



2020-21 School Year Board Meeting #4 Minutes

Frederica Jefferies, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2020-21 School Year Board Meeting #4 at 6:30 PM on October 21, 2020.

Frederica Jefferies, Chair requested verification from the members present of “The Notice of Meeting” sent to each of the members of the board via email. Each member noted the proper notification was received.

Pursuant to the NY State Public Meetings Law the public notice of meeting was provided in the following manner thus meeting the law’s requirement of media and public notice:

- The Wave via email
- Public Posting at CPCS Office
- CPCS Websites and Social Media Sites

The Chair upon Karon McFarlane, Secretary of the Board of Trustees to do roll call of the board.

Members present: Frederica Jefferies, Linda Plummer, Gertrudis Hernandez and Karon McFarlane

Members absent: Andrew Barnes and Dr. Michelle Daniel-Robertson

Also, present: Michael R. Estep and Eunice Armstrong. They were given the rights of the floor to speak during the meeting by common consent.

The Chair offered opportunity for any questions from the public. No comments or questions were offered.

1. The agenda was approved by common consent.
2. The Chair called for a review of the minutes of the 2020-21 School Year Board Meeting #3 [Attachment #1]. The minutes were approved by common consent.
3. The Chair called for a review of the minutes of the 2020-21 School Year Board Special Called Meeting #1 [Attachment #2]. The minutes were approved by common consent.
4. The Chair called for the report of Dr. Les Mullings, CEO. Dr. Mullings gave an update on the recent outbreak of COVID-19 positive tests in zip code 11691 and the resultant NYS Governor’s Executive order closing down all school buildings.



Dr. Mullings shared that with Challenge already doing a full remote learning model until January 2021 the ruling did not adversely affect Challenge operations. He shared that as CEO his primary focus since the Board's last meeting has been on the health and safety of our scholars and their families and our Challenge employees.

Dr. Mullings further shared information about the expanding partnership with Johns Hopkins Medical Center with the delivery of their COVID-19 curriculum via presentations to our scholars on a weekly basis. He also highlighted St. John's Episcopal Hospital and their efforts to train Challenge parents about COVID-19.

He additionally highlighted the weekly distribution of food provided by the World Vision organization in the Far Rockaway community and Challenge families as a response to the needs of residents as a result of the COVID-19 crisis.

He also updated the Board on the progress of the 15-20 Central Avenue complex that will provide space for the Challenge high school and the four pathways of the CTE program. Discussions continue with Johns Hopkins on partnering on the Allied Health pathway

Dr. Mullings also shared the good news that the long-awaited order of Chromebooks has arrived. This will allow for all scholars from K-9 grades to have a Challenge provided Chromebook as an enhancement of the remote learning program.

Following discussion, the report was received with great appreciation.

5. The Chair called attention to the printed report of Kentia Coreus, Senior Director of Teaching & Learning [Attachment #3]. The report was received with appreciation.
6. The Chair called attention to the printed report of Nicole Griffin, K-5 Principal [Attachment #4]. The report was received with appreciation.
7. The Chair called attention to the printed report of Mavgar Mondesir-Gordon, 6-9 Principal [Attachment #5]. The report was received with appreciation.
8. The Chair called attention to the printed report of Tameeka Richards, Director of Pupil Personnel Services [Attachment #6]. The report was received with appreciation.
9. The Chair called attention to the printed report of Kimberly Messer, Director of Communications [Attachment #7]. The report was received with appreciation.



10. The Chair called attention to the printed report of Venessa Lynch, Director of Operations [Attachment #8]. The report was received with appreciation.
11. The Chair called for the September 2020 Financial Report [Attachment #9]. Following discussion and review, the report was received by common consent.
12. The Chair called for the presentation of the 2020-21 October Personnel Report by Eunice Armstrong, Director of Finance [Attachment #10]. A motion was made by Karon McFarlane and second by Gertrudis Hernandez to approve the report. The motion carried unanimously.
13. The Chair called for the presentation of an updated changes to the 2020-21 Annual Budget by Eunice Armstrong, Director of Finance [Attachment #11]. A motion was made by Karon McFarlane and second by Gertrudis Hernandez to approve the updated budget. The motion carried unanimously.
14. Representatives from PKF O'Connor Davies, LLP: Gus Saliba; James Mercaldo; Joseph X. Ciorciari and Charter School Business Management: Donna Webster; Raymond Alston joined the meeting at 7:00 p.m.
15. The Chair called upon Gus Saliba to present the 2019-20 CPCS Audit Report [Attachment #12]. Following discussion, a motion was made by Karon McFarlane with a second from Gertrudis Hernandez that the report be approved. The motion carried unanimously.

The meeting adjourned by common consent at 7:35 PM.

Respectfully submitted:

A handwritten signature in blue ink that reads "Karon K. McFarlane".

Karon McFarlane
Secretary



Attachment #1
See Prior
Month
Minutes for
Minute
Attachments



2020-21 School Year Board Meeting #3 Minutes

Frederica Jefferies, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2020-21 School Year Board Meeting #3 at 6:30 PM on September 16, 2020.

Frederica Jefferies, Chair requested verification from the members present of “The Notice of Meeting” sent to each of the members of the board via email. Each member noted the proper notification was received.

Pursuant to the NY State Public Meetings Law the public notice of meeting was provided in the following manner thus meeting the law’s requirement of media and public notice:

- The Wave via email
- Public Posting at CPCS Office
- CPCS Websites and Social Media Sites

The Chair appointed Gertrudis Hernandez as Secretary Pro Tem due to the absence of Karon McFarlane, Secretary of the Board of Trustees called the roll of the board.

Members present: Frederica Jefferies, Dr. Michelle Daniel-Robertson, Linda Plummer, Andrew Barnes and Gertrudis Hernandez

Members absent: Karon McFarlane

Also, present: Michael R. Estep and Eunice Armstrong. They were given the rights of the floor to speak during the meeting by common consent.

The Chair offered opportunity for any questions from the public. No comments or questions were offered.

1. The agenda was approved by common consent.
2. The Chair called for a review of the minutes of the 2020-21 School Year Board Meeting #2 [Attachment #1]. The minutes were approved by common consent.
3. The Chair called for the report of Dr. Les Mullings, CEO. Dr. Mullings gave an update on the opening of the 2020-21 School Year. He additionally, shared information of the COVID-19 preparations at all of the Challenge building sites for the in-person attendance of scholars scheduled for October 5, 2020 for grades K-2, October 19, 2020 for grades 3-5 and October 28, 2020 for grades 6-9.



Dr. Mullings also shared information on the progress of the High School Back Building that will be used for the 9th grade, which is now scheduled for being turned over to Challenge in mid-October 2020.

Dr. Mullings led the Board through a discussion about the Parent/Guardian Survey and the current results to date of the responses and feelings of the parents/guardians concerning the options of their scholars returning in-person or opting for their scholars to take the remote learning option. It was noted that the parents/guardians that have not responded as of the date of this meeting of the Board will be contracted to complete the survey.

It was noted that a Special Called Meeting of the Board may be necessary between now and the scheduled in-person date of October 5, 2020 for the K-2 grades to return to the 710 Hartman Lane, Far Rockaway, NY facility. The purpose of the meeting will be to potential adjust the dates for in-person learning.

Following discussion, the report was received with appreciation.

4. The Chair called attention to the printed report of Kentia Coreus, Senior Director of Teaching & Learning [Attachment #2]. The report was received with appreciation.
5. The Chair called attention to the printed report of Nicole Griffin, K-5 Principal [Attachment #3]. The report was received with appreciation.
6. The Chair called attention to the printed report of Mavgar Mondesir-Gordon, 6-9 Principal [Attachment #4]. The report was received with appreciation.
7. The Chair called attention to the printed report of Tameeka Richards, Director of Pupil Personnel Services [Attachment #5]. The report was received with appreciation.
8. The Chair called attention to the printed report of Kimberly Messer, Director of Communications [Attachment #6]. The report was received with appreciation.
9. The Chair called attention to the printed report of Venessa Lynch, Director of Operations [Attachment #7]. The report was received with appreciation.
10. The Chair called for the August 2020 Financial Report [Attachment #8].
Following discussion and review, the report was received by common consent.
11. The Chair called for the presentation of the 2020-21 September Personnel Report by Eunice Armstrong, Director of Finance [Attachment #9]. It was noted that no



new personnel were hired since the last Board meeting. The report was received by common consent.

12. The Chair called upon the CEO and Dr. Michael Estep for the presentation of the proposed CPCS Privacy and Security for Student Data and Teacher and Principal Data Policy [Attachment #10]. Following discussion, a motion was made by Dr. Michelle Daniel-Robertson with a second from Gertrudis Hernandez that the policy be adopted as presented. The motion carried unanimously.

The meeting adjourned by common consent at 7:15 PM.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Gertrudis Hernandez", written over a horizontal line.

Gertrudis Hernandez
Secretary Pro Tem



Attachment #2



2020-21 School Year Special Called Board Meeting #1 Minutes

Frederica Jefferies, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2020-21 School Year Special Called Board Meeting #1 at 6:30 PM on September 25, 2020.

Frederica Jefferies, Chair requested verification from the members present of “The Notice of Meeting” sent to each of the members of the board via email. Each member noted the proper notification was received.

Pursuant to the NY State Public Meetings Law the public notice of meeting was provided in the following manner thus meeting the law’s requirement of media and public notice:

- The Wave via email
- Public Posting at CPCS Office
- CPCS Websites and Social Media Sites

Karon McFarlane, Secretary of the Board of Trustees called the roll of the board.

Members present: Frederica Jefferies, Andrew Barnes, Karon McFarlane, Dr. Michelle Daniel-Robertson, Linda Plummer, and Gertrudis Hernandez

Members absent: None

Also, present: Michael R. Estep. He was given the rights of the floor to speak during the meeting by common consent.

The Chair offered opportunity for any questions from the public. No comments or questions were offered.

1. The agenda was approved by common consent.
2. The Chair reminded the Board of the discussion in the September 16, 2020 Regular Board meeting about the potential of changing the dates of in-person scholar teaching based upon several factors including responses to parent/guardian surveys and the trending rise of COVID-19 positive tests results in Far Rockaway.
3. The Chair called on the CEO, Dr. Les Mullings to update the Board on the most recent survey of Parents/Guardians. Dr. Mullings reported that overwhelmingly the parents/guardians preferred to remain in a remote learning model at the present. He further indicated that several nearby private schools had closed due to



recent outbreaks of COVID-19 in their schools. He also updated the Board on the recent results of COVID-19 testing which shows a dramatic increase in zip code 11691 of positive tests results.

After a lengthy discussion lead by the Board Chair, a motion was made by Frederica Jefferies and seconded by Dr. Michelle Daniel-Robertson to delay the in-person learning until Wednesday, January 6, 2021 for Grades K-2; Wednesday, January 13, 2021 for Grades 3-5, and Wednesday, January 20, 2021 for Grades 6-9. Motion carried unanimously.

It was noted that all the necessary stakeholders would be informed immediately of these date changes via direct communications as well as website updates and the use of social media platforms. Further it was indicated that the CPCS Reopening Plan would be updated and distributed to indicate the new dates.

The meeting adjourned by common consent at 7:25 PM.

Respectfully submitted:

A handwritten signature in blue ink that reads "Karon K. McFarlane".

