



2019-20 School Year Board Meeting #9 Minutes

Frederica Jefferies, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2018-19 School Year Board Meeting #9 at 6:30 PM on March 18, 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

Ben Waxman, Secretary of the Board of Trustees called the roll of the board.

Members present: Frederica Jefferies, Jeremiah C. Gaffney, Ben Waxman, Karon McFarlane and Gertrudis Hernandez

Members absent: Andrew Barnes

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 called for a review of the minutes of the 2019-20 School Year Board Meeting #8 [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 school closing as a result of the novel coronavirus (COVID-19) pandemic that was effective March 16, 2020. Challenge had closed for cleaning for two days the prior week. All staff are working remotely. With our educational mandates in mind, the principals and academic staff have created Learning Packages for scholars in grades K-5 and 6-8 (who do not have access to technology). Remote learning will be in full play for all grades via the use of Google Classrooms and video teaching. Challenge is assisting scholars and




families with food pick up using the “grab and go” meals program. Challenge is preparing COVID-19 Educational Continuity Plans that will be submitted to the NYSED and NYC DOE. Due to the crisis construction has been delayed on the CTE high school until a waiver can be secured for the construction to continue. Following discussion, the report was received with appreciation.

4. The Chair called for the February 2020 Financial Report [Attachment #2]. Following review, the report was received.
5. The Chair called for an updated Personnel Report for the 2019-20 School year. It was not that there were no resignations or hiring of new employees.
6. The Chair called on Dr. Mullings for a special presentation. Ben Waxman reported that Ben Waxman has served as a founding member of the Board of Trustees and was a member of the founding group for Challenge since the school’s inception. He has been a member of the Executive Committee by serving as the Board and the Chair of the Academic Accountability Committee. Mr. Waxman has submitted his resignation from the Board effective March 31, 2020 [Attachment #3]. The Board members took opportunity to express appreciation for Mr. Waxman’s dedication and service to Challenge for over a decade. Mr. Waxman assured the Board he would continue to support and be involved with Challenge in the future.
7. The Chair called on the Board for the election of a new Board Secretary. Karon McFarlane was nominated to serve out the term of Ben Waxman through June 30, 2020 and elected unanimously.

The meeting adjourned by common consent at 7:45 PM.

Respectfully submitted:


Ben Waxman
Secretary



ATTACHMENT #1

CPCS 2019-20 School Year Board Meeting #8 Minutes



2019-20 School Year Board Meeting #8 Minutes

Frederica Jefferies, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2018-19 School Year Board Meeting #8 at 6:30 PM on February 26, 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

Ben Waxman, Secretary of the Board of Trustees called the roll of the board.

Members present: Frederica Jefferies, Jeremiah C. Gaffney, Ben Waxman and Gertrudis Hernandez

Members absent: Andrew Barnes and Karon McFarlane

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.

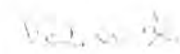
1. The agenda was approved by common consent.
2. The Chair called for a review of the minutes of the 2019-20 School Year Board Meeting #7 [Attachment #1]. The minutes were approved by common consent.
3. The Chair called for the report of Dr. Les Mullings, CEO. Dr. Mullings gave an update on the development of the CTE high school to open in August 2020. He also gave an update on the facilities being retrofitted at 1520 Central Avenue, Far Rockaway, NY. Additionally, he shared an update on the JFK Development and the progress on securing industry partners including the Terminal 1 group and funding request in support of three of the CTE pathways – Aviation, Culinary Arts and Hospitality. The report was received with appreciation.



4. Dr. Mullings called for a review of the report of Kentia Coreus, Senior Director of Teaching and Learning [Attachment #2]. The report was received with appreciation.
5. Dr. Mullings called for a review of the report of Nicole Griffin, K-5 Principal [Attachment #3]. The report was received with appreciation.
6. Dr. Mullings called for a review of the report of Mavgar Mondesir-Gordon, 6-8 Principal [Attachment #4]. The report was received with appreciation.
7. Dr. Mullings called for a review of the report of Kimberly Messer, Director of Communications [Attachment #5]. The report was received with appreciation.
8. Dr. Mullings called for a review of the report of Venessa Lynch, Director of Operations [Attachment #6]. The report was received with appreciation.
9. The Chair called for the January 2020 Financial Report [Attachment #7]. Following review, the report was received.

