

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2012 calendar year, or tax year beginning 07/01, 2012, and ending 06/30, 2013

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <u>HARLEM CHILDREN'S ZONE PROMISE ACADEMY</u> CHARTER SCHOOL II			D Employer identification number <u>34-2049530</u>	
	Doing Business As			E Telephone number <u>(212) 360-3255</u>	
	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite		
	City or town, state or country, and ZIP + 4 <u>NEW YORK, NY 10035</u>			G Gross receipts \$ <u>10,104,523.</u>	
F Name and address of principal officer: <u>GEOFFREY CANADA</u> <u>35 EAST 125TH STREET NEW YORK, NY 10035</u>					
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)		
J Website: ▶ <u>WWW.HCZPROMISEACADEMY.ORG</u>			H(c) Group exemption number ▶		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: <u>2005</u>		
			M State of legal domicile: <u>NY</u>		

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>TO PROVIDE HIGH QUALITY, STANDARDS-BASED ACADEMIC PROGRAMS FOR STUDENTS, GRADES K-12, FROM UNDERSERVED COMMUNITIES AND UNDERPERFORMING SCHOOL DISTRICTS.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	10.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9.
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	162.
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	8,917,239.	9,896,852.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,964.	4,244.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	20,339.	203,427.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	8,941,542.	10,104,523.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	5,821,196.	7,210,166.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
		b Total fundraising expenses (Part IX, column (D), line 25) ▶	0	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1,674,081.	1,485,991.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	7,495,277.	8,696,157.
19	Revenue less expenses. Subtract line 18 from line 12	1,446,265.	1,408,366.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	7,679,848.	9,947,348.
	22	Net assets or fund balances. Subtract line 21 from line 20.	3,222,192.	4,081,326.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	▶ Signature of officer	Date			
	▶ Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name <u>Scott Thompson</u>	Preparer's signature <u>SCOTT THOMPSETT</u>	Date <u>5/2/2014</u>	Check if self-employed <input type="checkbox"/>	PTIN <u>P00741490</u>
	Firm's name ▶ <u>GRANT THORNTON LLP</u>	EIN ▶ <u>36-6055558</u>		Phone no. ▶ <u>212-599-0100</u>	
	Firm's address ▶ <u>666 THIRD AVENUE NEW YORK, NY 10017-4057</u>				

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III Yes No

1 Briefly describe the organization's mission:

ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 8,046,965. including grants of \$ 0) (Revenue \$ 0)

ATTACHMENT 2

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► 8,046,965.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	X	
14 a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	X	
35 a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V.

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a-14b regarding Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8282, Form 8899, Form 1098-C, Form 990 in lieu of Form 1041, and Form 720.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI. [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (10), 1b (9), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: DENINE FOSTER 35 EAST 125TH STREET NEW YORK, NY 10035 212-360-3255

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) KENNETH LANGONE CHAIRMAN	2.00 1.00	X		X				0	0	0
(2) GEOFFREY CANADA PRESIDENT/CEO	2.00 40.00	X		X				0	307,016.	183,423.
(3) STANLEY DRUCKENMILLER BOARD MEMBER	2.00 1.00	X						0	0	0
(4) DENISE NASH FULLER BOARD MEMBER	2.00	X						0	0	0
(5) ARLENE GIBSON BOARD MEMBER	2.00	X						0	0	0
(6) MITCH KURZ TREASURER	2.00 1.00	X		X				0	0	0
(7) O'DONNA HUE OSBOURNE BOARD MEMBER	2.00	X						0	0	0
(8) MADELINE WHITE BOARD MEMBER	2.00	X						0	0	0
(9) HOPE WILLIAMS BOARD MEMBER	2.00	X						0	0	0
(10) WILLIE MAE LEWIS BOARD MEMBER	2.00	X						0	0	0
(11) MARK MOYER (FROM 01/13) CHIEF FINANCIAL OFFICER	1.00 40.00			X				0	0	0
(12) KATHLEEN FERNALD PRINCIPAL	40.00					X		196,774.	0	57,661.
(13) SHERYL RAGLAND PRINCIPAL	40.00					X		130,456.	0	39,440.
(14) NICOLLE HAYNES-CROCKER MATH COACH	40.00					X		112,068.	0	45,369.