Karon McFarlane
Secretary



Attachment #3



Senior Director of Teaching and Learning
October 2020 Board Report
 (Covering September 12- October 16)
Kentia Coreus

2020-21 Scholar Enrollment

Current Enrollment	907 scholars (as of October 16, 2020)	
Grade	Number of scholars	Notes (where applicable)
K	109	
1	120	
2	98	One seat offered
3	98	
4	98	
5	102	
6	71	One seat offered
7	80	One seat offered
8	77	Two seats offered
9	54	One seat offered
TOTAL	907	

COVID-19 Response and Ongoing Tasks

- Read and disseminate guidance from NYSED and NYCDOE Charter Office.
- Connect with external school leaders to share/collect ideas for supporting students and staff.
- Conduct check-ins with principals and staff.
- Respond to staff and family grievances.
- Attend weekly webinars with the New York State Charter Association. Information is provided by the Board of Regents and all three NYS charter authorizers.

Remote Teaching and Learning

A survey was administered to all instructional staff to gather information on topics varying from instructional tools, student engagement, relationship building, and wellness. Principals and their prospective teams are providing teacher training and school culture supports to meet the enormous challenges that remote teaching and learning bring. They are also forming advisory committees to ensure the voices of all stakeholders are heard. Mrs. Richards is responding to data collected on social emotional wellness.

Staffing

CPCS currently has one teacher assistant vacancy. CCMS has a SETTS teacher vacancy and an English teacher vacancy. The role of the 6-9 Data Specialist has been expanded to cover data needs for K-9. A fifth grade teacher at Hartman is now the new Curriculum and Technology Integrationist.

Curriculum Development and SEM Implementation at Hartman

Challenge has consulted with three experienced educators to provide support with curriculum development for K-5 and SEM implementation for grades K-9. This work is now underway with both CPCS and CCMS/HS.

Beginning of Year (BOY) I-Ready Administration

BOY I-Ready testing in Reading and Math is in progress K-9, remotely. Principals and school teams will utilize this baseline data to develop goals for this very unique school year. We expect this data to be skewed by multiple variables caused by the pandemic.

Focus Areas for the First 30 Days of School

Principals and school teams have been tasked with responding to the seven focus areas listed below for the first 30 days of school. We are learning that the pandemic sets the actual timeline on what we need to focus on. While we continue to focus on these areas, we will soon begin to focus on accountability and compliance measures relates to: **student achievement data, teacher performance, special education compliance and ELL compliance.**

1. Social-Emotional Well-Being of Students
2. Social-Emotional Well-Being of Adults
3. Family and Community Engagement
4. Digital Access and Equity
5. Launching the (Remote) Educational Program
6. Professional Learning Opportunities
7. Preparing for Hybrid Learning

Preparing for Hybrid Learning

Our DRAFT Hybrid Launch project plan has been updated to reflect our delay of hybrid learning.

Return to Buildings Project Plan		
Due Date	Task	Person/s Responsible
October 1	Complete building deep cleaning, disinfection, and sanitizing	OPS
October 15	Submit draft of needed documents for review and approval	COVID Coordinators
October 15	Respond to staff health and safety concerns from Health and Safety survey	SLT/COVID Coordinators
October 30	Distribute approved documents to all staff	SLT/COVID Coordinators
October 30	Complete all building preparation tasks (classroom set-up, stock cleaning supplies, etc.)	OPS
November 9-20	Affirm Remote vs. Hybrid Learning Options (option is through end of Q3, April 13)	Principals
December 9	Distribute B2B Staff and Family one-pagers to staff	Principals
December 11	Hartman: Return to building staff practice (Train, provide PPE and cleaning supplies)	Principals/COVID Coordinators/OPS
December 15	K-5 Families receive B2B Guide	Principals/Communications
December 17	K-2 and 3-5 Hybrid Learning Parent Orientations (separately)	Principals/Communications
December 18	Redfern: Return to building staff practice (Train, provide PPE and cleaning supplies)	Principals/COVID Coordinators/OPS
January 4	K-5 Staff Return to Hartman	Principals
January 5	6-9 Families receive B2B Guide	Principals/Communications
January 6	K-2: Hybrid Learning Starts	
January 7	6-9: Hybrid Learning Family Orientation	Principals/Communications
January 8	1520 Central: Return to building staff practice (Train, provide PPE and cleaning supplies)	Principals/COVID Coordinators/OPS
January 13	3-5: Hybrid Learning Starts	
January 20	6-9: Hybrid Learning Starts	



Attachment #4



Ms. Nicole Griffin
Challenge Preparatory Charter School- Elementary
Principal Report
October 2020



Virtual Meet the Teacher Night

- Virtual Meet the Teacher Night September 16th

Remote/Hybrid Learning - Updates

- Parents & guardians were contacted via phone & text on options for remote or hybrid learning for the 1st quarter on September 22nd & 23rd.
- Remote Learning will continue for grades K-5 until January 2021 (announced on September 29th).

Chromebooks/Learning Packets

- Chromebooks- Scholars in grades 3-5 all are equipped with a device. Some scholars continue to use their personal device as we await the arrival of our devices.
- Scholars in grades K-2 who have an IEP or express a need have been provided with a CPCS device. We continue aggressive outreach to families who are in need of a device based on our survey results. For those scholars who do not have a device, they receive a learning packet and a 15- 30 minute daily phone call(s) to provide support to the scholar and families. Scholars in grades K-1 have the highest percentage of daily absences for live meetings due to the lack of devices.
- 400 devices were ordered for scholars in grades K-2 and any other scholar whose device is not working.

Priority Domain Components

The network has identified K-9 domain components (highlighted in black) staff will focus on this year. In addition, the administration team has identified additional domain components and specific look fors to enhance student learning and engagement. Below are the components:

- **1D- Demonstrating Knowledge of Resources** to support student learning in the remote environment.
- **2B- Establishing a Culture for Learning** in a remote environment.
- **2C- Managing Remote Classroom Procedures**
- **3C- Engaging Students in Learning**
- **3B- Using Questioning and Discussion Techniques** to maintain high levels of engagement in the remote learning environment.
- **3D- Using Assessment in Instruction**
- **4A- Reflecting on Teaching**
- **4B- Maintaining accurate records**
- **4D- Participating in a Professional Community** to ensure the success of all scholars and staff in our new learning environment.

Informal observations have commenced. Formal observations will be completed by **November 30, 2020**.

i-Ready

- I-Ready BOY assessment will be complete by 10/23/2020
- Grades K-5 assessments are monitored by teachers. Teachers watch the scholar completing the assessments and make notes as they progress. Progress monitoring will begin on 10/ 28/2020 utilizing the i-Ready data.

Home Visits

- The FEC, Social Worker and or Guidance Counselor has made a total of 6 house visits to scholar homes. At this time, we have NOT had to call children services.

Staff Virtual PD

- Staff PD
 - **Friday, September 11th** - Using Language Objectives to Improve Learning Outcomes (Facilitator: Stephanie Clagnaz, Ed.D. *Educational Consultant*)

- i. Anchor. Access prior knowledge or experience with the topic.
- ii. Add. New content, information, research, theory, skill.
- iii. Apply. Practice or apply new knowledge.
- iv. Away. Connects new learning back to the life of the learner.

○ **Friday, September 18th**

- i. School Closed in Observance of Rosh Hashanah

○ **Friday, September 25th**

- i. Planning & Preparation (article shared)

○ **Friday, October 2nd**

- i. Using digital tools to enhance student learning

○ **Friday, October 9th**

- i. SPED- PART I- Understanding the IEP, service providers role and observational tools to use in the classroom.

○ **Friday, October 16th**

- i. SPED- PART II- Understanding the IEP, creating attainable and measurable goals and writing a TEACH Report.

- **Upcoming PD-** Reading A-Z Assessments, Guided Reading-Understanding and Utilizing Reading Strategies, Using Assessment in Instruction

HR

- Teaching Assistant vacancy filled for class 104 Ms. Candacy Pilgrim
- Teaching Assistant vacancy class 503
- Ms. Ofori new title with CPCS Curriculum & Technology Integration Specialist

Extra- Curricular Activities

- Girl Scouts Meeting started on October 12th



Attachment #5



CHALLENGE CHARTER SCHOOL

2020-2021 Principal's Monthly Board Report Mavgar Mondesir-Gordon, Principal (Grades 6-9)

School Year 2020-2021 Report October 16, 2020

Current CCHS Enrollment:

Cohort Group	Grade Level	Enrollment as of Sep. 11, 2020
#3	Grade 9	54

Current CCMS Enrollment:

Cohort Group	Grade Level	Enrollment as of Sep. 11, 2020	Enrollment as of Oct. 16, 2020
#4	Grade 8	77	77
#5	Grade 7	81	80
#6	Grade 6	72	71
TOTAL		230	228

CCMS Attendance Statistics:

Cohort Group	Grade Level	Attendance Rates	
		Aug 24, '20 - Sep 11, '20	Sep 12, '20 - Oct 16, '20
#3	Gr. 9	79%	92%
#4	Gr. 8	90%	86%
#5	Gr. 7	85%	96%
#6	Gr. 6	90%	91%
CCMS Average		88%	91%
6-9 Average		90.5%	91.1%

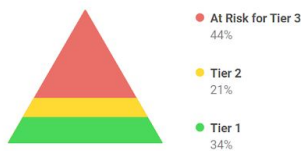
I-READY DIAGNOSTIC TESTING

- Began on September 21, 2020
- 95% of scholars have completed Reading diagnostics
- 95% of scholars have completed Math diagnostics

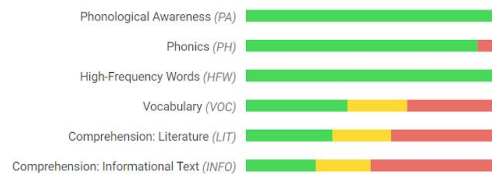
Grade Level	i-Ready Reading BOY Diagnostics		i-Ready Math BOY Diagnostics	
	6-9	34% proficient	44% two or more grade levels below	26% proficient
6	16% proficient	62% two or more grade levels below	13% proficient	58% two or more grade levels below
7	45% proficient	37% two or more grade levels below	26% proficient	43% two or more grade levels below
8	38% proficient	40% two or more grade levels below	29% proficient	40% two or more grade levels below
9	38% proficient	38% two or more grade levels below	42% proficient	44% two or more grade levels below

BOY READING - GRADES 6-9

Overall Placement



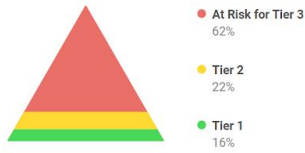
Placement By Domain



Grade	Tier 1	Tier 2	At Risk for Tier 3	Total
Grade 6	16%	22%	62%	69/71
Grade 7	45%	18%	37%	76/80
Grade 8	38%	22%	40%	73/77
Grade 9	38%	24%	38%	50/54

