_ **Yes** \_\_\_ **No**

Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school during the time you have served on the board, and in the six month period prior to such service. If there has been no such financial interest or transaction, write **none**. Please note that if you answered **yes** to Question 2, you need not disclose again your employment status, salary, etc.

<b>Date(s)</b>	<b>Nature of Financial Interest/Transaction</b>	<b>Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)</b>	<b>Name of person holding interest or engaging in transaction and relationship to yourself</b>

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, you need not list every transaction between such organization and the School that is pursuant to such agreement. Instead, 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**.

<b>Organization Conducting Business with the School</b>	<b>Nature of Business Conducted</b>	<b>Approximate Value of the Business Conducted</b>	<b>Name of Trustee/ Immediate Family/Member of Household Holding an Interest in the Organization Conducting Business with the School and the Nature of the Interest</b>

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

***Statement of Assurances***

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.

\_\_\_\_\_  
Print Name, School Leader

\_\_\_\_\_  
Signature and Date

\_\_\_\_\_  
Print Name, President, Board of Trustees

\_\_\_\_\_  
Signature and Date