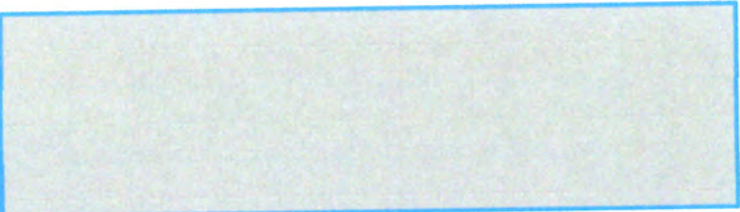
The meeting adjourned by common consent at 7:35 PM

Respectfully submitted:


Ben Waxman
Secretary



ATTACHMENT #2
February 2020 Financial
Report



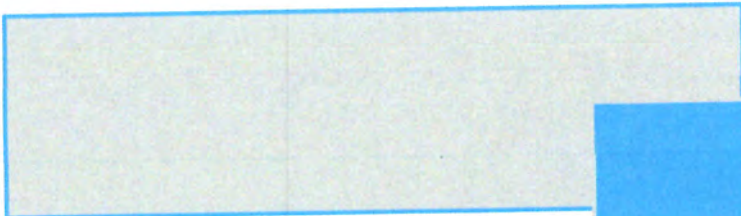
STUDENT ACHIEVEMENT

CSBM