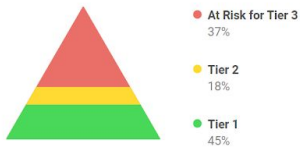
BOY READING - GRADE 6

Overall Placement



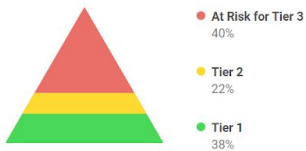
BOY READING - GRADE 7

Overall Placement



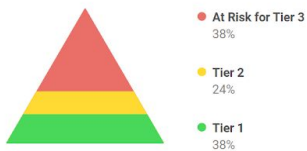
BOY READING - GRADE 8

Overall Placement



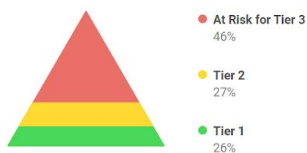
BOY READING - GRADE 9

Overall Placement

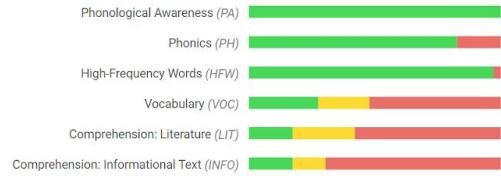


BOY MATH - GRADES 6-9

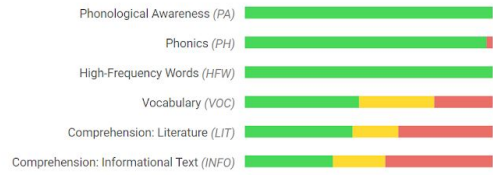
Overall Placement



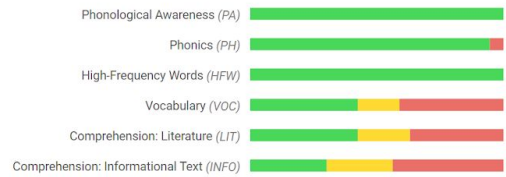
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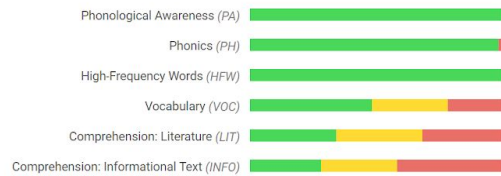
Placement By Domain



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Placement By Domain



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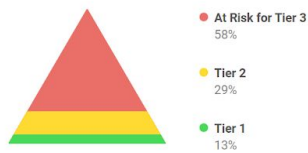


2019-2020 Principal's Monthly Board Report
October 16, 2020
Mavgar Mondesir-Gordon, Principal (Grades 6-9)

Grade 6		69/71
Grade 7		77/80
Grade 8		70/77
Grade 9		52/54

BOY MATH - GRADE 6

Overall Placement

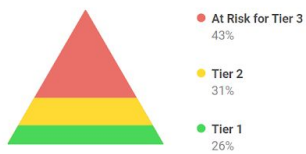


Placement By Domain



BOY MATH - GRADE 7

Overall Placement

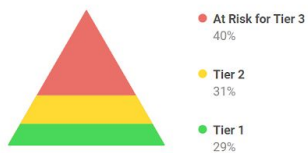


Placement By Domain



BOY MATH - GRADE 8

Overall Placement

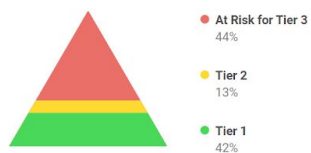


Placement By Domain



BOY MATH - GRADE 9

Overall Placement



Placement By Domain



STAFFING:

- CCMS is currently seeking a SETSS Teacher
- CCMS has a new Social Studies teacher starting in November
- CCHS has an Earth Science and Living Environment Teacher who transferred from CCMS.

SOCIAL EMOTIONAL LEARNING (SEL)

- Covered in the homeroom (8:00 a.m.-8:20 a.m.)
- The importance of the social-emotional lessons is to provide a foundation for a safe and positive learning to provide scholars with the strategies necessary to succeed in school, careers, and life. We will focus on all 5 of the SEL Competencies throughout the school year. Challenge launched its official Advisory Curriculum - The Inner You on September 25, 2020
- CCHS has also begun work with the Inner You Curriculum which will serve as an elective course

CURRICULUM AND INSTRUCTION

- CCMS/CCHS implemented a **Teacher Advisory Team** to help shape the trajectory of the Remote Learning Program. It was necessary for teacher representatives to take the lead and have a voice in the way forward--they too experience screen fatigue and thinking of their socio-emotional state was one of the factors in this collaboration. To this end, they collaborated with leadership on the schedule change bearing in mind that the final decision would have to align with the SED's compliance for instructional minutes. They also did some work in the augmenting of our lesson plan framework to ensure that the time spent with scholars is focused on the standards mastery and that rigor would be at the core of the work that we do.
- Schedules in grades 6 through 9 have undergone a major shift, effective October 14, 2020. This was done to address scholar and staff screen fatigue and to shift focus to small group instruction to help students make headway. Major shifts include:
 - Core subjects (ELA, Math, Science, SS) meet daily from Mon-Thu
 - Core subjects meet for 50 minute periods. There are no more double periods.
 - Core subject instruction ends at 12:00 PM from Monday through Thursday
 - Specials meet once weekly for 45 minutes
 - Instructors have separated scholars into groups based on their needs. These groups meet Monday to Thursday in the afternoons for 45-minute sessions.
 - Instructors and scholars have responded positively to these small groups.
 - Fridays are slated for focus on Digital Citizenship, House Meetings, SEL, Town Halls, and Enrichment Clusters.
- This week at CCMS and CCHS scholars began instruction in their Health Science classes on Covid-19 Education - "Knowing the virus" through the partnership with Dr.Galiatsatos from the John Hopkins School of Medicine.

SPECIAL EDUCATION SERVICES

- **MANDATED SERVICES**
 - Mandated services like Speech therapy and counseling continue on a strict schedule via Google Meet. Scholars are also receiving their SETTS services and Extra help
- Special Education staff continue to participate in SPED Collaborative events, sharing techniques, and strategies that are rooted in SDI.

DIGITAL PLATFORMS

- Grades K-9 transitioned to PowerSchool as its SIS for this school year for grade book, rostering, and attendance.
- Grades 6-9 continues to use Google Classroom as its LMS.

PARENT AND SCHOLAR OUTREACH and ACCESSIBILITY

- Frequent parent meetings for scholars who are not meeting the expectations or for whose socio-emotional state brings us concern.
- Weekly Parent announcements
- All instructors maintain office hours for conferencing with scholars and/families daily from 4:00 PM to 4:30 PM

PROFESSIONAL DEVELOPMENT

- **GRADE TEAM PLANNING AND ONGOING PROFESSIONAL DEVELOPMENT**
 - Professional development takes place daily
 - Mon-Thu 12:50 PM to 1:35 PM for Grades 6-8 core instructors
 - Mon-Thu 3:15 PM to 4:00 PM for Grade 9 core instructors
 - Fridays from 1:00 PM to 4:00 PM
- **VERTICAL DEPARTMENT PLANNING**
 - CCMS/CCHS engaged in a Curriculum compacting PD and has used the knowledge to begin Vertical Content Compacting work focused on our scholars who tested mid, late, and above grade level.
 - The June 2020 preparation of "Great Expectations for Grade Level Expectations" helped us begin the 2020-2021 school year with a clear idea of our scholars' data and beginning-of-year needs. This document names the standards that scholars must master at the end of each grade level alongside the checklist of academic skills that support that standard. This will work in tandem with the iReady

Standards Mastery feature to ensure that as a PLC we are referring to scholar performance by naming the standards that scholars have mastered or have not mastered yet. i-Ready beginning-of-year diagnostic testing began on September 22, 2020.

INSTRUCTIONAL OBSERVATIONS

- The CCMS-CCHS Admin Team members have been supporting during remote learning sessions regularly to ensure that instruction is taking place and that outreach is performed as needed. Informal observations have begun in the form of Check-ins. TeachBoost is currently being used for this task, with a target of 2 long observations and 5 short observations across the board for the school year.



Attachment #6



Director of Pupil Personnel Report

October 2020

Covid-19 Coordinator

- Johns Hopkins COVID-19 scholar lesson curriculum has begun at all school sites.
- St. Johns COVID-19 family workshops are coming up on Thursdays The FEC will be the moderators at all events

October 29th - Chair of Pediatrics Effects of COVID-19 Among Children and Teens

November 5th - Director of Infection Control How To Fight and Control the Spread of COVID-19 Among Children and Teens

November 12 - AVP of Integrated Care & Population Health and the RN, Health Education Nurse Prevention is Key! Practical Solutions to Control the Spread of COVID-19 Among Children and Teens

- Providing the new DOE health screening link to Principals to provide to their staff members. Staff will log in as a guest and receive a completed screen shot for building entry. This screen shot is valid for 24 hours. We are currently reviewing health screeners for students.
- We will use the Operoo health screening tool for students
- Department of Health implemented a daily reporting system to report COVID-19 cases within the school community. These reports are inputted daily.
- Attend weekly DOE/DOH meetings and the most important thing now is ensuring staff are prepared for the scholars and families are informed of the procedures.

Pupil Personnel Director

- Bi-weekly check-in's with SST's for continuous support in the following areas:
 1. SST were provided with additional resources for advisory lessons for the middle/high school level and character education lessons for the elementary school level. The lessons are aligned to the character trait of the month at the K-5 site and the core competencies at the 6-9 sites.
 2. SST members implemented a school-wide behavioral referral process

3. Making plans to meet with Mrs. Gordon and her team with aligning the Inner You Advisory Curriculum with SEL strategies and SEL/PBL initiatives to embed the lessons learned into daily practice. These projects are also aligned to the five core competencies. Enhancing relationship skills through debate, develop responsible decision-making skills through community based projects, etc.
4. Planning the Teacher Wellness Platform for a November start date. This platform will focus on the big 7 self-regulation strategies and staff will receive monthly resources and guides to exercise each strategy.
5. SST members have been assigned specific PD's towards creating systems in schools and collaboration with all stakeholders within the school community. Middle/High school SST members are able to utilize some Fridays for these opportunities.
6. Created and shared a DASA school-wide protocol for documenting bullying.

Family Engagement Coordinators

1. The FEC check-in weekly to discuss and plan family engagement opportunities.
2. The Self-assessment process has begun to reflect on the following core principles:

Create a welcoming Environment

Building Effective Two-way communication

Supporting the Success of Students

Sharing Power and Responsibility

Partnering with the Community

Providing Equity and Access

Ensuring Sustainability



Attachment #7



Challenge Charter School

Communications Report - Oct. 2020

fr: Kim Messer, Director of Communications

Family and Staff Communication

We informed Families and Staff about the continuation of Remote Learning until January 2021 through all of our various channels, website, and specific letters that went out on October 6 (staff) and October 7 (families).

One School Campaign

CPCS and Middle School Facebook pages will be merged to create one school-wide page by January.

Print/Online Marketing

Schneps Media ads online and across 3 English and Spanish papers continue.

Application 2021-22 campaign will start with High School Ads this month in 3 papers and online. (Please see sample Ad for just before Halloween).

Application Season

The school flyer and application has gotten a complete make over. Under the guidance of Dr. Mullings, meetings starting this week will take place to brainstorm with staff on how best to Recruit and Retain students in this unusual time.

Ongoing

Student Handbooks were delayed due to a number of factors. CCMS and CCHS have been posted with K-5 to follow shortly.

Development of a comprehensive Crisis Communications Plan is about half complete; branding issues such as letterhead to do.



Attachment #8



Rev. Dr. Les Mullings, Founder/CEO

October 19, 2020

Re: October 19, 2020 Operations Report

By: Venessa Lynch, Director of Operations

I. Facilities / COVID 19 Preparation

- Building have been deep cleaned
- Ongoing completion of work throughout all buildings as needed
- COVID signage placed throughout buildings (Hartman completed, Redfern and Central in progress)
- Classrooms set up based on COVID guidelines. (Hartman completed, Redfern and Central in progress)
- Working with landlord on the replacement of HVAC filters in preparation for reopening.

