



New York City Montessori Charter School

Annual Report 2011-2012

416 Willis Avenue
Bronx, NY 10454

347-226-9094

I. *School Information and Cover Page*

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School Name: New York City Montessori Charter School

School Leader: Gina Sardi, Principal

School email address: sardi@nycmcs.org

Primary address: 416 Willis Avenue, Bronx, NY 10454

School website: www.nycmcs.org

School email: information@nycmcs.org

Telephone: 347-226-9094

Fax: 347-226-9097

BEDS # 3207 0086 1004

District/CSD of Location: CSD 7

Charter authorizer: New York State Education Department

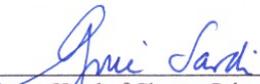
Chair, Board of Trustees: Denise Clay, PhD

Date school first opened for instruction: September 6, 2011

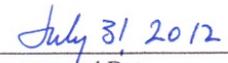
2011-2012 Enrollment: 104

2011-2012 Grades Served: Kindergarten and First Grade

Our signatures below attest that all of the information contained herein is truthful and accurate.



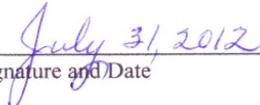
Print Name, Head of Charter School
Gina Sardi



Signature and Date
July 31, 2012



Print Name, President, Board of Trustees
Denise Clay



Signature and Date
July 31, 2012

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III. New York State School Report Card

Our students will not be required to take statewide tests until third grade, starting in school year 2013-2014.

Key Focus Area Requests

V. Progress Toward Goal Achievement

The New York City Montessori Charter School opened its doors in September of 2011, with 104 students in Kindergarten and First Grade. During this first year, we have made progress in two important aspects of our charter: the revision of the alignment of the Montessori approach with the Core Curriculum Standards, and the establishment of a school culture with a rigorous work ethic that will prepare our students for the required state-wide assessments starting in 3rd Grade.

This year, we used the DRA and Fountas & Pinnell to track progress in reading skills. The children were given the Stanford Achievement Test (SAT 10) in May to establish a baseline of standardized scores in ELA and Math and to give the students practice in test taking.

The scores this year reflect the number of children with IEPs who entered the school (13) and the number we suspect need IEPs who are awaiting evaluation by the CSE (an additional 17). We also observed that many children entered Kindergarten with very limited early childhood experience and skills, and several children entered first grade with very low academic skills. It has been through the individualized attention of the Montessori approach that many of these children have begun to gain the skills they lacked.

To deal with these issues during the year, we provided the students with one on one attention with specialists and increased the Professional Development for teachers in differentiation and the use of Montessori materials to support struggling children.

VI. Charter Revisions

At this time there are no charter revisions.

Enrollment and Retention Targets

The New York City Montessori Charter School implemented the following strategies in 2011-2012 to attract students with disabilities, English language learners and students who are eligible for free and reduced price lunch:

- we contacted day care centers in the area with high concentration of the targeted population and distributed brochures and notifications of the lottery starting in January and leading up to the lottery in April,
- we visited day care centers and early childhood centers and gave presentations to the parents/guardians regarding the school, including instructions for application, especially targeting centers that service children with special needs.
- we have contact with service providers in the area who were able to refer families to our school for applications.
- we held two open houses to provide information about the school to parents/guardians .
- All of our presentations were done in both English and Spanish, and all of our printed materials are written in both languages, as a large proportion of the attendees in the community are Spanish speakers.

Appendix A: Progress Toward Charter Goals

2011-2012 Progress Toward Attainment of Academic Charter Goals			
<i>Academic goal or objective</i>	<i>Measure used to evaluate progress toward attainment of goal or objective</i>	<i>2011-2012 progress toward attainment of goal or objective</i>	<i>If not met, describe efforts to be undertaken to meet goal or objective</i>
Each year, (beginning in 2013-2014), the school will earn a score sufficient to place it at or above the 75 th percentile of all schools on the “Performance” section of the citywide Progress Report.	N/A	In order to prepare them to take state mandated tests, the students were given the Stanford Achievement Test (SAT 10) in the spring. This allowed us to establish a baseline and to provide the students with practice in test taking.	As expected, performance on these tests was low for some of our students. Most kindergarten students are in the early stages of acquisition of reading skills, and these tests require a level of independent reading they have not yet attained.