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII.

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	1,089,797.			
	e Government grants (contributions)	1e	8,797,055.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	10,000.			
	g Noncash contributions included in lines 1a-1f: \$		488,297.			
	h Total. Add lines 1a-1f		9,896,852.			
	Program Service Revenue	Business Code				
2a _____						
b _____						
c _____						
d _____						
e _____						
f All other program service revenue						
g Total. Add lines 2a-2f		0				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		4,244.			4,244.
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)		0			
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)		0			
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
c Net income or (loss) from fundraising events		0				
9a Gross income from gaming activities. See Part IV, line 19 a						
b Less: direct expenses b						
c Net income or (loss) from gaming activities		0				
10a Gross sales of inventory, less returns and allowances a						
b Less: cost of goods sold b						
c Net income or (loss) from sales of inventory		0				
Miscellaneous Revenue		Business Code				
11a NYC E-RATE DISCOUNTS	900099		203,344.			203,344.
b MISCELLANEOUS INCOME	900099		83.			83.
c _____						
d All other revenue						
e Total. Add lines 11a-11d			203,427.			
12 Total revenue. See instructions			10,104,523.			207,671.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	5,920,067.	5,401,588.	518,479.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	117,017.	111,166.	5,851.	
9 Other employee benefits	711,211.	649,572.	61,639.	
10 Payroll taxes	461,871.	431,014.	30,857.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	0			
c Accounting	36,623.	34,790.	1,833.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	1,513.	1,437.	76.	
12 Advertising and promotion	0			
13 Office expenses	40,388.	38,366.	2,022.	
14 Information technology	32,566.	30,938.	1,628.	
15 Royalties	0			
16 Occupancy	40,165.	38,157.	2,008.	
17 Travel	84,718.	84,083.	635.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	49,326.	46,862.	2,464.	
23 Insurance	43,650.	41,467.	2,183.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>FOOD</u>	496,545.	496,545.		
b <u>CLASSROOM SUPPLIES</u>	225,435.	224,356.	1,079.	
c <u>EQUIPMENT RENTAL & MAINTENAN</u>	133,405.	126,575.	6,830.	
d <u>TELEPHONE</u>	76,708.	72,873.	3,835.	
e All other expenses	224,949.	217,176.	7,773.	
25 Total functional expenses. Add lines 1 through 24e	8,696,157.	8,046,965.	649,192.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	2,228,261.	1	3,496,575.
	2 Savings and temporary cash investments	2,628,294.	2	2,507,433.
	3 Pledges and grants receivable, net	357,837.	3	395,983.
	4 Accounts receivable, net	0	4	0
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	10,997.	9	43,276.
	10 a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 523,755.		
	b Less: accumulated depreciation	10b 335,970.	84,021.	10c 187,785.
	11 Investments - publicly traded securities	0	11	0
	12 Investments - other securities. See Part IV, line 11	0	12	0
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	2,370,438.	15	3,316,296.
16 Total assets. Add lines 1 through 15 (must equal line 34)	7,679,848.	16	9,947,348.	
Liabilities	17 Accounts payable and accrued expenses	934,919.	17	981,171.
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	2,287,273.	25	3,100,155.
	26 Total liabilities. Add lines 17 through 25	3,222,192.	26	4,081,326.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	4,457,656.	27	5,866,022.
	28 Temporarily restricted net assets	0	28	0
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	4,457,656.	33	5,866,022.
34 Total liabilities and net assets/fund balances	7,679,848.	34	9,947,348.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	10,104,523.
2	Total expenses (must equal Part IX, column (A), line 25)	2	8,696,157.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,408,366.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,457,656.
5	Net unrealized gains (losses) on investments	5	0
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	5,866,022.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization **HARLEM CHILDREN 'S ZONE PROMISE ACADEMY**
CHARTER SCHOOL II

Employer identification number
34-2049530

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III-Functionally integrated
 - d Type III-Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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Schedule A (Form 990 or 990-EZ) 2012

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f); 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities, whether or not the business is regularly carried on; 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.); 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2011 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2012; b 33 1/3% support test - 2011; 17a 10%-facts-and-circumstances test - 2012; b 10%-facts-and-circumstances test - 2011; 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business under section 513; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total. Add lines 1 through 5; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on; 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.); 13 Total support. (Add lines 9, 10c, 11, and 12.); 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Line Number, Percentage. Row 15: Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)). Row 16: Public support percentage from 2011 Schedule A, Part III, line 15.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Line Number, Percentage. Row 17: Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)). Row 18: Investment income percentage from 2011 Schedule A, Part III, line 17.