II. Health

- Nurses have been confirmed for ES site and MS
- Nurses will report back to their prospective sites closer to reopen date

III. School Operations

- Ongoing implementation of cloud base system Operoo for continuity of school operation. This system will streamline effective and accurate documentation for each scholar and family. We will be able to execute constant contact with instant response with our families. This will also assist with student records and ensure all documents are current.
- ATS purge ensuring all student records are accurate and current
- Working with Principals and Sr. Director of Teaching and learning to fill vacant positions. Recruiting candidates via Indeed and LinkedIn Recruiter
- Notification to OPT , School food and other prospective vendors have been notified of our January reopen as needed.

Challenge Preparatory Charter School, K-5

Nicole Griffin, K-5 Principal

710 Hartman Lane, Far Rocka Way, NY 11691

Phone: 718-327-1352

Email: ngriffin@challengecharterschools.org

www.challengeprepcharter.org

Challenge Charter Schools

Rev. Dr. Les Mullings, Founder/CEO

710 Hartman Lane, Far Rockaway, NY 11691

Phone: 718-327-1352

Email: lsmullings@challengecharterschools.org

www.challengecharterschools.org

Challenge Charter Middle School, 6-8

Mavgar Mondesir-Gordon, 6-8 Principal

1526 Central Avenue, Far Rockaway, NY 11691

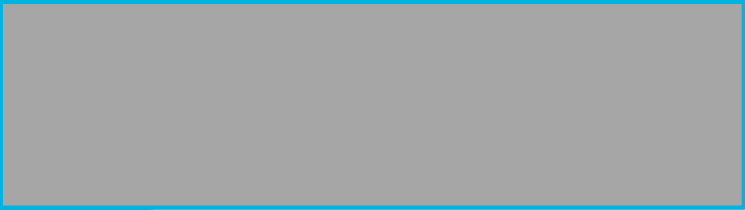
Phone: 718-327-4040

Email: mmondesir@challengecharterschools.org

www.challengechartermiddle.org



Attachment #9



Helping you to focus on what's important:
STUDENT ACHIEVEMENT



experience. expertise. execution.

Challenge Prep Charter School

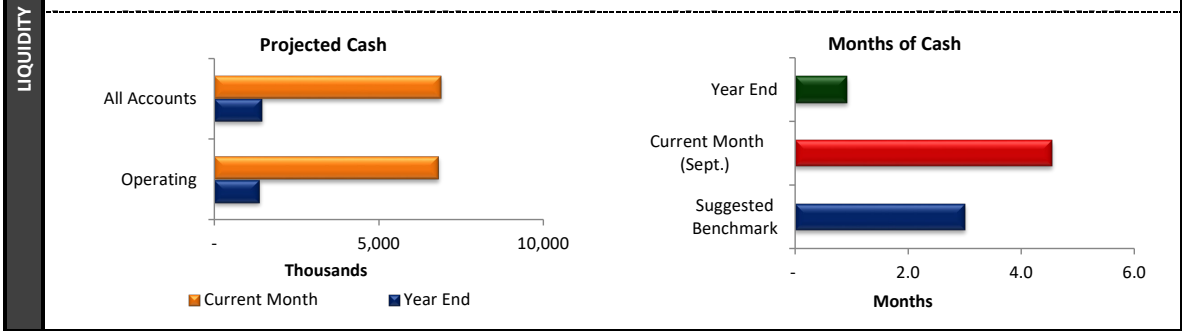
Monthly Financial Report
September 2020



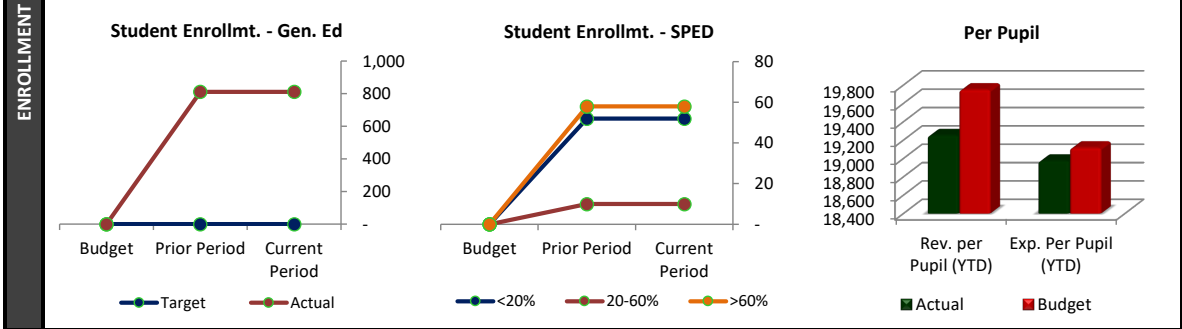
Challenge Prep Charter School

Financial Summary For Period Ended September 30, 2020

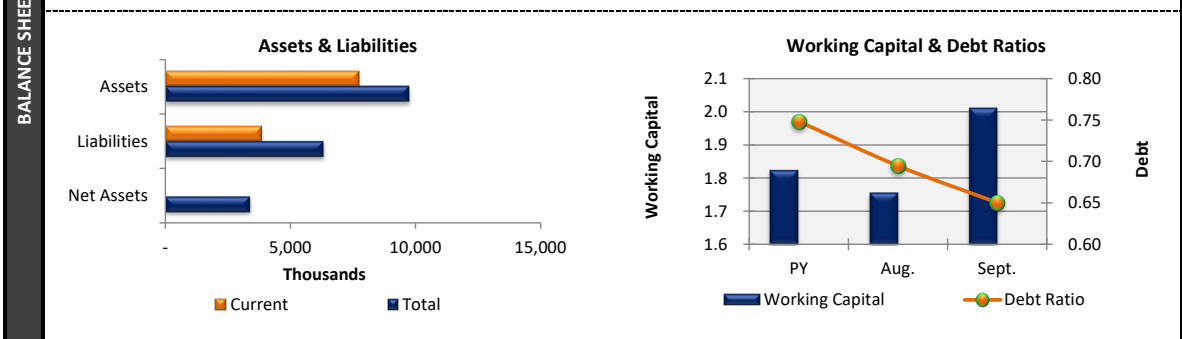
LIQUIDITY	Cash in Bank <i>(Operating Account(s) Only: as of September 30, 2020)</i>	\$ 6,801,481
	Projected months of cash on hand	4.5
	Cash in Bank <i>(Total - All Accounts: as of September 30, 2020)</i>	\$ 6,886,327
	FY Ending Cash Available to Carryover to FY21-22 <i>(Operating Account(s) Only)</i>	\$ 1,374,470
	<i>*Cash balance available once all FY20-21 obligations & receivables have been settled</i>	
Projected months of cash on hand	0.9	
FY Ending Cash Available to Carryover to FY21-22 <i>(Total - All Accounts)</i>	\$ 1,459,317	



	Actual	Budget	Variance	Actual	Budget	Variance
General Ed	936.00	920.00	16.00	\$ 15,116,400	\$ 14,083,360	\$ 1,033,040
SPED						
0 - 20%	35.00	41.00	(6.00)	-	-	-
20 - 59%	18.00	25.00	(7.00)	187,020	259,750	(72,730)
60% - Over	63.00	53.00	10.00	1,200,087	1,009,597	190,490
Total SPED	<u>116.00</u>	<u>119.00</u>	<u>(3.00)</u>	<u>1,387,107</u>	<u>1,269,347</u>	<u>\$ 117,760</u>



Total Current Assets:	\$ 7,714,765
Total Current Liabilities:	\$ 3,838,399
Working Capital (Current) Ratio	2.01
Total Assets:	\$ 9,727,356
Total Liabilities:	\$ 6,326,109
Debt Ratio	0.65
Total Net Assets:	\$ 3,401,246



	Actual	Budget	Variance
Total Revenue YTD:	\$ 4,531,361	\$ 4,452,429	\$ 78,932
Total Expenses YTD:	(3,135,090)	(3,839,090)	704,000
Net Operating Surplus(Deficit):	<u>\$ 1,396,271</u>	<u>\$ 613,338</u>	<u>\$ 782,932</u>

Challenge Prep Charter School

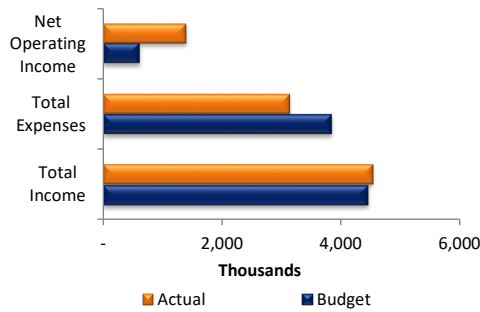
Financial Summary

For Period Ended September 30, 2020

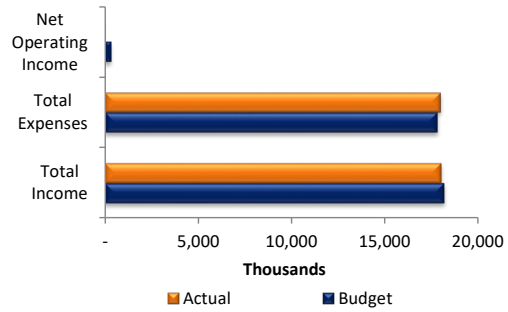
	<u>Projected</u>	<u>Budget</u>	<u>Variance</u>
Annual Projected Revenue:	\$ 18,019,182	\$ 18,169,622	\$ (150,440)
Annual Projected Expenses (before depreciation):	(17,759,931)	(17,587,393)	(172,538)
Projected Net Operating Surplus(Deficit) before Depreciation:	\$ 259,251	\$ 582,229	\$ (322,978)
Annual Projected Depreciation:	(230,840)	(230,840)	-
Projected Net Operating Surplus(Deficit) after Depreciation:	\$ 28,411	\$ 351,389	\$ (322,978)
Capital Expenditure Requirements	\$ 177,755	\$ -	\$ 177,755
Total Cash Expenditures <i>(expenses excluding depreciation plus capital expenditures)</i>	\$ (17,706,846)	\$ (17,356,553)	\$ (350,293)
Revenue per Pupil (YTD)	\$ 19,251	\$ 19,750	\$ (498)
Expenditure per Pupil (YTD)	\$ 18,974	\$ 19,117	\$ (142)

BUDGETING / REVENUE & EXPENSES

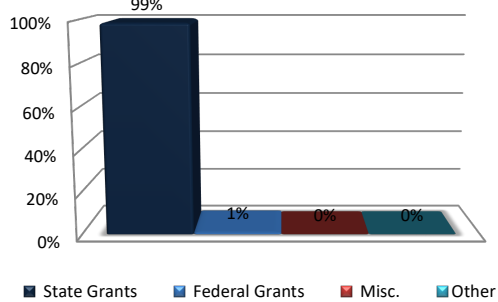
Year-To-Date (YTD)