CHARTER SCHOOL
BUSINESS MANAGEMENT

experience superior excellence

Challenge Prep Charter School

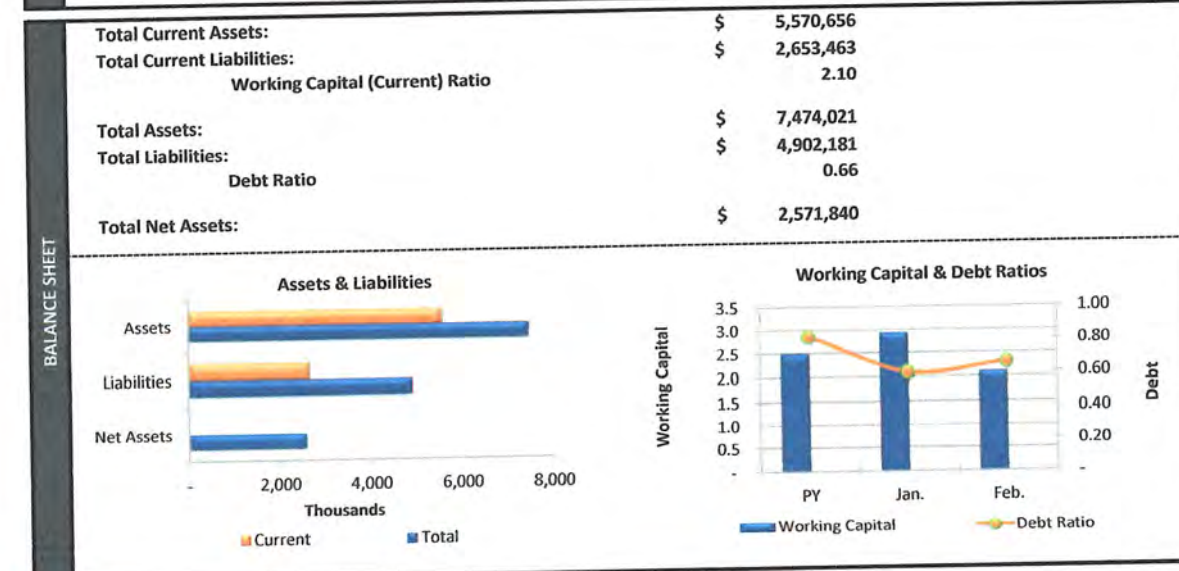
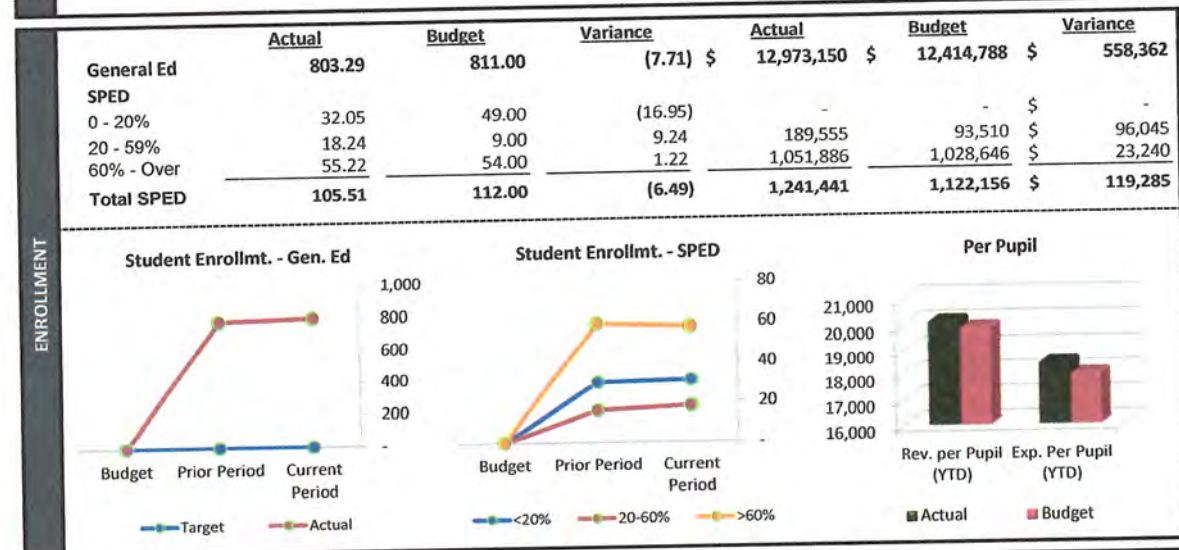
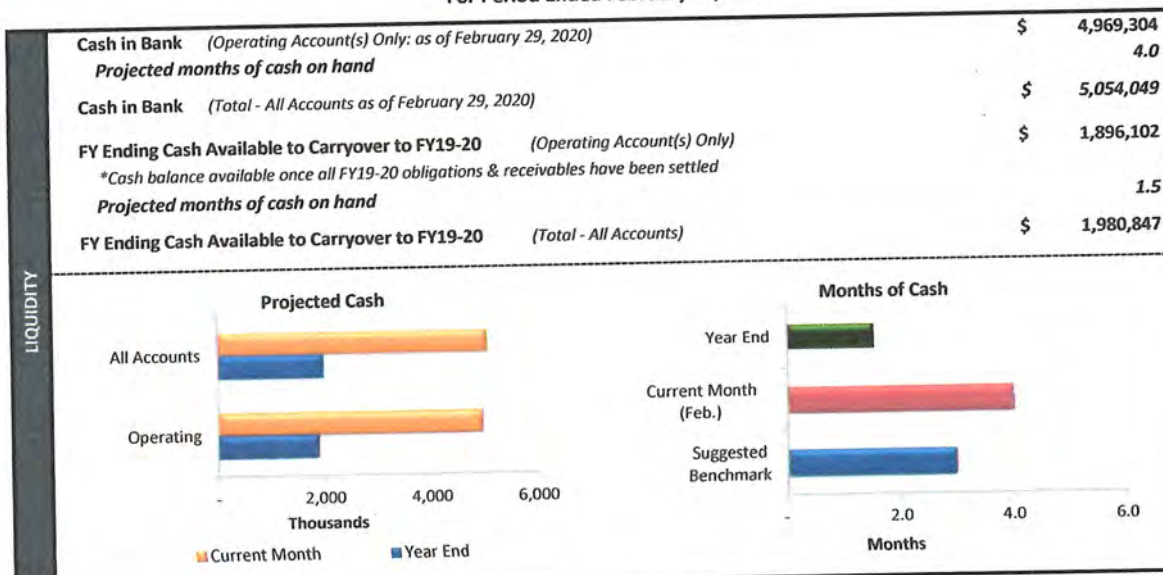
Monthly Financial Report
February 2020