19a 33 1/3% support tests - 2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

2012

Name of the organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL II	Employer identification number 34-2049530
--	---

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL II	Employer identification number 34-2049530
--	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 8,797,055.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 601,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 488,297.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---		\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---		\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---		\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---		\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL II	Employer identification number 34-2049530
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Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
3	FOOD ----- ----- -----	\$ 488,297.	VAR
---	----- ----- -----	\$ -----	-----
---	----- ----- -----	\$ -----	-----
---	----- ----- -----	\$ -----	-----
---	----- ----- -----	\$ -----	-----
---	----- ----- -----	\$ -----	-----
---	----- ----- -----	\$ -----	-----

Name of organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY
 CHARTER SCHOOL II

Employer identification number
 34-2049530

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990. See separate instructions.

Name of the organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL II

Employer identification number 34-2049530

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors... Yes No, 6 Did the organization inform all grantees...

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization, 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution... 2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06... 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No, 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2012

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. Yes No

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ _____ %
 - b Permanent endowment ▶ _____ %
 - c Temporarily restricted endowment ▶ _____ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		34,634.	34,634.	
d Equipment		307,621.	165,163.	142,458.
e Other		181,500.	136,173.	45,327.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c)).				187,785.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM RELATED PARTIES	3,310,432.
(2) MISCELLANEOUS	5,864.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	3,316,296.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) 457 (F) PLAN LIABILITY	3,100,155.	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	3,100,155.	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. X

Part XIII Supplemental Information (continued)

SCHEDULE D, FIN 48 FOOTNOTE

THE SCHOOL FOLLOWS GUIDANCE THAT CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN, INCLUDING ISSUES RELATING TO FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT. THE GUIDANCE PROVIDES THAT THE TAX EFFECTS FROM AN UNCERTAIN TAX POSITION CAN BE RECOGNIZED IN THE FINANCIAL STATEMENTS ONLY IF THE POSITION IS "MORE-LIKELY-THAN-NOT" TO BE SUSTAINED IF THE POSITION WERE TO BE CHALLENGED BY A TAXING AUTHORITY. THE ASSESSMENT OF THE TAX POSITION IS BASED SOLELY ON THE TECHNICAL MERITS OF THE POSITION, WITHOUT REGARD TO THE LIKELIHOOD THAT THE TAX POSITION MAY BE CHALLENGED. MANAGEMENT DETERMINED THAT THERE ARE NO UNCERTAIN TAX POSITIONS WITHIN ITS FINANCIAL STATEMENTS.

THE SCHOOL IS EXEMPT FROM FEDERAL INCOME TAXATION BY VIRTUE OF BEING AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. NEVERTHELESS, THE SCHOOL MAY BE SUBJECT TO TAX ON INCOME UNRELATED TO ITS EXEMPT PURPOSE, UNLESS THAT INCOME IS OTHERWISE EXCLUDED BY THE CODE. THE TAX YEARS ENDING JUNE 30, 2010, 2011, 2012 AND 2013 ARE STILL OPEN TO AUDIT FOR BOTH FEDERAL AND STATE PURPOSES.

**SCHEDULE E
(Form 990 or 990-EZ)**

Schools

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**
▶ **Attach to Form 990 or Form 990-EZ.**

Name of the organization **HARLEM CHILDREN'S ZONE PROMISE ACADEMY
CHARTER SCHOOL II**

Employer identification number
34-2049530

Part I

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Part II. SEE SUPPLEMENTAL PAGE	X	
4 Does the organization maintain the following? a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. If you need more space, use Part II.	X	
5 Does the organization discriminate by race in any way with respect to: a Students' rights or privileges?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.		X
6a Does the organization receive any financial aid or assistance from a governmental agency?	X	
6b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, explain on Part II.		X
7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or Form 990-EZ.