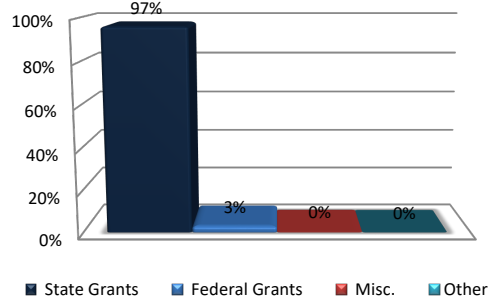
Year End (YE) Projection



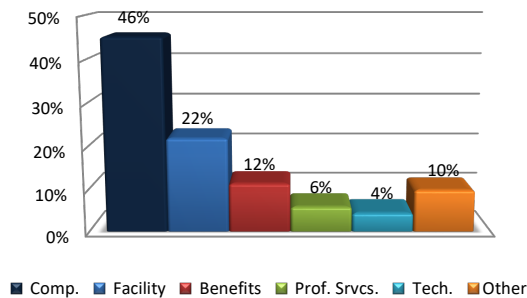
Revenue Breakdown YTD



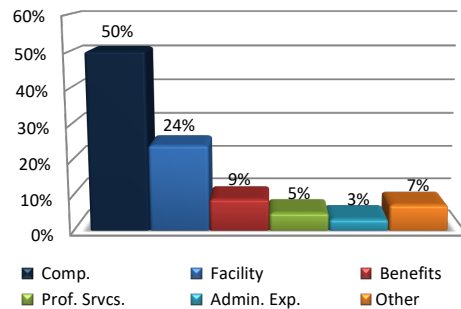
Revenue Breakdown YE



Expense Breakdown YTD



Expense Breakdown YE



Challenge Prep Charter School

Financial Variance Summary

Fiscal Year Ending 6/30/2021		Comments
Net Budget Surplus after Depreciation	\$ 351,389	
Decrease in State Grants	(244,420)	GenEd budget based on 920, projection based on 909.683 . SpEd budget based on 53 over 60%; 25 20-59%; Projection based on 17.903 20-60 and 52.468 >60
Increase in Federal Grants	56,337	
Decrease in Contributions	-	
Increase in Miscellaneous Income	<u>37,644</u>	
Decrease in Projected Annual Revenue	(150,440)	
Increase in Projected Annual Expenses	172,538	
Net Projected Deficit Variance after Depreciation	<u>\$ 28,411</u>	

Challenge Prep Charter School Budget vs. Actuals Fiscal Year Ending June 30, 2021

	September 30, 2020		YTD Through September 30, 2020		Projected FYE June 30, 2021		Comments
	Actual	Budget	Actual	Budget	Actuals - July 2019 - March 31, 2020 + Projections thru June 30, 2020	Annual Budget	
Income							
4100 State Grants	1,498,946	1,467,156	31,790	4,496,837	4,401,467	95,370	GenEd budget based on 920, projection based on 909,683 . SpEd budget based on 53 over 60%; 25 20-59%; Projection based on 17,903 20-60 and 52,468 >60
4200 Federal Grants							
4300 Contributions	5,122	19,288	(14,167)	34,522	50,961	(16,439)	
4400 Miscellaneous Income	0	-	0	-	-	-	
Total Income	1,504,068	1,486,444	17,623	4,531,361	4,452,429	78,932	
Expenses							
Compensation							
5100 Instructional Staff	524,138	546,853	(22,715)	955,781	956,913	(1,133)	Based on Budget
5200 Non-Instructional Staff	123,609	136,878	(13,269)	307,549	410,634	(103,085)	Based on budget
5300 Pupil Support	89,694	76,606	13,088	163,692	229,819	(66,127)	Based on budget
5000 Compensation	737,440	760,337	(22,897)	1,427,021	1,597,366	(170,345)	Salary projections based on budget
5400 Benefits	187,092	136,783	50,309	364,419	410,350	(45,931)	Based on budget
6100 Administrative Expenses	33,247	47,552	(14,305)	97,539	198,524	(100,985)	Based on budget
6200 Professional Services	69,243	76,842	(7,598)	188,379	218,425	(30,046)	Based on budget
6300 Professional Development	1,520	14,600	(13,080)	32,840	38,700	(5,860)	Based on budget
6400 Marketing and Staff/Student Rec	6,037	6,676	(640)	29,297	20,029	9,268	Based on budget
6500 Fundraising Expenses	-	306	(306)	-	919	(919)	Based on budget
7100 Curriculum & Classroom Expenses	47,024	27,696	19,328	85,344	82,299	3,046	Based on budget
8100 Facility	238,893	370,155	(131,262)	699,632	1,099,964	(400,332)	Based on budget
8200 Technology/Communication Expenses	67,778	28,185	39,592	140,766	114,556	26,210	Based on budget
8800 Miscellaneous Expenses	1,498	83	1,414	4,489	250	4,239	Based on budget
8900 Depreciation Expense	64,950	57,710	7,240	65,365	57,710	7,655	Based on budget
Total Expenses	1,454,722	1,526,926	(72,204)	3,135,090	3,839,090	(704,000)	
Net Income	49,345	(40,482)	89,827	1,396,271	613,338	782,932	
Capital Expenditures							
Furniture, Fixtures & Equipment	124,643	-	124,643	251,563	-	251,563	335,000
Facility and Construction	-	-	-	(512,755)	-	(512,755)	(512,755)
Website	-	-	-	-	-	-	-
Total Capital Expenditures	124,643	-	124,643	(261,192)	-	(261,192)	(177,755)

Challenge Prep Charter School Cash Flow Projection as of September 30, 2020

	Projected Aug 20 - June 21	Annual Budget FY20-21												July+ Subsequent FY19-20 Items
		October	November	December	January	February	March	April	May	June				
Beginning Cash Balance (Operating	6,801,481	7,478,646	5,984,657	7,261,573	5,726,689	6,938,902	5,399,293	2,747,098	5,081,523	3,586,721				
Projected Cash Receipts from Operations (below)	11,547,181	40,895	2,881,801	1	2,747,098	1	2,747,098	1	37,653	415,553				
Projected Cash Disbursements from Operations (below)	(14,557,212)	(1,525,614)	(1,525,614)	(1,525,614)	(1,525,614)	(1,530,339)	(1,523,164)	(1,523,164)	(1,523,164)	(829,309)				
Net Cash from Operations	(3,010,032)	1,221,484	1,286,187	(1,525,613)	1,221,484	(1,530,339)	1,223,934	(1,523,163)	(1,485,531)	(413,756)				
Cash Receipts from Accounts & Misc Receivables (not included in revenue below)	-	-	-	-	-	-	-	-	-	-				
Cash Disbursements for Accounts Payable & Accrued Expenses	-	(535,048)	-	-	-	-	-	-	-	-				
Capital Expenditures (below)	(83,437)	(9,271)	(9,271)	(9,271)	(9,271)	(9,271)	(9,271)	(9,271)	(9,271)	(9,271)				
Accounts Receivable	(1,792,512)	-	-	-	-	-	-	-	-	-				
PPP Loan Payable	(5,983)	-	-	-	-	-	-	-	-	-				
PPP Loan Interest Payable	-	-	-	-	-	-	-	-	-	-				
Ending Cash Balance (Operating Account)	5,673,381	7,478,646	5,984,657	7,261,573	5,726,689	6,938,902	5,399,293	2,747,098	5,081,523	3,586,721	1,374,470			
Other Cash Accounts (Net of Transfers)	-	84,847	84,847	84,847	84,847	84,847	84,847	84,847	84,847	84,847				
Total Cash (All Accounts)	5,673,381	7,563,493	6,069,503	5,811,535	7,023,749	5,484,140	6,698,803	6,698,803	5,166,369	3,671,567	1,459,317			

Challenge Prep Charter School
Balance Sheet
YTD as of September 30, 2020

	Total	Comments
ASSETS		
Current Assets	-	
Bank Accounts		
1000 Cash		
1001 HSBC Checking - 0844	6,136,658	
1002 HSBC Checking - 0852	10,467	
1003 HSBC Checking - 0879	664,823	
1004 HSBC Checking - 0887	506	
1005 HSBC Money Market - 5972	3,502	
1006 Chase Escrow - 3060	70,000	
1007 Petty Cash	372	
Total 1000 Cash	\$ 6,886,327	
Total Bank Accounts	\$ 6,886,327	
Accounts Receivable		
1100 Accounts Receivable	281,517	
1200 Other Receivables - Salary Advance	(704)	
Total Accounts Receivable	\$ 280,813	
Other current assets		
1300 Prepaid Expenses	195,543	
1301 Prepaid Insurance	85,852	
1310 Prepaid Rent	266,230	
Total Other current assets	\$ 547,625	
Total Current Assets	\$ 7,714,765	
Fixed Assets		
1500 Furniture, Fixtures & Equipment		
1510 Office & Admin Computers & Equipment	243,066	
1511 Classroom Computers & Equipment	509,012	
1512 Classroom Furniture	391,772	
1513 Office Furniture	56,983	
Total 1513 Office Furniture	\$ 56,983	
1514 Musical Instruments	16,390	
1515 Computer Software	44,217	
Total 1500 Furniture, Fixtures & Equipment	1,261,440	
1519 Facility and Construction	127,589	
1520 Architect Fees	115,620	
1525 Fire Alarm System	7,500	
Total 1525 Fire Alarm System	\$ 7,500	
1530 Kitchen/Cafeteria	162,079	
1535 Construction In Progress	300,000	
1540 Leasehold Improvements	311,199	
Total 1519 Facility and Construction	1,023,986	
1610 Website	11,000	
Total 1610 Website	\$ 11,000	
1700 Accumulated Depreciation & Amortization		
1710 Accumulated Depreciation	(1,209,257)	

Challenge Prep Charter School
Balance Sheet
YTD as of September 30, 2020

	Total	Comments
1750 Accumulated Amortization	(7,578)	
Total 1700 Accumulated Depreciation & Amortization	\$ (1,216,835)	
Total Fixed Assets	\$ 1,079,591	
Other Assets		
1800 Security Deposits	932,999	
Total Other Assets	\$ 932,999	
TOTAL ASSETS	\$ 9,727,356	
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable	494,893	
Total Accounts Payable	\$ 494,893	
Other Current Liabilities		
2100 HSBC Loan Payable	1,792,512	
2300 Accrued Salaries/Taxes	-	
2301 Accrued Expenses	40,155	
2303 Accrued Interest - PPP	5,983	
2400 Unearned/Deferred Revenue	1,504,857	
Total Other Current Liabilities	\$ 3,343,506	
Total Current Liabilities	\$ 3,838,399	
Long-Term Liabilities		
2700 Deferred Rent Liability	2,487,711	
Total Long-Term Liabilities	\$ 2,487,711	
Total Liabilities	\$ 6,326,109	
Equity		
3100 Retained Earnings	2,004,976	
Net Income	1,396,271	
Total Equity	\$ 3,401,246	
TOTAL LIABILITIES AND EQUITY	\$ 9,727,356	

Challenge Prep Charter School
Statement of Cash Flows
YTD as of September 30, 2020