2011-2012 Progress Toward Attainment of Organizational Charter Goals			
<i>Organizational goal or objective</i>	<i>Measure used to evaluate progress toward attainment of goal or objective</i>	<i>2011-2012 progress toward attainment of goal or objective</i>	<i>If not met, describe efforts to be undertaken to meet goal or objective</i>
Each year the school will have a daily student attendance rate of at least 95 percent	This will be measured by school reported data from an attendance tracking system.	This year the attendance rate was 91%. This rate was affected by a small number of children who had a high number of absences due to health, and family travel reasons.	For next year we have instituted procedures for close follow-up with children who are absent to ensure that families are aware of the importance of regular attendance starting at an early age.
Each year the school will comply with all applicable laws, rules, regulations and contract terms and have in place and maintain effective systems, policies, procedures and other controls for ensuring that legal and charter requirements are met.	Board Policies and Minutes of Meetings	NYCMCS substantially complied with all applicable laws, rules and regulations. We provided training for our staff with respect to applicable procedures and systems, and consulted with experts whenever necessary.	
Each year, student enrollment will be within 10% of full enrollment as defined in the schools contract.	Measured by student enrollment data.	Our charter stated that we would enroll 104 students. By October we had enrolled 106. We maintained this number until midyear when enrollment went down to 104. All but 6 children have re-enrolled for next year.	

Each year teacher retention of high performing staff will be high.	Measured by accepted re-hire letters	All but one of our teachers is returning next year (she moved out of state).	
Each class will have at least one teacher who is Montessori certified or in training.		Five out of six head teachers participated in Montessori Training programs this summer (the sixth teacher is already Montessori certified), working towards achieving our goal of having every head teacher dually certified: Montessori and State Certified.	

2011-2012 Progress Toward Attainment of Financial Charter Goals			
<i>Financial goal or objective</i>	<i>Measure used to evaluate progress toward attainment of goal or objective</i>	<i>2011-2012 progress toward attainment of goal or objective</i>	<i>If not met, describe efforts to be undertaken to meet goal or objective</i>
Upon completion of the school's first year of operation and every year thereafter, the school will undergo an independent financial audit that will result in an unqualified opinion and no major findings	Independent Financial Audit Findings	Final results of the audit will be submitted by the November date after completion of the audit in mid August. Preliminary results of the test audit done in June found no faults in any of the school's procedures.	
Each year, the school will operate on a balanced budget and maintain a stable cash flow.	Monthly and weekly financial statements are prepared by Charter School Business Management and reviewed by the Director of Operations, Principal, and Treasurer of the Board. They are distributed to the Board of Trustees at the monthly meetings. The Board's Finance Committee meets monthly before the full Board meetings to review the school's financial records. Results of the test audit were shared with the Board, as will the audited financial	The school maintained a positive operating and cash surplus throughout the year and kept within the limits of the budget of operating expenses throughout the school year.	

	statements when they are completed.		
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Charter-Specific Goals Table

2011-2012 Progress Toward Attainment of Charter-Specific Goals			
<i>Charter-specific goal or objective</i>	<i>Measure used to evaluate progress toward attainment of goal or objective</i>	<i>2011-2012 progress toward attainment of goal or objective</i>	<i>If not met, describe efforts to be undertaken to meet goal or objective</i>
Each year parents will express satisfaction with the schools programs.	Parent Satisfaction Survey	54% of parents responded to the NYC DOE School Survey. The score out of 10 was: Academic expectations: 8.6 Communication: 8.2 Engagement: 8.4 Safety and Respect 9.1	

Appendix B: Instructional Timetable

2011-2012 Instructional Time	
Total number of instructional days for the 2011-2012 school year	181
First and last day of the 2011-2012 school year	September 6 th June 27 th
Length of school day (please note if schedule varies throughout the week or the year)	7:45 am to 4:00 pm, including breakfast and lunch.

Appendix C: Total Expenditures and Administrative Expenditures per Child

**NEW YORK CITY MONTESSORI CHARTER SCHOOL
6/30/2012**

Total Number of Enrolled Students (FTE)	103.275
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	Total Expenditures	Administrative Expenditures
Total:	\$1,923,721	\$582,573
Expenditures Per	\$18,627	\$5,641

Appendix D: Unaudited Financial Statements

**NEW YORK CITY MONTESSORI CHARTER SCHOOL
6/30/2012**

STATEMENT OF FINANCIAL POSITION

As of June 30, 2012	2012
Assets:	
Cash and cash equivalents	58,466
Cash - restricted	25,050
Grant and other receivables	152,830
Prepaid expenses and other assets	222,700
Property and equipment, net	57,618
Total Assets	516,664
Liabilities and Net Assets:	
Liabilities:	
Accounts payable, accrued expenses and other liabilities	151,375
Accrued salaries and other payroll related expenses	115,266
Unearned revenue	
Total Liabilities	266,641
Net assets:	
Unrestricted	250,023
Temporarily restricted	-
Total Net Assets	250,023
Total Liabilities and Net Assets	516,664

STATEMENT OF ACTIVITIES

Year Ended June 30, 2012 Total	TOTAL 2012
<hr/>	
Operating revenue:	
State and local per pupil operating revenue	1,461,247
Federal grants	299,699
State grants	110,789
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Total Operating revenue	1,871,736
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Expenses	
Program services:	
General Education	1,214,052
Special Education	102,236
Management and general	607,433
Fundraising	
<hr/>	
Total Operating expenses	1,923,721
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Surplus from school operations	(51,985)
Support and other income	
Foundation grants	
Donated Services	95,000
Other income	14,583
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Change in net assets	57,598
Net assets - beginning of period	192,425
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Net assets – end of period	250,023
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Appendix E: 2012-13 ANNUAL BUDGET