Schedule E (Form 990 or 990-EZ) (2012)

Part II **Supplemental Information.** Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information (see instructions).

FORM 990, SCHEDULE E, LINE 3

THE HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL DOES NOT DISCRIMINATE ON THE BASIS OF PRIOR ACADEMIC ACHIEVEMENT, ATHLETIC ABILITY, DISABILITY, RACE, CREED, NATIONAL ORIGIN, GENDER, RELIGION, OR ANY OTHER GROUNDS THAT WOULD BE UNLAWFUL. THE SCHOOL'S ADMISSIONS PROCEDURES ARE CONSISTENT WITH THE PROVISIONS OF NEW YORK EDUCATION LAW 2854 (2).

FORM 990, SCHEDULE E, LINE 6A

UNDER THE SCHOOL'S CHARTER SCHOOL AGREEMENT AND THE CHARTER SCHOOLS ACT, THE SCHOOL IS ENTITLED TO RECEIVE FUNDING FROM STATE AND FEDERAL SOURCES THAT ARE AVAILABLE TO PUBLIC SCHOOLS. THESE FUNDS INCLUDE STATE PUPIL ENROLLMENT FUNDS, FEDERAL FOOD SUBSIDIES AND TITLES I AND II FUNDING.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization **HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL II**

Employer identification number
34-2049530

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax indemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
<input type="checkbox"/> Compensation committee		
<input type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input type="checkbox"/> Compensation survey or study		
<input type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	X
b Any related organization?	5b	X
If "Yes" to line 5a or 5b, describe in Part III.		
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	X
b Any related organization?	6b	X
If "Yes" to line 6a or 6b, describe in Part III.		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2012

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 GEOFFREY CANADA PRESIDENT/CEO	(i)	0	0	0				
	(ii)	151,750.	138,266.	17,000.	164,185.	19,238.	490,439.	138,266.
2 KATHLEEN FERNALD PRINCIPAL	(i)	113,479.	66,295.	17,000.	5,128.	6,379.	208,281.	38,010.
	(ii)	0	0	0				
3 SHERYL RAGLAND PRINCIPAL	(i)	115,456.	15,000.	0	27,727.	11,713.	169,896.	
	(ii)	0	0	0				
4 NICOLLE HAYNES-CROCKER MATH COACH	(i)	77,699.	22,000.	12,369.	33,000.	12,369.	157,437.	
	(ii)	0	0	0				
5 DEBORAH SOSTRE DIRECTOR OF INSTRUCTIONS	(i)	103,652.	22,000.	0	37,668.	19,238.	182,558.	
	(ii)	0	0	0				
6 SHONDELL JAMES LITERACY COACH	(i)	103,996.	20,000.	0	33,778.	18,218.	175,992.	
	(ii)	0	0	0				
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, PART 1, LINE 4

HARLEM CHILDREN'S ZONE HAS A SECTION 457 (F) PLAN THAT ALL MEMBERS OF SENIOR MANAGEMENT PARTICIPATE IN. PROMISE ACADEMY EMPLOYEES ARE PERMITTED TO PARTICIPATE IN THE PLAN AS WELL. THIS GROWTH FUND PLAN IS A TAX-DEFERRED EMPLOYEE SAVINGS PLAN FOR DIRECTORS, PRINCIPALS AND SENIOR STAFF. HARLEM CHILDREN'S ZONE MAKES AN ANNUAL DEPOSIT INTO THE PLAN THAT IS VALUED AT 150% OF THE INDIVIDUAL EMPLOYEE'S BONUS FOR THE CURRENT YEAR. FOR CALENDAR YEAR 2012, PRESIDENT AND CEO, GEOFFREY CANADA, AND PRINCIPAL, KATHY FERNALD, RECEIVED A GROWTH FUND PAYOUT THAT IS REPORTABLE IN FORM 990, SCHEDULE J, PART II, COLUMN (F).