	<u>Total</u>	<u>Comments</u>
OPERATING ACTIVITIES		
Net Income	1,396,271	
Adjustments to reconcile Net Income to Net Cash provided by operations:		
1100 Accounts Receivable	176,634	
1200 Accounts Receivable:Other Receivables - Salary Advance	340	
1300 Prepaid Expenses	(160,245)	
1301 Prepaid Insurance	(85,852)	
1310 Prepaid Rent	73,316	
1710 Accumulated Depreciation & Amortization	64,998	
2301 Accrued Expenses	(76,683)	
2303 Accrued Interest - PPP	4,489	
2400 Unearned/Deferred Revenue	1,498,946	
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	861,029	
Net cash provided by operating activities	2,257,300	
INVESTING ACTIVITIES		
1511 Furniture, Fixtures & Equipment:Classroom Computers & Equipment	(214,332)	
1512 Furniture, Fixtures & Equipment:Classroom Furniture	(37,231)	
1750 Accumulated Depreciation & Amortization:Accumulated Amortization	367	
1800 Security Deposits	-	
Net cash provided by investing activities	(251,196)	
FINANCING ACTIVITIES		
3000 Opening Balance Equity	-	
Net cash provided by financing activities	\$ -	
Net cash increase for period	2,006,103	
Cash at beginning of period	<u>\$ 4,880,224</u>	
Total Cash at beginning of period	<u>\$ 4,880,224</u>	
Cash at end of period	<u>\$ 6,886,327</u>	



Attachment #10

September 2020

Current Employees	Vacancies
132	4

Campus	Current	Vacancies	New Hires
Elementary School	74	0	0
Middle School	42	3	1
High School	6	1	-
Network Operations	10	0	-

New Hires	Position
Louis, Prince	Custodian
Ofori, Elizabeth	Curriculum & Technology Integration Specialist*

Please note, this position is not in the FY21 Board approved budget

Vacancies

- MS Teacher - SETTS
- MS Teacher - 7th Grade Social Studies
- MS Teacher - 8th Grade ELA
- HS Teacher - CTE



Attachment #11

FY21 CPCS Budget - Modification #1

	FY21 Budget Elementary	FY21 Budget Middle	FY21 Budget High	FY21 Budget Network Operations	FY20 Budget Consolidated
Assumptions:					
Enrollment:	624	228	53	-	905
SpEd <20%	20	16	3	-	39
SpEd 20-60%	1	14	3	-	18
SpEd >60%	47	2	3	-	52
					-
Per Pupil Rate	16,123	16,123	16,123		16,123
Facilities Rate	0%	30%	30%	0%	30%
NYS Per Pupil Grant	-	-	-	-	-
Income					
4100 State Grants					
4101 Per Pupil Allocations	10,060,752	3,676,044	854,519	-	14,591,315
4102 Per Pupil Allocations for SPED	914,359	183,309	87,808	-	1,185,475
4110 NYS Per Pupil Supplement	-	-	-	-	-
4103 NYSTL	8,325	3,042	707	-	12,074
4104 NYSSL	24,229	19,294	3,782	-	47,305
4105 NYSLIB	275	3,933	830	-	5,038
4108 NYC Discretionary Grant			-		-
4109 Facilities Funding	-	1,044,770	464,342	-	1,509,113
Total 4100 State Grants	11,007,939	4,930,392	1,411,989	0	17,350,320
4200 Federal Grants					
4201 IDEA for Sp. Ed.	43,697	15,776	5,651	-	65,124
4202 Title I - Part A	131,032	47,877	11,129	-	190,038
4203 Title II - Part A	8,216	6,543	1,283	-	16,042
Title III - Part A	171	2,443	516	-	3,129
4206 E-Rate	-	-	-	-	-
4207 ESSER	138,654	47,598	20,695	-	206,947
4208 Title IV - Part A	16,716	704	1,056	-	18,477
Total 4200 Federal Grants	338,487	120,941	40,330	0	499,757
4300 Contributions					
4301 Restricted Contributions	-	-	-	-	-
4302 Unrestricted Contributions	-	-	-	-	-
4303 PTA Fundraising	-	-	-	-	-
4304 In-Kind Legal Support	-	-	-	-	-
4305 Fundraiser Revenue	-	-	-	-	-
4306 Fundraising - Gross Receipts	-	-	-	-	-
4307 Fundraising - Total Contribution	-	-	-	-	-
4308 In-Kind Donations	-	-	-	-	-
Total 4305 Fundraiser Revenue	-	-	-	-	-
Total 4300 Contributions	0	0	0	0	0
4400 Miscellaneous Income					
4401 Interest Income	-	-	-	-	-
4402 Revenue Suspense Account	-	-	-	-	-
4404 Rental Income	-	-	-	-	-
Total 4400 Miscellaneous Income	0	0	0	0	0
Total Income	11,346,425	5,051,333	1,452,319	-	17,850,077

FY21 CPCS Budget - Modification #1

	FY21 Budget Elementary	FY21 Budget Middle	FY21 Budget High	FY21 Budget Network Operations	FY20 Budget Consolidated
Gross Profit	11,346,425	5,051,333	1,452,319	-	17,850,077
5000 Compensation					
5100 Instructional Staff					
5101 Administrative Leadership	-	-	-	384,518	384,518
5102 Instructional Leadership	383,723	449,358	42,000	-	875,081
5103 Classroom Teachers	1,881,237	791,273	282,000	-	2,954,510
5104 Assistant Teachers	493,021	347,500	-	-	840,521
5105 Special Education Teachers	498,841	65,000	93,840	-	657,681
5106 ELL Teachers	66,176	-	-	-	66,176
5107 Music Teacher	50,859	85,000	-	-	135,859
5108 Art Teacher	52,020	-	-	-	52,020
5109 Physical Education Teacher	127,026	67,000	90,000	-	284,026
5110 Specialty Teachers	63,377	57,845	75,000	-	196,222
Total 5100 Instructional Staff	3,616,280	1,862,976	582,840	384,518	6,446,614
5200 Non-Instructional Staff					
5201 Finance	-	-	-	176,359	176,359
5202 Administration & Operations	205,538	263,957	-	308,013	777,507
5204 Administrative Assistant	64,208	58,650	-	-	122,858
5205 Custodian	139,663	161,556	-	-	301,219
5206 Security Guards	123,685	94,227	-	-	217,912
Total 5200 Non-Instructional Staff	533,093	578,390	0	484,372	1,595,855
5300 Pupil Support					
5301 Pupil Support Services	229,973	224,688	-	215,000	669,661
5302 School Aides	105,000	87,625	-	-	192,625
5303 Guidance Counselor	68,289	79,626	-	-	147,915
Total 5300 Pupil Support	403,262	391,939	0	215,000	1,010,201
Total 5000 Compensation	4,552,635	2,833,305	582,840	1,083,890	9,052,670
5400 Benefits					
5402 NY State Unemployment Insurance	39,792	13,660	5,939	-	59,391
5403 Social Security - EmployER	282,263	175,665	36,136	67,201	561,266
5404 Social Security - EmployEE	-	-	-	-	-
5405 Medicare - EmployER	66,013	41,083	8,451	15,716	131,264
5406 Medicare - EmployEE	-	-	-	-	-
5407 Worker's Compensation Expense	11,711	4,020	1,748	-	17,479
5408 NYS Disability	-	-	-	-	-
5409 Medical Insurance	393,433	121,056	60,528	30,264	605,282
5410 Dental Insurance	27,416	8,436	4,218	2,109	42,179
5411 Vision Insurance	6,561	2,019	1,009	505	10,094
5412 Life Insurance, STD, LTD, AD&D	44,666	13,744	6,872	3,436	68,718
5414 Retirement 403(B) Match	85,248	26,230	13,115	6,558	131,150
5415 Retirement 403(B) Clearing	-	-	-	-	-
5416 TransitChek Fees	-	-	-	-	-
5420 Other Employer Taxes	14,920	4,591	2,295	1,148	22,953
5422 HRA/FSA Diff Card Premium & Contributions	-	-	-	-	-
5424 Payroll Expenses	-	-	-	-	-
5425 AFLAC (Clearing)	-	-	-	-	-

FY21 CPCS Budget - Modification #1

	FY21 Budget Elementary	FY21 Budget Middle	FY21 Budget High	FY21 Budget Network Operations	FY20 Budget Consolidated
Total 5400 Benefits	972,024	410,503	140,312	126,936	1,649,775
6100 Administrative Expenses					
6101 Office Supplies	33,150	10,200	5,100	2,550	51,000
6102 Printer Supplies	7,800	2,400	1,200	600	12,000
6103 Office Furn (non-asset)	4,875	1,500	750	375	7,500
6104 Office Equipment (non-asset)	1,625	500	250	125	2,500
6105 Copy Machine Lease	18,486	15,344	6,300	8,546	48,676
6106 Postage and Delivery	3,250	1,000	500	250	5,000
6107 Temperature Scanning Kiosk Lease	4,917	1,639	1,639	1,639	9,834
6109 Dues, Licenses, & Subscriptions	13,000	4,000	2,000	1,000	20,000
6110 Team Building/Staff Lunch & App	16,250	5,000	2,500	1,250	25,000
6111 Student/Family Appreciation	14,950	4,600	2,300	1,150	23,000
6112 Travel to/from Meetings	3,250	1,000	500	250	5,000
6113 Student Meals	975	300	150	75	1,500
6115 Student Uniforms/Apparel	5,070	1,560	780	390	7,800
6119 Classroom Furniture and Equipment (non-asset)	97,500	30,000	15,000	7,500	150,000
6120 Insurance					
6121 Insurance Fees	1,300	400	200	100	2,000
6122 Insurance - Directors & Officers	14,745	4,537	2,269	1,134	22,685
6123 Insurance - Excess Liability	3,250	1,000	500	250	5,000
6124 Insurance - General Liability & Property	50,700	15,600	7,800	3,900	77,999
Total 6120 Insurance	69,995	21,537	10,768	5,384	107,684
6130 NYC Discretionary Grant- Non Capitalized Equip	-	-	-	-	-
Total 6100 Administrative Expenses	295,093	100,580	49,737	31,084	476,495
6200 Professional Services					
6201 Audit/Accounting Services	20,800	6,400	3,200	1,600	32,000
6202 Payroll Services	178,750	55,000	27,500	13,750	275,000
6203 Communication & Compliance Consulting Services	113,750	35,000	17,500	8,750	175,000
6204 Legal Services - Paid	16,250	5,000	2,500	1,250	25,000
6205 Educational Consulting	48,750	15,000	7,500	3,750	75,000
6206 Financial Management Services	45,500	14,000	7,000	3,500	70,000
6207 Substitute Teacher Services	16,250	5,000	2,500	1,250	25,000
6208 Temporary Staffing Services	6,700	2,300	1,000	500	10,000
6210 ERate Consulting	3,015	1,035	450	225	4,500
6211 Parent Support	-	-	-	-	-
6212 Contracted Security Services	10,050	3,450	1,500	750	15,000
6213 Start Up - Expense	-	-	-	-	-
6214 HRA/FSA Administration Fees	-	-	-	-	-
6215 Replication Expenses	-	-	-	-	-
6216 Cleaning Services	50,250	17,250	7,500	3,750	75,000
Total 6200 Professional Services	510,065	159,435	78,150	39,075	781,500
6300 Professional Development					
6301 Instructional Staff PD	53,600	18,400	8,000	4,000	80,000
6302 Non-Instructional Staff PD	14,740	5,060	2,200	1,100	22,000
6303 Board Development/ Strategic Planning	10,050	3,450	1,500	750	15,000
6304 Tuition and Cert Reimbursement	10,050	3,450	1,500	750	15,000