**NEW YORK CITY MONTESSORI CHARTER SCHOOL
6/30/2012**

Income	
4100 State Grants	2,110,212
4102 Per Pupil Allocations for SPED	81,042
4103 NYSTL	9,087
4104 NYSSL	2,337
4105 NYSLIB	975
4106 SSF	50,000
Total 4100 State Grants	2,253,653
4200 Federal Grants	
4201 IDEA for Sp. Ed.	15,109
4203 Title I	75,216
4204 Title IIA	7,211
4205 CSP	300,000
4206 ERATE	15,984
Total 4200 Federal Grants	413,520
4300 Contributions	
4301 Individual Contributions	15,000
4305 Foundation Contributions	60,000
4305 Fundraising Events	25,000
Total 4300 Contributions	100,000
4400 Miscellaneous Income	
4406 Sublease Income	300,000
Total 4400 Miscellaneous Income	300,000
Total Income	3,067,173

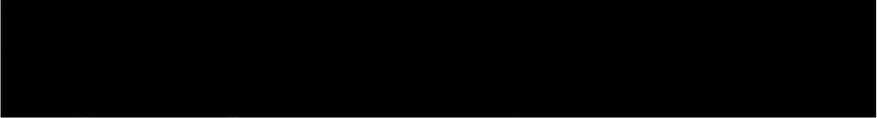
Expenses

5000 Compensation	
5100 Administrative	273,263
5200 Instructional Staff	834,580
5300 Special Education	216,435
5500 Benefits	214,314
6100 Administrative Expenses	55,038
6200 Professional Services	255,600
6300 Professional Development	116,250
Total 6300 Professional Development	116,250
6400 Marketing and Staff/Student Recruitment	8,600
6500 Fundraising Expenses	4,000
7100 Curriculum & Classroom Expenses	81,699
8100 Facility	786,885
8200 Technology/Communication Expense	38,260
8800 Miscellaneous Expenses	3,400
8900 Depreciation Expenses	18,664
9000 Contingency Fund	10,000
Total Expenses	2,916,988
Net Operating Income	150,185
Escrow & Capital Costs	256,400

Appendix F: Disclosure of Financial Interest Form

Disclosure of Financial Interest by a New York Charter School Board of Trustees Member Annual Report 2011-2012

**Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

1. Trustee Name (print) Aaron Sannott
2. Charter School Name NEW YORK CITY MONTESSORI CHARTER SCHOOL
3. Charter Authorizer Entity NY CSD
4. Home Address* 
5. Business Address* 
6. Daytime Phone* 
7. E-Mail Address* 
8. List all positions held on board (e.g., chair, treasurer, parent representative)
SECRETARY
9. Is the trustee an employee of the school? ___ Yes No
If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

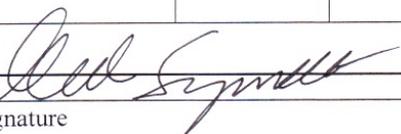
10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? ___ Yes No
If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

11. 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 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<i>Please write "None" if applicable. Do not leave this space blank.</i>			
	NONE		

12. 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 of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i>				
	NONE			


6/19/12

 Signature Date

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member
Annual Report 2011-2012**

**Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

- 1. Trustee Name (print) ALEX GURVICH
- 2. Charter School Name NEW YORK CITY MONTESSORI CHARTER SCHOOL
- 3. Charter Authorizer Entity NEW YORK STATE STATE EDUCATION
- 4. Home Address* 
- 5. Business Address 
- 6. Daytime Phone* 
- 7. E-Mail Address* 

- 8. List all positions held on board (e.g., chair, treasurer, parent representative)
TREASURER

- 9. Is the trustee an employee of the school? Yes No
If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

- 10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? Yes No
If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

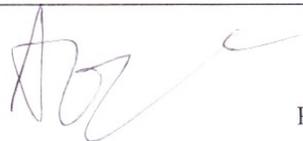
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<i>Please write "None" if applicable. Do not leave this space blank.</i> None			

12. 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 of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i> None				

Signature



Date

6/19/12

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member
Annual Report 2011-2012**

**Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

- 1. Trustee Name (print) Denise M. Clay, Ph.D.
- 2. Charter School Name New York City Montessori Charter School
- 3. Charter Authorizer Entity New York State Education Department
- 4. Home Address* _____
- 5. Business Address* _____
- 6. Daytime Phone* _____
- 7. E-Mail Address* _____
- 8. List all positions held on board (e.g., chair, treasurer, parent representative)
Chair (2011-2013)