Challenge Prep Charter School

Financial Summary

For Period Ended February 29, 2020



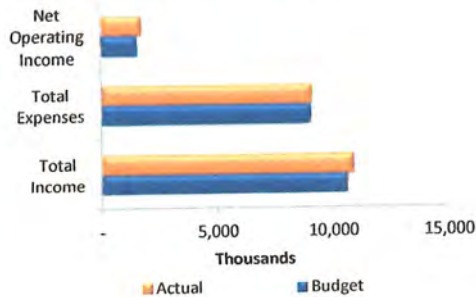
Challenge Prep Charter School

Financial Summary For Period Ended February 29, 2020

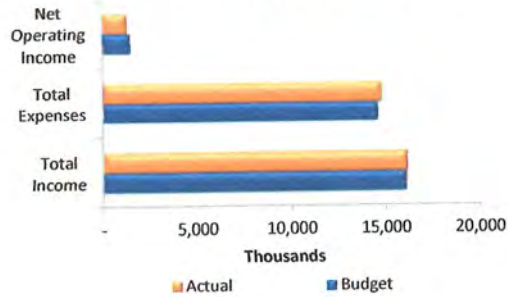
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue YTD:	\$ 10,907,596	\$ 10,643,856	\$ 263,740
Total Expenses YTD:	(9,141,461)	(9,064,533)	(76,929)
Net Operating Surplus(Deficit):	\$ 1,766,135	\$ 1,579,324	\$ 186,811
	<u>Projected</u>	<u>Budget</u>	<u>Variance</u>
Annual Projected Revenue:	\$ 16,190,344	\$ 16,139,600	\$ 50,744
Annual Projected Expenses (before depreciation):	(14,856,121)	(14,619,846)	(236,275)
Projected Net Operating Surplus(Deficit) before Depreciation:	\$ 1,334,223	\$ 1,519,754	\$ (185,531)
Annual Projected Depreciation:	-	-	-
Projected Net Operating Surplus(Deficit) after Depreciation:	\$ 1,334,223	\$ 1,519,754	\$ (185,531)
Capital Expenditure Requirements	\$ (721,929)	\$ -	\$ (721,929)
Total Cash Expenditures <i>(expenses excluding depreciation plus capital expenditures)</i>	\$ (14,134,192)	\$ (14,619,846)	\$ 485,654
Revenue per Pupil (YTD)	\$ 20,155	\$ 19,901	\$ 254
Expenditure per Pupil (YTD)	\$ 18,494	\$ 18,027	\$ 467

BUDGETING / REVENUE & EXPENSES

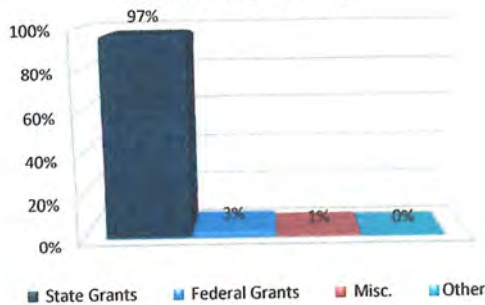
Year-To-Date (YTD)