FY21 CPCS Budget - Modification #1

	FY21 Budget Elementary	FY21 Budget Middle	FY21 Budget High	FY21 Budget Network Operations	FY20 Budget Consolidated
6305 Conferences and Workshops	6,700	2,300	1,000	500	10,000
Total 6300 Professional Development	95,140	32,660	14,200	7,100	142,000
6400 Marketing and Staff/Student Rec					
6401 Advertising	5,226	1,794	780	390	7,800
6402 Student Recruiting	33,500	11,500	5,000	2,500	50,000
6404 Staff Recruiting	16,750	5,750	2,500	1,250	25,000
6405 Website Maintenance	9,045	3,105	1,350	675	13,500
Total 6400 Marketing and Staff/Student Rec	64,521	22,149	9,630	4,815	96,300
6500 Fundraising Expenses					
6501 Mailings and Materials	2,345	805	350	175	3,500
6502 Events	-	-	-	-	-
Total 6500 Fundraising Expenses	2,345	805	350	175	3,500
7100 Curriculum & Classroom Expenses					
7101 Classroom Libraries	-	-	-	-	-
7102 Curric Textbooks and Other Curr	83,750	28,750	12,500	6,250	125,000
7103 Math	-	-	-	-	-
7104 Art Supplies	9,380	3,220	1,400	700	14,000
7105 Music	3,350	1,150	500	250	5,000
7106 Student Transportation	33,500	11,500	5,000	2,500	50,000
7107 Curriculum Licenses & Subscriptions	-	3,600	-	-	-
7108 Standardized Test Materials/Ass	9,380	3,220	1,400	700	14,000
7109 Student Field Trips	13,400	4,600	2,000	-	20,000
7110 Classroom Supplies	10,050	3,450	1,500	750	15,000
7112 Physical Movement/Recess Suppli	5,556	1,907	829	415	8,292
7113 Special Education Equip/Curricu	-	-	-	-	-
7114 Non-Instructional Student Enric	-	-	-	-	-
7115 NYSTL Expense	8,208	2,793	1,072	-	12,074
7116 NYSSL Expense	21,633	19,571	6,101	-	47,305
7117 NYSLIB Expense	595	2,997	1,446	-	5,038
7118 Student Information Management System	11,265	3,867	1,681	-	16,814
Total 7100 Curriculum & Classroom Expenses	210,067	90,626	35,430	11,565	332,523
8100 Facility					
8101 Renovation/Construction	-	-	-	-	-
8102 Utilities	67,000	23,000	10,000	5,000	100,000
8103 Building Permits	670	230	100	50	1,000
8104 Rent Expense	1,178,982	1,064,273	1,430,000	-	3,673,255
8105 Signage	3,350	1,150	500	250	5,000
8106 Real Estate Taxes	234,500	80,500	35,000	17,500	350,000
8111 Relocation Expense	6,700	2,300	1,000	500	10,000
8114 Custodial Supplies	46,900	16,100	7,000	3,500	70,000
8115 Landscaping	10,050	3,450	1,500	750	15,000
8120 Repair & Maintenance	50,250	17,250	7,500	3,750	75,000
8125 Deferred Rent Expense	-	-	-	-	-
Total 8100 Facility	1,598,402	1,208,253	1,492,600	31,300	4,299,255
8200 Technology/Communication Expense					
8201 Phone/Fax Expenses	10,050	3,450	1,500	-	15,000

FY21 CPCS Budget - Modification #1

	FY21 Budget Elementary	FY21 Budget Middle	FY21 Budget High	FY21 Budget Network Operations	FY20 Budget Consolidated
8202 Mobile Phone Expenses	8,629	2,962	1,288	-	12,879
8203 Internet Connectivity Expenses	32,830	11,270	4,900	-	49,000
8204 Network Maintenance/Tech Support	6,700	2,300	1,000	-	10,000
8205 Technology Consultants	33,500	11,500	5,000	-	50,000
8206 Database Development Services	-	-	-	-	-
8207 Website Consultants/Expenses	-	-	-	-	-
8208 Technology Supplies	10,611	3,643	1,584	-	15,838
8209 Technology Equipment (non-asset)	40,653	13,955	6,068	-	60,676
8210 Technology Licenses, Software, & Subscriptions	3,237	1,111	483	-	4,832
Total 8200 Technology/Communication Expense	146,210	50,192	21,822	0	218,225
8800 Miscellaneous Expenses					
8801 Bank Service Charges	-	-	-	1,000	1,000
Total 8800 Miscellaneous Expenses	0	0	0	1,000	1,000
8900 Depreciation Expense	230,840	-	-	-	230,840
Total Expenses	8,677,343	4,908,508	2,425,072	1,336,940	17,347,863
Net Operating Income for FY21	2,669,082	142,825	(972,753)	(1,336,940)	502,214

FY21 Budget Modification #1 - Assumptions & Changes:

- A more accurate reflection of the decrease in HS enrollment, 96 to 55 based on trends.
- A more accurate reflection of the decrease in SpEd count, decrease in provided services based on trends.
- Accounting for ESSER funds, \$206,947 allocated to CPCS.
- Increase in salary & benefit lines, with positions that were not originally budgeted and various salary increases across the board.
- Decrease in student services (ex. transportation, food, uniforms, due to no students in the facilities through January)
- Final semester of NYIT Bridge Program for employees pursuing Master's & Teaching Certificates.
- Decrease in fundraising costs due to COVID-19.
- Increase in Technology:
 - Google Voice, previously free
 - Google Suite, previously free
 - Hotspots for students
 - 15-20 Central Avenue significant cost for network setup with CTS
 - Chromebooks purchase to ensure one-to-one for remote learning (partially offset by ESSER funding)
- Anticipation of 15-20 Central Avenue rental costs once completed.



Attachment #12

Challenge Preparatory Charter School

Financial Statements

June 30, 2020 and 2019



Independent Auditors' Report

**Board of Trustees
Challenge Preparatory Charter School**

Report on the Financial Statements

We have audited the accompanying financial statements of Challenge Preparatory Charter School (the "School"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PKF O'CONNOR DAVIES, LLP
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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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated – September 30, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Harrison, New York
September 30, 2020

Challenge Preparatory Charter School

Statements of Financial Position

	June 30,	
	2020	2019
ASSETS		
Current Assets		
Cash	\$ 4,810,225	\$ 2,332,264
Grants and contracts receivable	452,240	547,628
Prepaid expenses and other current assets	374,481	195,761
Total Current Assets	5,636,946	3,075,653
Property and equipment, net	893,394	834,601
Restricted cash - escrow	70,000	70,000
Security deposits	932,999	333,576
	\$ 7,533,339	\$ 4,313,830
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 220,880	\$ 272,931
Accrued payroll and payroll taxes	1,027,251	986,464
Deferred rent, current portion	172,454	238,992
Total Current Liabilities	1,420,585	1,498,387
Paycheck Protection Program loan payable	1,792,512	-
Deferred rent	2,315,256	2,009,726
Total Liabilities	5,528,353	3,508,113
Net assets, without donor restrictions	2,004,986	805,717
	\$ 7,533,339	\$ 4,313,830

See notes to financial statements

Challenge Preparatory Charter School

Statements of Activities

	Year Ended June 30,	
	2020	2019
REVENUE AND SUPPORT		
State and local per pupil operating revenue	\$ 14,318,940	\$ 13,357,655
State and local per pupil facilities funding	1,415,761	545,977
Federal grants	380,354	390,912
State grants	54,291	60,047
Contributions, grants and other income	640	357,749
Rental income	126,096	94,080
Total Revenue and Support	16,296,082	14,806,420
EXPENSES		
Program Services		
Regular education	10,655,297	10,484,175
Supporting services	2,741,774	2,805,007
Total Program Services	13,397,071	13,289,182
Supporting Services		
Management and general	1,626,830	1,900,807
Fundraising	72,912	65,604
Total Expenses	15,096,813	15,255,593
Change in Net Assets	1,199,269	(449,173)
NET ASSETS		
Beginning of year	805,717	1,254,890
End of year	\$ 2,004,986	\$ 805,717

See notes to financial statements

Challenge Preparatory Charter School

Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services			Management and General	Fundraising	Total
	Regular Education	Special Education	Total			
Salaries	\$ 5,609,716	\$ 1,460,009	\$ 7,069,725	\$ 1,009,567	\$ 13,241	\$ 8,092,533
Payroll taxes and employee benefits	1,213,737	341,898	1,555,635	136,759	17,095	1,709,489
Professional development	139,153	21,065	160,218	26,250	-	191,432
Audit and accounting fees	-	-	-	5,019	-	26,250
Legal fees	-	-	-	69,909	-	5,019
Financial management fees	-	-	-	42,710	5,339	69,909
Consulting fees	503,141	125,560	628,701	-	-	676,750
Contractual services	48,142	7,288	55,430	-	-	55,430
Teacher and student recruitment	115,449	17,477	132,926	-	-	132,926
Student services and staff team building	46,586	7,052	53,638	4,890	-	58,528
Curriculum and classroom materials	336,943	51,008	387,951	-	-	387,951
Occupancy	1,970,339	555,025	2,525,364	222,010	27,751	2,775,125
Utilities	116,984	32,953	149,937	13,181	1,648	164,766
Office supplies	76,130	21,445	97,575	8,748	1,072	107,395
Postage and delivery	1,838	518	2,356	207	26	2,589
Telephone and internet services	71,838	12,292	84,130	7,452	1,565	93,147
Information technology	74,637	19,164	93,801	10,604	694	105,099
Insurance	75,029	21,135	96,164	8,454	1,057	105,675
Fundraising expense	-	-	-	-	2,040	2,040
Dues and subscriptions	20,297	3,073	23,370	-	-	23,370
Depreciation and amortization	137,089	17,136	154,225	17,136	-	171,361
Maintenance and repairs	98,249	27,676	125,925	11,070	1,384	138,379
Miscellaneous	-	-	-	1,650	-	1,650
Total Expenses	\$ 10,655,297	\$ 2,741,774	\$ 13,397,071	\$ 1,626,830	\$ 72,912	\$ 15,096,813

See notes to financial statements

Challenge Preparatory Charter School

Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services			Management and General	Fundraising	Total
	Regular Education	Special Education	Total			
Salaries	\$ 5,330,510	\$ 1,501,526	\$ 6,832,036	\$ 946,891	\$ 3,314	\$ 7,782,241
Payroll taxes and employee benefits	1,049,829	293,335	1,343,164	185,265	15,439	1,543,868
Professional development	164,212	27,949	192,161	31,350	-	223,511
Audit and accounting fees	-	-	-	29,000	-	29,000
Legal fees	-	-	-	2,539	-	2,539
Financial management fees	-	-	-	142,453	-	142,453
Consulting fees	559,898	150,350	710,248	88,963	7,413	806,624
Contractual services	209,984	35,740	245,724	-	-	245,724
Teacher and student recruitment	74,097	12,612	86,709	-	-	86,709
Student services and staff team building	67,489	11,486	78,975	3,246	-	82,221
Curriculum and classroom materials	397,036	67,576	464,612	-	-	464,612
Occupancy	1,933,734	540,308	2,474,042	341,246	28,437	2,843,725
Utilities	119,627	33,425	153,052	21,112	1,759	175,923
Office supplies	82,181	22,962	105,143	22,780	1,209	129,132
Postage and delivery	2,196	614	2,810	388	32	3,230
Telephone and internet services	48,452	8,627	57,079	6,118	1,040	64,237
Information technology	70,368	17,199	87,567	11,202	828	99,597
Insurance	72,386	20,225	92,611	12,774	1,064	106,449
Fundraising expense	-	-	-	-	2,880	2,880
Dues and subscriptions	6,941	1,181	8,122	-	-	8,122
Depreciation and amortization	146,358	18,294	164,652	18,294	-	182,946
Maintenance and repairs	148,877	41,598	190,475	26,273	2,189	218,937
Miscellaneous	-	-	-	10,913	-	10,913
Total Expenses	\$ 10,484,175	\$ 2,805,007	\$ 13,289,182	\$ 1,900,807	\$ 65,604	\$ 15,255,593