9. Is the trustee an employee of the school? ___ Yes No

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

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? Yes ___ No

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

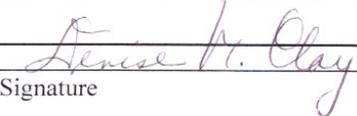
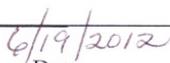
Director of Education and Staff Development

11. 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 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p><i>None</i></p>			

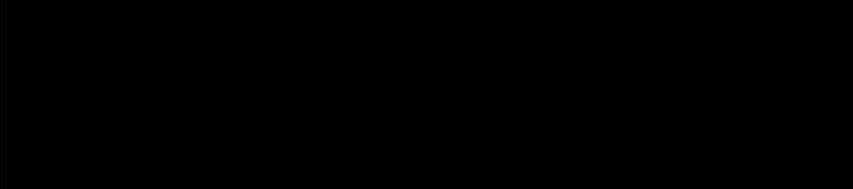
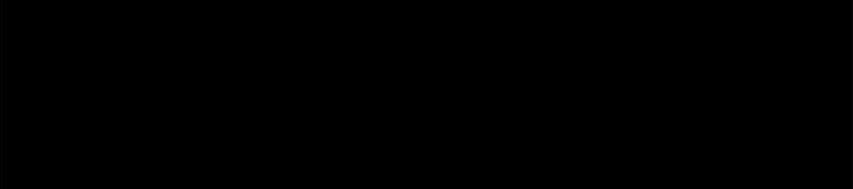
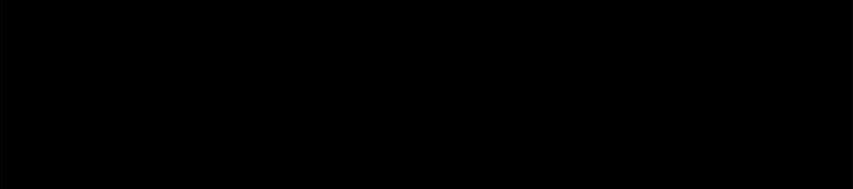
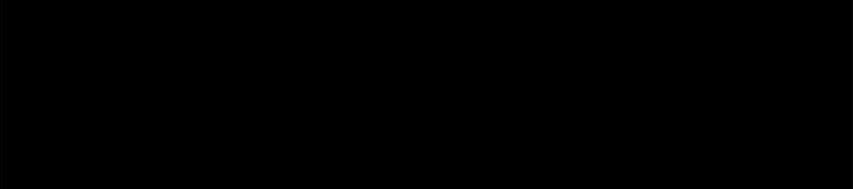
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Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<p><i>Please write "None" if applicable. Do not leave this space blank.</i></p> <p><i>None</i></p>				



 Signature Date

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member
Annual Report 2011-2012**

**Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

- 1. Trustee Name (print) DIANNE JARVIS LUMSDEN
- 2. Charter School Name NEW YORK ~~STATE~~ CITY MONTESSORI CHARTER SCHOOL
- 3. Charter Authorizer Entity NYSED
- 4. Home Address? 
- 5. Business Address 
- 6. Daytime Phone 
- 7. E-Mail Address 
- 8. List all positions held on board (e.g., chair, treasurer, parent representative)
N/A

9. Is the trustee an employee of the school? ___ Yes No

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

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? ___ Yes No

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

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Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<i>Please write "None" if applicable. Do not leave this space blank.</i>			
→	NONE		

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→ NONE →				

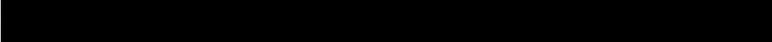
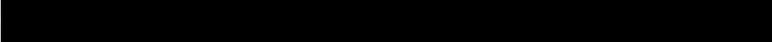


 Signature

Date 6/19/2012

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member
Annual Report 2011-2012**

**Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

- 1. Trustee Name (print) Neil Paniser
- 2. Charter School Name NYC Montessori Charter School
- 3. Charter Authorizer Entity SED
- 4. Home Address 
- 5. Business Address 
- 6. Daytime Phone 
- 7. E-Mail Address 
- 8. List all positions held on board (e.g., chair, treasurer, parent representative)
Board Member

- 9. Is the trustee an employee of the school? Yes No

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

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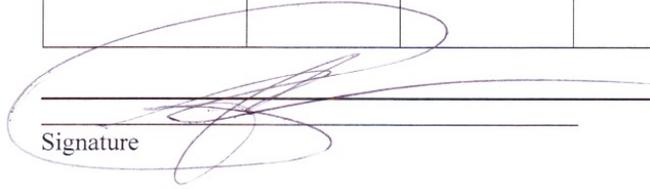
Consultant to SOBPO - Institutional partner.

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<i>Please write "None" if applicable. Do not leave this space blank.</i>			
None 			

12. 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**.