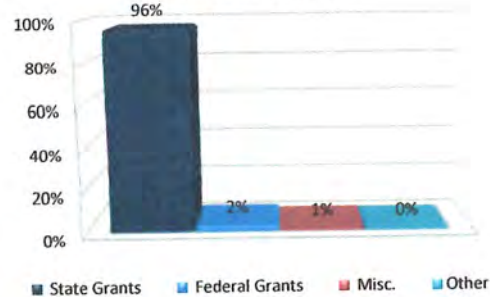
Year End (YE) Projection



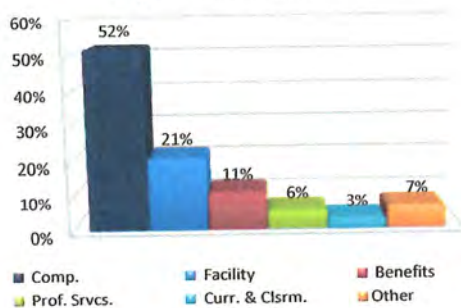
Revenue Breakdown YTD



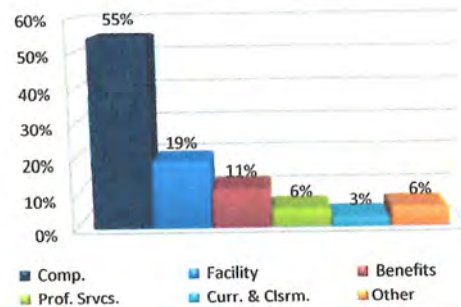
Revenue Breakdown YE



Expense Breakdown YTD



Expense Breakdown YE



Challenge Prep Charter School

Financial Variance Summary

Fiscal Year Ending 6/30/2020		Comments
Net Budget Surplus after Depreciation	\$ 1,519,754	
Increase in State Grants	37,447	Budget done based on 811 FTE for GenEd, 54 over 60%; 9 20-59%. Projection done based on 802.289 GenEd, 52.683 over 60%; 19.513 20-59% FTE per March invoice
Increase in Federal Grants	13,285	
Decrease in Contributions	-	
Increase in Miscellaneous Income	12	
Increase in Projected Annual Revenue	50,744	
Decrease in Compensation	(35,415)	Salary projections based on budget
Increase in Benefits	131,655	
Decrease in Administrative Expenses	(23,018)	
Increase in Professional Services	107,445	Projection based on current trends and reallocation of expenses
Increase in Professional Development	33,869	
Increase in Marketing and Staff/Student Rec	15,253	
Decrease in Fundraising Expenses	-	
Decrease in Curriculum & Classroom Expenses	(10,670)	
Decrease in Facility	(26,399)	
Increase in Technology/Communication Expens	43,151	
Increase in Miscellaneous Expenses	403	
Decrease in Depreciation Expense	-	
Increase in Projected Annual Expenses	236,275	
Net Projected Deficit Variance after Depreciation	<u>\$ 1,334,223</u>	