See notes to financial statements

Challenge Preparatory Charter School

Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,199,269	\$ (449,173)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	171,361	182,946
Deferred rent	238,992	274,995
Changes in operating assets and liabilities		
Grants and contracts receivable	95,388	45,987
Prepaid expenses and other current assets	(178,720)	17,393
Security deposits	(599,423)	(50,984)
Accounts payable and accrued expenses	(52,051)	(48,680)
Accrued payroll and payroll taxes	40,787	357,894
Net Cash from Operating Activities	915,603	330,378
 CASH FLOWS FROM INVESTING ACTIVITY		
Purchases of property and equipment	(230,154)	(185,380)
 CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from Paycheck Protection Program loan	1,792,512	-
Net Change in Cash and Restricted Cash	2,477,961	144,998
 CASH AND RESTRICTED CASH		
Beginning of year	2,402,264	2,257,266
End of year	\$ 4,880,225	\$ 2,402,264
 The following table provides a reconciliation of cash and restricted cash within the statements of financial position:		
Cash	\$ 4,810,225	\$ 2,332,264
Restricted cash	70,000	70,000
	\$ 4,880,225	\$ 2,402,264

See notes to financial statements

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2020 and 2019

1. Organization and Tax Status

Challenge Preparatory Charter School (the "School") is a New York State, not-for-profit educational corporation that was incorporated on February 9, 2010 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 February 9, 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. During 2019, the Board of Regents extended the School's charter through June 30, 2024. The School's educational philosophy promotes high levels of academic achievement and tailoring instruction to ensure that academic needs of all students are met. The School's founders believe that good instruction recognizes the interrelation of content knowledge and higher order thinking and that, accordingly, good instruction should reflect a balanced approach to learning. Classes commenced in Far Rockaway, New York in August 2011 and the School provided education to approximately 802 students in kindergarten through eighth grade during the 2019-2020 academic year. The most recent charter renewal allows the School to serve grades 9-12.

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

Except for taxes that may be due for unrelated business income, the School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Adoption of New Accounting Policies

Recognition of Contributions

Effective July 1, 2019, the School adopted Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance provides a framework for evaluating whether contributions and grants should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way the School recognizes contributions and grants, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies *(continued)*

Adoption of New Accounting Policies (continued)

Restricted Cash

In November 2016, the Financial Accounting Standards Board issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. ASU 2016-18 requires significant changes regarding how restricted cash is classified and presented on the statement of cash flows. On July 1, 2019, the School adopted the new guidance regarding the presentation and classification of restricted cash. The guidance requires the School to 1) include restricted cash and restricted cash equivalents in the cash and cash equivalents balances on the statements of cash flows, 2) provide a reconciliation between the statements of financial position and the statements of cash flows, 3) eliminate the presentation of transfers between restricted cash and cash, and 4) include disclosures about the nature of the restrictions for material balances. Adoption of the ASU resulted in a change in the accounting for restricted cash on the statements of cash flows.

Net Asset Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Net assets without donor restrictions - consist of resources available for the general support of the School's operations. Net assets without donor restrictions may be used at the discretion of the School's management and/or the Board of Trustees.

Net assets with donor restrictions – represents amounts restricted by donors for specific activities of the School or to be used at a future date. The School records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The School had no net assets with donor restrictions as of June 30, 2020 and 2019.

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.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (*continued*)

Property and Equipment

The School follows the practice of capitalizing all expenditures for property and equipment with costs in excess of \$3,000 and a useful life in excess of one year. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods, which are reasonably assured, or the estimated useful life of the asset which is up to twenty years. Purchased property and equipment are recorded at cost at the date of acquisition. Minor costs of maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding is capitalized, unless the government agency retains legal title to such assets, in which case it is expensed as incurred.

Depreciation and amortization is recognized on the straight-line method over the estimated useful lives of such assets as follows:

Computers and equipment	3 to 5 years
Furniture and fixtures	5 years
Software	3 years
Standby generator	15 years
Website development	15 years

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to its fair value. There were no asset impairments for the years ended June 30, 2020 and 2019.

Deferred Rent

The School records its rent in accordance with U.S. GAAP whereby all rental payments, including fixed rent increases, are recognized on a straight-line basis as an offset to rent expense. The difference between the straight-line rent expense and the required lease payments is reflected in deferred rent in the accompanying statements of financial position.

Revenue and Support

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 agency.

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 net assets with donor restrictions 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 net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (*continued*)

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting services classifications on the basis of periodic time and expense studies and other basis as determined by management of the School to be appropriate.

Accounting for Uncertainty in Income Taxes

The School recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the School had no uncertain tax positions that would require financial statement recognition or disclosure. The School is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2017.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 30, 2020.

3. Grants and Contracts Receivable

Grants and contracts receivable consist of federal, state, city entitlements and grants, and a private grant. The School expects to collect these receivables within one year and has not provided an allowance for doubtful accounts.

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	2020	2019
Computers and equipment	\$ 554,136	\$ 464,494
Furniture and fixtures	411,524	402,273
Software and website development	55,217	28,289
Standby generator	127,589	127,589
Leasehold improvements	596,398	492,065
Construction in progress	300,000	300,000
	<u>2,044,864</u>	<u>1,814,710</u>
Accumulated depreciation and amortization	<u>(1,151,470)</u>	<u>(980,109)</u>
	<u>\$ 893,394</u>	<u>\$ 834,601</u>

Construction in progress at June 30, 2020 and 2019 consists of soft costs associated with the new facilities at 15-20 Central Avenue, Queens, New York (see Note 9).

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2020 and 2019

5. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the statement of financial position date, are comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Cash	\$ 4,810,225	\$ 2,332,264
Grants and contracts receivable	452,240	547,628
	<u>\$ 5,262,465</u>	<u>\$ 2,879,892</u>

As part of the School's liquidity management plan, the status of grants and contracts receivable is monitored regularly and any excess cash is held in liquid instruments until it is required for operational use. To help manage unanticipated liquidity needs, the School has a line of credit in the amount of \$50,000, which it could draw upon as further disclosed in Note 10.

6. Employee Benefit Plan

The School maintains a pension plan qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, the School provided matching contributions up to 3% of annual compensation. Employer match for the years ended June 30, 2020 and 2019 amounted to \$167,140 and \$154,572.

7. Concentration of Credit Risk

Financial instruments that potentially subject the School to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The School does not believe that a significant risk of loss due to the failure of a financial institution presently exists. As of June 30, 2020 and 2019, approximately \$4,560,000 and \$2,081,000 of cash was maintained with an institution in excess of FDIC limits.

8. Concentration of Revenue and Support

The School receives a substantial portion of its revenue and support from the New York City Department of Education. For the years ended June 30, 2020 and 2019, the School received approximately 97% and 94% of total revenue and support 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.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2020 and 2019

9. Commitments

On December 10, 2010, the School entered into a non-cancelable operating lease for office and classroom space at 710 Hartman Lane, Far Rockaway, New York, expiring on May 31, 2032. The lease includes a yearly rent escalation of 3%, and requires the School to pay for utilities and other office costs. The School moved into this facility on April 16, 2012, and it currently houses grades K-5.

On December 5, 2014, the School entered into an agreement to lease additional property at 15-26 Central Avenue, Queens, New York, expiring on May 31, 2026. The lease commenced on September 19, 2015 and includes a yearly rent escalation of 3%, and requires the School to pay for utilities and other office costs. This location was the home of Challenge Preparatory Middle School from the 2015-2016 through the 2017-2018 academic years and is currently being used as office space.

On September 29, 2015, the School entered into an agreement to lease additional property at 15-20 Central Avenue, Queens, New York, expiring on August 31, 2040. The lease is projected to commence in October 2020 and includes a yearly rent escalation of 3%, and requires the School to pay for utilities and other office costs. This location will be used to house grades 9-12 when the School first occupies the facility.

On September 1, 2018, the School entered into an agreement to lease additional property at 12-79 Redfern Avenue, Queens, New York, expiring on August 31, 2034. The lease commenced on September 1, 2018 and includes a yearly rent escalation of 3%, and requires the School to pay for utilities and other office costs. This location became the home of Challenge Preparatory Middle School starting with the 2018-2019 academic year.

The future minimum lease payments for the four facility leases are as follows for years ending June 30:

2021	\$ 3,839,613
2022	4,473,176
2023	4,607,371
2024	4,745,593
2025	4,887,960
Thereafter	<u>62,532,065</u>
	<u>\$ 85,085,778</u>

The School recognizes rent expense on a straight-line basis over the term of the leases. Rent expense in excess of payments is recorded as deferred rent in the accompanying statements of financial position. Occupancy expense under the leases for the years ended June 30, 2020 and 2019 amounted to \$2,775,125 and \$2,843,725.

10. Line of Credit

On December 6, 2010, the School established a \$50,000 line of credit with a local financial institution. The line of credit is payable on demand and bears interest at prime rate plus 2.75%. The line of credit is secured by substantially all assets of the School. There was no outstanding balance as of June 30, 2020 and 2019.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2020 and 2019

11. Paycheck Protection Act Loan Payable

On May 4, 2020, the School qualified for and received a loan pursuant to the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified PPP lender, for an aggregate principal amount of \$1,792,512 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the PPP upon the School's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the PPP, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the School. The School intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. The School believes that most, if not all, of the PPP Loan will meet the requirements for debt forgiveness. To the extent that all or part of the PPP Loan is not forgiven, the School will be required to pay interest on the PPP Loan through the date principal is repaid in full or maturity date.

12. Contingency

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. 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.

13. Risks and Uncertainties

The School's operations and financial performance may be affected by the recent COVID-19 outbreak which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, the School may experience a disruption in operations as well as a decline in revenue activities. Economic uncertainty is related to the potential reduction and/or delays in state and local per pupil operating revenue, shortfalls and variations in enrollment, and operational and other changes that could increase expenses. The outbreak may adversely affect the School's activities, financial condition, results of operations, and cash flows. Management is closely monitoring the impact of COVID-19 and believes the School is taking appropriate actions to mitigate the negative impact. However, management is unable to estimate the financial impact, if any, related to this matter.



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*

Independent Auditors' Report

**Board of Trustees
Challenge Preparatory Charter School**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Challenge Preparatory Charter School (the "School"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2020.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrison, New York
September 30, 2020

Challenge Preparatory Charter School

Schedule of Findings and Responses
Year Ended June 30, 2020

Section I – Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2020.

Section II – Compliance Findings

During our audit, we noted no material findings for the year ended June 30, 2020.

Section III – Status of Prior Year Findings

2019-001- General Ledger Maintenance and Account Analysis

Condition

During the preparation of the year-end financial statements, we noted that improvements are needed in the financial statement closing process to address the accuracy of the School's year-end financial reporting. Material audit adjustments were required for prepaid rent, deferred rent liability, and accrued expenses.

Current year Status

This condition was corrected in fiscal 2020.