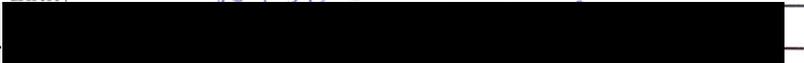
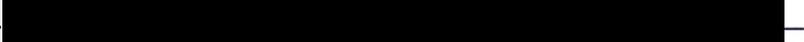
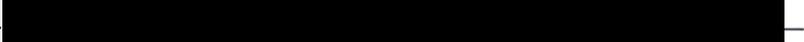
Organization conducting business with the school	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i>				
None 				

Signature 

Date 6/17/12

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member
Annual Report 2011-2012**

**Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

- 1. Trustee Name (print) Nilza I. Oyola
- 2. Charter School Name NYC Montessori Charter School
- 3. Charter Authorizer Entity NYSBT
- 4. Home Address* 
- 5. Business Address* 
- 6. Daytime Phone* 
- 7. E-Mail Address* 
- 8. List all positions held on board (e.g., chair, treasurer, parent representative)
N/A

9. Is the trustee an employee of the school? ___ Yes No

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

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? ___ Yes ___ No

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

11. 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 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<i>Please write "None" if applicable. Do not leave this space blank.</i>			

12. 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 of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i>				

Signature

Date

Appendix F: Disclosure of Financial Interest Form

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member
Annual Report 2010-11**

**Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

1. Trustee Name (print) Allison Lide _____
2. Charter School Name New York City Charter Montessori School _____
3. Charter Authorizer Entity _____
4. Home Address* [REDACTED] _____
5. Business Address* [REDACTED] _____
6. Daytime Phone* [REDACTED] _____
7. E-Mail Address* [REDACTED] _____
8. List all positions held on board (e.g., chair, treasurer, parent representative)
Chair, Education Committee _____

9. Is the trustee an employee of the school? ___Yes ___x___No

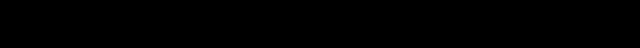
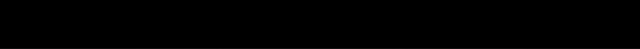
If Yes, please provide a description of the position you hold and your responsibilities, your salary and your start date.

10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? ___Yes ___x___No

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

**Disclosure of Financial Interest by a New York Charter School Board of Trustees Member
Annual Report 2011-2012**

**Note: This Disclosure is a public record, but asterisked data fields will be redacted.*

- 1. Trustee Name (print) Rory Cohen
- 2. Charter School Name New York City Montessori Charter School
- 3. Charter Authorizer Entity New York State Education Department
- 4. Home Address* 
- 5. Business Address* 
- 6. Daytime Phone* 
- 7. E-Mail Address* 
- 8. List all positions held on board (e.g., chair, treasurer, parent representative)

Vice Chairman

- 9. Is the trustee an employee of the school? ___ Yes No

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

- 10. Is the trustee an employee or agent of the management company or institutional partner of the charter school? ___ Yes No

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

11. 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 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
<i>Please write "None" if applicable. Do not leave this space blank.</i>			
None			

12. 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 of household holding an interest in the organization conducting business with the school and the nature of the interest	Steps Taken to Avoid Conflict of Interest
<i>Please write "None" if applicable. Do not leave this space blank.</i>				
None				


6/19/12

Signature Date

Appendix G: Board of Trustees Membership Table

List the board membership and the number of board members joining and leaving the board in the 2011-2012 school year.

Current Board Members					
Trustee Name and Email Address	Position on the Board (e.g., Officers or constituent representatives)	Committee affiliation(s)	Voting Member (Yes/No)	Area of expertise, and/or additional role at school (parent, staff member etc.)	Number of terms served and length of each, including date of election and expiration
Denise Clay clay@nycmcs.org	Board Chair	Executive Committee Finance Committee Education Cte.	Yes	Higher Education Leadership Organizational Development	2010-Present
Rory Cohen cohen@nycmcs.org	Board Vice Chair	Executive Cte. Finance Cte.	Yes	Financial Management Legal	2010-Present
Alex Gurvich gurvich@nucmcs.org	Board Treasurer	Executive Cte. Finance Cte. Fundraising Cte.	Yes	Management Financial management Organizational development Fundraising	2010-Present
Aidan Synnott synnott@nycmcs.org	Board Secretary	Executive Cte.	Yes	Legal Fundraising	2010-Present
Dianne Jarvis Jarvis@nycmcs.org		Education Cte.	Yes	Education Technology Marketing	June 2011-June 2012
Nilza Oyola oyola@nycmcs.org		Education Cte. Finance Cte. Fundraising Cte.	Yes	Management Leadership Financial Management Community relations HR Organizational development	2010-Present
Neil Pariser pariser@nycmcs.org		Building Cte.	Yes	Community Relations	1/2012-Present