SCHEDULE J, PART 1, LINE 7

AS NOTED IN THE NARRATIVE TO FORM 990, PART VI, LINE 15, ALL BONUSES OR MERIT PAY INCREASES ISSUED TO PROMISE ACADEMY EMPLOYEES ARE DETERMINED BY THE FOUNDER OF THE HARLEM CHILDREN'S ZONE, GEOFFREY CANADA. ALL BONUSES ARE PERFORMANCE BASED AND THE RECIPIENTS ARE NOT PROVIDED ANY INPUT INTO THE AMOUNT OF THE BONUS RECEIVED. COMPENSATION DECISIONS ARE DOCUMENTED IN THE ORGANIZATION'S BOARD MINUTES.

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**

▶ **Attach to Form 990.**

OMB No. 1545-0047

2012

**Open To Public
Inspection**

Name of the organization **HARLEM CHILDREN'S ZONE PROMISE ACADEMY
CHARTER SCHOOL II**

Employer identification number
34-2049530

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory	X	1.	488,297.	COST
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30 a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2012)

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, LINE 32 (A)

THE ACADEMY DOES NOT TRADITIONALLY RECEIVE NON-CASH CONTRIBUTIONS (OTHER THAN FOODSTUFF ITEMS CONTRIBUTED BY THE HARLEM CHILDREN'S ZONE).

TO THE EXTENT THAT THE ACADEMY RECEIVES NONCASH CONTRIBUTIONS OF SECURITIES, ITS INVESTMENT BROKER IS TASKED WITH DISPOSING THOSE INVESTMENTS.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Name of the organization CHARTER SCHOOL II	HARLEM CHILDREN'S ZONE PROMISE ACADEMY	Employer identification number 34-2049530
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POLICIES

FORM 990, PART VI

LINE 11 - THE FORM 990 WAS PREPARED BY A NATIONALLY RENOWNED ACCOUNTING FIRM IN CONJUNCTION WITH THE ORGANIZATION'S FINANCIAL DEPARTMENT. A COPY OF THE DRAFT FORM 990 WAS CIRCULATED TO THE FINANCE COMMITTEE FOR DISCUSSION AND COMMENT. EACH FINANCE COMMITTEE MEMBER WAS PROVIDED AMPLE OPPORTUNITY TO COMMENT ON THE INFORMATION CONTAINED IN THE 990 PRIOR TO ITS FILING WITH THE INTERNAL REVENUE SERVICE. THE FINANCE COMMITTEE WILL SUMMARIZE ITS FINDING ON THE FORM 990 TO THE FULL BOARD OF DIRECTORS.

LINE 12 - THE PROMISE ACADEMY OPERATES UNDER THE CONFLICT OF INTEREST POLICY OF ITS PARENT ORGANIZATION, THE HARLEM CHILDREN'S ZONE. ALL EMPLOYEES ARE EXPECTED TO USE HONESTY, GOOD JUDGEMENT AND HIGH ETHICAL STANDARDS IN ALL PROFESSIONAL DEALINGS. ALL EMPLOYEES MUST AVOID ANY ACTIONS THAT COULD CREATE A CONFLICT OF INTEREST OR THE APPEARANCE OF SUCH A CONFLICT OR REFLECT UNFAVORABLY ON THEM OR ON HARLEM CHILDREN'S ZONE. AN EMPLOYEE MUST DISCLOSE IF SHE/HE OR AN IMMEDIATE FAMILY MEMBER HAS ANY POTENTIAL CONFLICT OF INTEREST SUCH AS A RELATIONSHIP TO A THIRD PARTY VENDOR WHO SEEKS OR HAS A BUSINESS RELATIONSHIP TO HARLEM CHILDREN'S ZONE. AN EMPLOYEE'S VIOLATION OF THIS POLICY, ESPECIALLY A FAILURE TO REPRESENT ACCURATELY HIS OR HER CONNECTION OR ACTION ON BEHALF OF HARLEM CHILDREN'S ZONE AND A THIRD PARTY WILL CONSTITUTE GROUNDS FOR DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

Name of the organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL II	Employer identification number 34-2049530
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LINE 13 & 14 - THE PROMISE ACADEMY OPERATES UNDER THE WHISTLEBLOWER AND DOCUMENT RETENTION POLICY OF ITS PARENT ORGANIZATION, THE HARLEM CHILDREN ZONE.