		Fundraising Cte.		Facilities and real estate Fundraising Financial management	
Allison Lide lide@nycmcs.org		Education Cte.	Yes	Education Montessori Family relations	January – June 2012
Tara Greaney greaney@nycmcs.org		Education Cte. Building Cte.	Yes	Staffing/HR Education Montessori Family relations	2010 - January 2012
Maria Gravel gravel@nycmcs.org		Education Cte.	Yes	Staffing/HR Education Montessori Family relations	2010 - January 2012
Wanda Andujar andujar@nycmcs.org	Parent Representative	Education Cte.	No	Parent Community relations Marketing	January 2012- Present
Total Members joining the board the 2011-2012 school year					4
Total Members departing the board during the 2011-2012 school year					4

NEW YORK CITY MONTESSORI
CHARTER SCHOOL
(A Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2012

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

INDEPENDENT AUDITORS' REPORT

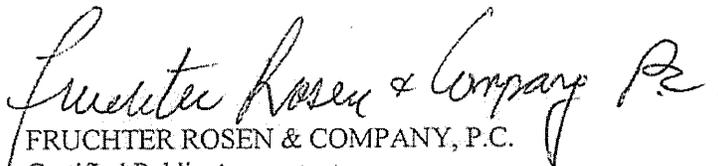
TO THE BOARD OF TRUSTEES
NEW YORK CITY MONTESSORI CHARTER SCHOOL

We have audited the accompanying statement of financial position of New York City Montessori Charter School (the "School") (a not-for-profit corporation) as of June 30, 2012, and the related statements of activities, and cash flows for the period from December 14, 2010 (inception) to June 30, 2012. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2012, and the changes in its net assets and its cash flows for the period from December 14, 2010 (inception) to June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2012 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 grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


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

New York, New York
August 21, 2012

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

Current assets:	
Cash and cash equivalents	\$ 58,723
Grants and contracts receivable	170,862
Prepaid expenses and other current assets	<u>99,006</u>
Total current assets	328,591
Property and equipment, net of accumulated depreciation and amortization of \$13,842	53,852
Security deposits	115,000
Restricted cash	<u>25,050</u>
TOTAL ASSETS	<u><u>\$ 522,493</u></u>

LIABILITIES AND UNRESTRICTED NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	75,540
Accrued payroll and payroll taxes	70,009
Due to related party	<u>26,645</u>
Total current liabilities	172,194
Line of credit	<u>90,000</u>
TOTAL LIABILITIES	262,194
Net assets:	
Unrestricted	232,356
Temporarily restricted	<u>27,943</u>
Total net assets	<u>260,299</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 522,493</u></u>

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

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM DECEMBER 14, 2010 (INCEPTION) TO
JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Total
Revenue and support:			
State and local per pupil operating revenue	\$ 1,461,247	\$ -	\$ 1,461,247
Federal grants	319,187	-	319,187
State and city grants	210,789	-	210,789
Contributions and grants	-	250,000	250,000
Donated services	95,000	-	95,000
After school program	14,570	-	14,570
Interest income	16	-	16
Net assets released from restriction	222,057	(222,057)	-
 Total revenue and support	 2,322,866	 27,943	 2,350,809
 Expenses:			
Program services			
Regular education	1,509,717	-	1,509,717
Special education	148,623	-	148,623
Supplementary Education	18,133	-	18,133
Total program services	1,676,473	-	1,676,473
Supporting services			
Management and general	406,798	-	406,798
Fundraising	7,239	-	7,239
Total expenses	2,090,510	-	2,090,510
 Change in net assets	 232,356	 27,943	 260,299
Net assets - beginning of period	-	-	-
Net assets - end of period	\$ 232,356	\$ 27,943	\$ 260,299

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

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM DECEMBER 14, 2010 (INCEPTION) TO
JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 260,299
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	13,842
Changes in certain assets and liabilities:	
(Increase) in grants and contracts receivable	(170,862)
(Increase) in prepaid expenses and other current assets	(99,006)
(Increase) security deposits	(115,000)
(Increase) in restricted cash	(25,050)
Increase in accounts payable and accrued expenses	75,540
Increase in accrued payroll and payroll taxes	70,009
Increase in due to related party	<u>26,645</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>36,417</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(67,694)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit	<u>90,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	58,723
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u><u>\$ 58,723</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the period for interest	<u><u>\$ 1,168</u></u>

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

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Nature of Organization

New York City Montessori Charter School (the “School”) is a New York State, not-for-profit educational corporation that was incorporated to operate a Charter School pursuant to Article 56 of the Education Law of the State of New York. The School was granted a provisional charter on December 14, 2010 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The School is an elementary school in the South Bronx neighborhood of New York that will empower its children to be critical thinkers and creative problem solvers with strong social skills so that they can succeed in their world and learn in their pursuit of higher education as they prepare for careers needed in the 21st century. Classes commenced in the Bronx, New York, in September, 2011, and the School provided education to approximately 103 students in grades kindergarten through first grade in the 2011-2012 academic year.