LINE 15 - THE ORGANIZATION'S TOP MANAGEMENT OFFICIAL IS GEOFFREY CANADA. THE PROCEDURES FOR DETERMINING MR. CANADA'S COMPENSATION PACKAGE ARE DOCUMENTED IN THE HARLEM CHILDREN ZONE FORM 990 AS THAT ORGANIZATION PAYS HIM HIS COMPENSATION. MR. CANADA MAKES ALL COMPENSATION DECISIONS FOR THE EMPLOYEES AT THE PROMISE ACADEMY, INCLUDING THE SUPERINTENDENTS AND PRINCIPALS. TO THE EXTENT THAT ANY MERIT PAY OR BONUSES ARE WARRANTED, THE PRINCIPALS WILL MAKE RECOMMENDATIONS FOR TEACHERS AND ADMINISTRATORS. MR. CANADA AND THE SUPERINTENDENTS MAKE THE DECISIONS REGARDING THE PRINCIPALS' BONUSES. ALL BONUSES ARE STRICTLY TIED TO EMPLOYEE PERFORMANCE, USUALLY DETERMINED BY STUDENT ACADEMIC SUCCESS AND WELL-BEING. THE ORGANIZATION MAKES A CONSCIOUS EFFORT TO COMPENSATE ITS EXECUTIVES COMMENSURATE WITH THE MARKET.

DISCLOSURE

FORM 990, PART VI

LINE 19 - THE ACADEMY MAKES ITS FORM 990 AVAILABLE TO THE PUBLIC BY RETAINING A COPY AT ITS PLACE OF BUSINESS. THE FORM 990 IS LIKEWISE PUBLISHED ON THE INTERNET AT WWW.GUIDESTAR.ORG. THE ORGANIZATION'S FINANCIAL STATEMENTS, GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT ORDINARILY MADE AVAILABLE TO THE PUBLIC, BUT, IF REQUESTED, WILL BE PROVIDED AT MANAGEMENT'S DISCRETION.

Name of the organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY
CHARTER SCHOOL II

Employer identification number
34-2049530

FORM 990, PART VII

CHIEF FINANCIAL OFFICER, MARK MOYER, COMMENCED SERVICE WITH THE HARLEM CHILDREN'S ZONE IN JANUARY OF 2013. SINCE THE COMPENSATION IS REPORTED BASED ON THE CALENDAR YEAR FALLING WITHIN THE ORGANIZATION'S FISCAL YEAR, MARK HAS NO COMPENSATION TO REPORT ON THIS FORM 990 AS HE WAS NOT EMPLOYED IN CALENDAR YEAR 2012.

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

THE MISSION OF PROMISE ACADEMY II CHARTER SCHOOL IS TO PREPARE CHILDREN, K - 12, FOR COLLEGE AND THE HIGH-SKILLS JOB MARKET. THE SCHOOL WILL DO "WHATEVER IT TAKES" TO WORK WITH STUDENTS AND THEIR FAMILIES TO ENSURE THEY ARE ON-TRACK ACADEMICALLY, SELF-RELIANT, HEALTHY, CIVIC-MINDED AND WELL-ROUNDED.

ATTACHMENT 2

FORM 990, PART III - PROGRAM SERVICE, LINE 4A

PROMISE ACADEMY II CHARTER SCHOOL PROVIDES STUDENTS WITH A RIGOROUS, CARING ENVIRONMENT IN WHICH TO LEARN AND GROW, WHILE ALSO PROVIDING WRAPAROUND SERVICES TO MAKE SURE THAT ALL OF OUR CHILDREN RECEIVE WHATEVER THEY NEED TO STAY ON TRACK FOR COLLEGE AND LIFE SUCCESS. FOR THE PAST FEW YEARS, PROMISE ACADEMY II HAS BEEN RANKED WITH THE TOP CHARTER SCHOOLS IN NEW YORK CITY.