Food and Transportation Services

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

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii). The School is subject to income taxes only on net unrelated business income. The School did not have any unrelated business income for the period from December 14, 2010 (inception) to June 30, 2012.

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

IRS forms 990 filed by the School are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. All forms 990 filed by the School are subject to examination.

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Basis of Presentation

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

Unrestricted

Net assets of the School whose use has not been restricted by an outside donor or by law. They are available for any use in carrying out the operations of the School.

Temporarily Restricted

Net assets of the School whose use has been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the School. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets, as net assets released from restrictions.

Permanently Restricted

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

The School has no permanently restricted net assets at June 30, 2012.

Revenue and Support

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

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

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Use of Estimates

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

Cash and Cash Equivalents

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

Concentration of Credit Risk

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

Property and Equipment

Purchased property and equipment are recorded at cost. Property and equipment acquired with certain government funding are recorded as expenses pursuant to the terms of the contract, in which ownership of such property and equipment is retained by the funding source. Maintenance and repairs are expensed as incurred. No depreciation is recorded on construction-in-progress until property and equipment is placed into service. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Computers and equipment	4 years
Furniture and fixtures	5 years
Software	3 years

Restricted Cash

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

Refundable Advances

The School records certain government grants and contracts as refundable advances until the related services are performed, at which time it is recognized as revenue.

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

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

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2012:

Computers and equipment	\$	21,806
Furniture and fixtures		43,762
Software		2,126
		67,694
Less: accumulated depreciation and amortization		13,842
		\$ 53,852

Depreciation and amortization expense was \$13,842 for the period from December 14, 2010 (inception) to June 30, 2012.

NOTE 4 - RELATED PARTY TRANSACTIONS

On May 3, 2010 the School entered into an Institutional Partnership Agreement with the South Bronx Overall Economic Development Corporation (“SoBRO”), a 501(c)(3) not-for-profit organization that has been dedicated to improving the quality of life in the South Bronx. Two Board Members of the School are also employed by SoBRO. The primary purpose of the institutional partnership is to support the development and operation of the School. Pursuant to the terms of the agreement between SoBRO and the School, these services include but are not limited to the support in public and community relations activities, fiscal agent services, support in fundraising activities and support in identifying a potential school facility. SoBRO shall receive a fee of 5% of the total annual budget for the fiscal agent services. The agreement can be terminated by either party upon 90 days written notice. On June 15, 2012 both parties decided to terminate its fiscal agent services. For the period from December 14, 2010 (inception) to June 30, 2012, the School paid \$76,450 to SoBRO for fiscal agent services. There was a balance due to SoBRO of \$26,645 at June 30, 2012.

NOTE 5 - CONTINGENCY

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

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 DONATED SERVICES

Donated services are recognized as contributions in accordance with FASB ASC 605, "Accounts for Contributions Received and Contributions Made," if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

One entity provided legal services to the School at no charge. The value of these services meets the criteria for recognition in the financial statements and was recorded at fair value of \$95,000 for the period from December 14, 2010 (inception) to June 30, 2012.

NOTE 7 - REVENUE CONCENTRATION

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

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSE

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

NOTE 9 - LINE OF CREDIT

On March 2, 2012, the School entered into a \$150,000 line of credit agreement with The Contact Fund, LLC that expires on March 1, 2015.

Proceeds from the loan are to be used in the following manner - \$50,000 to be used exclusively for the security deposit on the School's lease with respect to 423-435 East 138th Street, Bronx, NY 10454. The remaining \$100,000 is to be used exclusively for the periodic working capital needs of the School.

The line of credit bears interest at various rates ranging from Prime Rate plus 175 basis points to Prime Rate plus 325 basis points as adjusted on a quarterly basis. In addition to the interest on the loan amounts drawn, the School agrees to pay interest at the rate of .50% annually on any amounts of any revolving credit that has not been drawn in accordance with the agreement. Interest is payable for both drawn and undrawn balances on a quarterly basis.

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 - LINE OF CREDIT (Continued)

The outstanding principal balance is due on March 1, 2015. The School may prepay the principal balance in part or in full at any time without premium or penalty.

In the event that the School achieves its projected enrollment goals of 156 students for fiscal year 2012-2013, as set forth in its Charter Agreement with the New York State Education Department, the maximum total Loan amount may be increased to \$250,000 at the request of the School.

The balance of the line of credit was \$90,000 at June 30, 2012. Interest expense was \$1,168 for the period from December 14, 2010 (inception) to June 30, 2012.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2012, temporarily restricted net assets of \$27,943 consist of grants that are restricted for start-up costs.

During the period from December 14, 2010 (inception) to June 30, 2012 the School released \$222,057 of start-up costs.

NOTE 11 - COMMITMENTS

In June 2011, the School entered into a non-cancelable operating lease for temporary office and classroom space that expired on June 30, 2012.

In March 2012, the School entered a 10 year non-cancelable operating lease for permanent office and classroom space beginning July 1, 2012 and ending on June 30, 2022. After the fifth year of the lease the base rent shall increase based on the excess of the Consumer Price Index ("CPI") as issued by the Bureau of Labor Statistics of the United States Department of Labor for moderate income families over the Base Price Index that exists as of the month in which the Commencement date occurs. In no event can the increase for each year be less than 2.25% from the prior year's net rental.

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11 - COMMITMENTS (Continued)

The future minimum lease payments are as follows:

	Amount
Year ending June 30, 2013	\$ 680,700
2014	950,000
2015	1,000,000
2016	1,200,000
2017	1,200,000
Thereafter	6,000,000
	\$ 11,030,700

In February 2012, the School entered a non-cancelable operating sub-lease agreement with another charter school for a portion of floors 1 through 4 and other common areas of the building beginning July 1, 2012 and ending on June 30, 2014.

The future minimum sub-lease receipts are as follows:

	Amount
Year ending June 30, 2013	\$ 300,000
2014	400,000
	\$ 700,000

For the year ended June 30, 2013, the School will recognize rent expense on a straight-line basis. Rent expense in excess of payments will be recorded as deferred rent in the statement of financial position.

NOTE 12 - SUBSEQUENT EVENTS

The School has evaluated its subsequent events through August 21, 2012, the date that the accompanying financial statements were issued. The School has no material events requiring disclosure.

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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES
NEW YORK CITY MONTESSORI CHARTER SCHOOL

We have audited the financial statements of New York City Montessori Charter School as of June 30, 2012 and for the period December 14, 2010 (inception) to June 30, 2012, and have issued our report thereon dated August 21, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


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

New York, New York
August 21, 2012

NEW YORK CITY MONTESSORI CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE PERIOD FROM DECEMBER 14, 2010 (INCEPTION) TO JUNE 30, 2012

	Program Services				Management and General	Fundraising	Total
	Regular Education	Special Education	Supplementary Education	Total			
Salaries and wages	\$ 641,737	\$ 63,816	\$ 15,710	\$ 721,263	\$ 145,921	\$ 4,750	\$ 871,934
Employee benefits and payroll taxes	100,147	9,473	2,030	111,650	23,007	677	135,334
Audit and accounting fees	-	-	-	-	25,000	-	25,000
Donated legal services	71,250	6,650	-	77,900	16,150	950	95,000
Advertising and recruiting	14,681	1,370	-	16,051	3,328	196	19,575
Legal fees	11,230	1,034	-	12,264	2,513	-	14,777
Financial management services	-	-	-	-	53,219	-	53,219
Contractual services	36,869	3,396	-	40,265	8,246	-	48,511
Consultants	202,666	19,932	-	222,598	30,438	-	253,036
Student food service	2,295	255	-	2,550	-	-	2,550
Staff lunches and team building	3,378	311	-	3,689	756	-	4,445
Insurance	9,685	892	-	10,577	2,167	-	12,744
Utilities	15,952	1,469	-	17,421	3,568	-	20,989
Rent	174,803	16,100	-	190,903	39,101	-	230,004
Postage and shipping	2,112	197	-	2,309	479	28	2,816
Classroom supplies	23,197	2,622	393	26,212	-	-	26,212
Instructional materials	67,917	7,546	-	75,463	-	-	75,463
Non-capitalized furniture and equipment	1,838	204	-	2,042	3,065	-	5,107
Professional development	57,275	6,364	-	63,639	15,677	-	79,316
Repairs and maintenance	8,421	776	-	9,197	1,883	-	11,080
Office supplies and expense	11,478	1,275	-	12,753	19,129	-	31,882
Telephone and internet services	7,220	674	-	7,894	1,637	96	9,627
Information technology	30,302	2,828	-	33,130	6,869	404	40,403
Student transportation	1,080	120	-	1,200	-	-	1,200
Interest	-	-	-	-	1,168	-	1,168
Dues and subscriptions	3,803	350	-	4,153	851	-	5,004
Depreciation and amortization	10,381	969	-	11,350	2,354	138	13,842
Miscellaneous	-	-	-	-	272	-	272
Total	<u>\$ 1,509,717</u>	<u>\$ 148,623</u>	<u>\$ 18,133</u>	<u>\$ 1,676,473</u>	<u>\$ 406,798</u>	<u>\$ 7,239</u>	<u>\$ 2,090,510</u>

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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
NEW YORK CITY MONTESSORI CHARTER SCHOOL

We have audited the financial statements of New York City Montessori Charter School (the "School") as of June 30, 2012 and for the period from December 14, 2010 (inception) to June 30, 2012, and have issued our report thereon dated August 21, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

TO THE BOARD OF TRUSTEES
NEW YORK CITY MONTESSORI CHARTER SCHOOL

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*.

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


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

New York, New York
August 21, 2012