THE 2013 NEW YORK STATE ELA AND MATH EXAMS FOR GRADES 3 - 8 WERE COMPLETELY OVERHAULED FROM PREVIOUS YEARS TO BE ALIGNED WITH THE

Name of the organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY CHARTER SCHOOL II	Employer identification number 34-2049530
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ATTACHMENT 2 (CONT'D)

RIGOROUS COMMON CORE STANDARDS IN AN EFFORT TO BETTER PREPARE STUDENTS ACROSS THE STATE FOR COLLEGE SUCCESS. AS A RESULT OF THESE CHANGES, PROMISE ACADEMY II, ALONG WITH NEW YORK CITY AS A WHOLE, EXPERIENCED A DROP IN STUDENT PERFORMANCE. HOWEVER, OVERALL, PROMISE ACADEMY II STUDENTS CONTINUED TO SIGNIFICANTLY OUTPERFORM THE LOCAL CENTRAL HARLEM COMMUNITY SCHOOL DISTRICT 5 (CSD5) IN ELA AND MATH. PROMISE ACADEMY II OUTPERFORMED CSD5 IN EVERY GRADE IN MATH, AND IN MOST GRADES, OUTPERFORMED THE CITY AS WELL. PROMISE ACADEMY II HAS ADJUSTED ITS CURRICULA AND INSTRUCTION TO BE ALIGNED WITH THE COMMON CORE STANDARDS AND WILL CONTINUE TO BUILD STUDENT LEARNING WITHIN THESE NEW STANDARDS.

PROMISE ACADEMY II PROVIDES AN EXTENDED SCHOOL DAY AND A LONGER ACADEMIC YEAR THAN TRADITIONAL PUBLIC SCHOOLS. THE PROMISE ACADEMY ACADEMIC YEAR IS 202 DAYS LONG, SURPASSING THE 180 DAYS LEGALLY REQUIRED BY 12%. STUDENTS ARE IN SCHOOL FROM 8:00 AM TO 4:00 PM, ON AVERAGE AN HOUR LONGER PER DAY THAN NEW YORK CITY PUBLIC SCHOOLS. IN ADDITION TO THE EXTENDED SCHOOL DAY, THE MAJORITY OF STUDENTS PARTICIPATE IN PROMISE ACADEMY'S ACADEMICALLY ENRICHING AFTER SCHOOL PROGRAM, OFFERED FROM 4:00 PM - 7:00 PM FIVE DAYS PER WEEK. THE AFTER SCHOOL PROGRAM PROVIDES TUTORING AND HOMEWORK HELP, WORKING CLOSELY WITH TEACHERS TO ENSURE CONTINUITY BETWEEN THE SCHOOL DAY AND AFTER SCHOOL. THE AFTER SCHOOL PROGRAM ALSO OFFERS A VARIETY OF ENGAGING AND ENRICHING EXTRACURRICULAR ACTIVITIES SUCH AS DANCE, MUSIC, CHESS, MEDIA ARTS, AND ATHLETICS.

Name of the organization HARLEM CHILDREN'S ZONE PROMISE ACADEMY
CHARTER SCHOOL II

Employer identification number
34-2049530

ATTACHMENT 2 (CONT'D)

PROMISE ACADEMY II UTILIZES THE BEST AND LATEST EDUCATION TECHNOLOGY - TO GIVE OUR CHILDREN EVERY ADVANTAGE IN PREPARING FOR COLLEGE AND THE HIGH-SKILLS JOB MARKET - INCLUDING, COMPUTER LABS, SMART BOARDS IN THE CLASSROOMS, AND COMPUTER-BASED ASSESSMENT SOFTWARE. THE EXTENDED SCHOOL DAY AND LONGER ACADEMIC YEAR ALLOW PROMISE ACADEMY II TO PROVIDE WEEKLY ENRICHMENT ACTIVITIES, INCLUDING ART CLASS, REGULAR HEALTHY LIVING AND PHYSICAL FITNESS PROGRAMMING AND A STRONG SCIENCE CURRICULUM INCORPORATED INTO THE YOUNGEST GRADE LEVELS. A UNIQUE PARTNERSHIP WITH JAZZ AT LINCOLN CENTER HAS EXPOSED PROMISE ACADEMY STUDENTS IN ALL GRADES TO JAZZ MUSIC AND HISTORY THROUGH HANDS-ON LESSONS AND CONCERT GOING ACTIVITIES.

TO ENSURE THE OVERALL WELL-BEING OF OUR STUDENTS, ALL STUDENTS HAVE ACCESS TO HOLISTIC WRAP-AROUND SERVICES, INCLUDING FREE MEDICAL AND DENTAL CARE. THE SCHOOL HAS A SOCIAL-WORK TEAM TO SUPPORT THE EMOTIONAL AND MENTAL WELL-BEING OF STUDENTS AND THEIR FAMILIES. IN ADDITION, STUDENTS RECEIVE A HEALTHY BREAKFAST, LUNCH AND SNACK EACH DAY FREE-OF-CHARGE.

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**

▶ **Attach to Form 990.**

▶ **See separate instructions.**

Name of the organization **HARLEM CHILDREN'S ZONE PROMISE ACADEMY**
CHARTER SCHOOL II

Employer identification number
34-2049530

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) THE HARLEM CHILDREN'S ZONE 23-7112974 35 EAST 125TH STREET NEW YORK, NY 10035	SOCIAL SVCS	NY	7	501 (C) (3)	N/A		X
(2) HARLEM CHILDREN'S ZONE PROMISE ACADEMY I 76-0756768 35 EAST 125TH STREET NEW YORK, NY 10035	SCHOOL	NY	2	501 (C) (3)	N/A		X
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2012

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) -----									
(2) -----									
(3) -----									
(4) -----									
(5) -----									
(6) -----									
(7) -----									

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)	X	
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													
(9) -----													
(10) -----													
(11) -----													
(12) -----													
(13) -----													
(14) -----													
(15) -----													
(16) -----													

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

FORM 990, SCHEDULE R

PURSUANT TO THE TERMS OF A COMMITMENT LETTER BETWEEN HARLEM CHILDREN'S ZONE (HCZ) AND THE PROMISE ACADEMY, HCZ, AS THE SCHOOL'S INSTITUTIONAL PARTNER, COMMITTED TO PROVIDE THE ACADEMY, DURING THE INITIAL FIVE-YEAR TERM OF ITS CHARTER, CERTAIN SERVICES AT NO COST. THE CHARTER SCHOOL HAS RENEWED ITS COMMITMENT LETTER WITH HARLEM CHILDREN'S ZONE FOR AN ADDITIONAL FIVE YEAR PERIOD THAT RUNS THROUGH AUGUST 2014.

THESE SERVICES INCLUDE FINANCIAL MANAGEMENT, SOCIAL, LIBRARY, TECHNOLOGY, FUNDRAISING, PUBLIC RELATIONS, AND TEACHING ASSISTANCE SERVICES. IN ADDITION, HCZ COMMITTED TO PROVIDE THE SCHOOL WITH THE USE OF SPACE IN ITS PREMISES LOCATED AT 35 EAST 125TH STREET, NEW YORK, NY. THE AMOUNT REPORTED FOR IN-KIND CONTRIBUTIONS FOR THE YEAR ENDING JUNE 30, 2013 TOTALS \$2,770,140. INCLUDED WITHIN THE GIFTS-IN-KIND OF \$2,770,140 IS DONATED FOOD OF \$488,297 THAT IS BEING REPORTED ON PART VIII, LINE 1(G) AND SCHEDULE M.

HCZ MAINTAINS A 457(F) PLAN FOR CERTAIN ELIGIBLE EMPLOYEES OF THE SCHOOL. EMPLOYEES BECOME ELIGIBLE TO PARTICIPATE IN THIS PLAN BASED SOLELY AT THE DISCRETION OF THE SCHOOL'S BOARD OF TRUSTEES. THE AMOUNTS CONTRIBUTED VEST FIVE YEARS AFTER THE DATE OF THE INITIAL CONTRIBUTION AND WILL THEN BE PAID TO ELIGIBLE EMPLOYEES WHEN VESTED. HCZ PROVIDES THE SCHOOL WITH AN ANNUAL SUBSIDY TO COVER THIS COST BY CONTRIBUTING TO A HCZ INVESTMENT ACCOUNT. DURING FISCAL 2012, HCZ PROVIDED A SUBSIDY OF \$601,500 FOR THE FISCAL 2012 CONTRIBUTION TO THE 457(F) PLAN.