Charter School
Budget - Actuals
Fiscal Year Ending June 30, 2020

	February 29, 2020			YTD Through February 29, 2020			Projected FYE June 30, 2020			Comments
	Actual	Budget	Variance	Actual	Budget	Variance	Actual - July 2019 - January 31, 2020 +	Projected thru June 30, 2020	Annual Budget	
Income										
4100 State Grants	1,271,890	1,280,336	(6,446)	10,541,596	10,342,689	298,908	5,078,069	15,619,656	15,582,219	37,447
4200 Federal Grants	28,080	24,794	3,286	278,599	287,084	(8,501)	120,862	399,555	386,270	13,285
4300 Contributions	6,391	4,851	1,540	12,137	38,810	(26,673)	46,078	58,215	58,215	-
4400 Miscellaneous Income	9,429	9,428	1	75,369	75,264	5	37,659	112,908	112,896	12
Total Income	1,317,719	1,319,369	(1,670)	10,907,596	10,644,856	262,740	5,282,748	16,190,344	16,139,600	50,744
Expenses										
Compensation										
5100 Instructional Staff	488,538	489,075	3,462	3,164,873	3,288,815	(119,242)	2,213,898	5,678,412	5,820,901	(140,489)
5200 Non-Instructional Staff	131,247	124,936	6,311	1,037,603	988,487	49,118	524,987	1,562,592	1,475,230	87,362
5300 Pupil Support	78,272	79,459	(1,227)	547,764	571,931	(24,167)	381,878	909,624	889,929	19,713
5000 Compensation	698,056	697,510	10,546	4,749,344	4,839,233	(89,291)	3,400,703	8,150,645	8,186,060	(35,415)
5400 Benefits	174,613	128,289	46,325	1,027,039	1,026,302	737	666,070	1,693,109	1,561,454	131,655
6100 Administrative Expenses	21,276	31,946	(10,670)	232,199	255,370	(23,171)	124,138	360,337	383,255	(23,048)
6200 Professional Services	84,946	59,108	5,940	524,399	446,418	79,981	294,187	818,566	711,141	107,445
6300 Professional Development	6,706	13,545	(6,839)	188,926	94,818	74,108	14,543	183,469	149,600	33,869
6400 Marketing and Staff/Student Rec	8,942	7,520	1,423	85,302	60,156	25,146	20,184	105,488	90,233	15,253
6500 Fundraising Expenses	-	-	-	-	25,000	(25,000)	25,000	25,000	25,000	-
7100 Curriculum & Classroom Expenses	18,081	28,167	(10,086)	280,814	275,970	4,845	156,922	437,736	446,406	(10,670)
8100 Facility	235,506	241,855	(6,149)	1,894,716	1,935,240	(40,525)	941,748	2,876,462	2,921,881	(45,419)
8200 Technology/Communication Expenses	16,074	13,470	2,605	137,866	107,759	30,207	66,824	204,790	161,639	43,151
8900 Miscellaneous Expenses	-	8	(8)	158	65	93	343	500	97	403
8900 Depreciation Expense	-	-	-	-	-	-	-	-	-	-
Total Expenses	1,844,201	1,211,216	32,985	9,141,461	9,064,533	76,929	5,714,650	14,856,121	14,619,846	236,275
Net Income	78,518	108,174	(34,656)	1,766,135	1,579,324	186,811	(431,912)	1,334,223	1,519,754	(185,531)
Capital Expenditures										
Furniture, Fixtures & Equipment	-	-	-	136,484	-	136,484	35,445	171,929	-	171,929
Facility and Construction	-	-	-	619,008	-	619,008	250,392	550,000	-	550,000
Website	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	-	-	-	755,492	-	755,492	266,437	721,929	-	721,929

Budget done based on 811 FTE for GenEd, 54 over 60%; 9 20-59%.
Projection done based on 802,289 GenEd, 52,688 over 60%; 19,513 20-59% FTE per March Invoice

Budget done based on 811 FTE for GenEd, 54 over 60%; 9 20-59%.
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Salary projections based on budget

Projection based on current trends and reallocation of expenses

Challenge I Charter School
Cash Flow Projections as of February 29, 2020

	Annual Budget FY19-20	Projected March, 20 - June	March	April	May	June	July - September FY19-20 (Budget)
Beginning Cash Balance (Operating			4,959,304	3,602,119	4,931,748	3,686,130	2,896,852
Projected Cash Receipts from	16,139,600	4,959,304	61,341	2,630,453	20,525	183,148	55,074
Operations (below)		2,935,640					
Projected Cash Disbursements from	(14,619,046)	(5,392,269)	(1,210,169)	(1,210,003)	(1,207,248)	(1,207,359)	(756,924)
Dispositions (below)		(2,656,639)	(1,148,838)	1,977,851	(1,180,620)	(1,024,181)	(700,850)
Net Cash from Operations	1,519,754						
Cash Receipts from Accounts & Misc							
Receivables (not included in revenue							
Cash Disbursements for Accounts			(150,116)				
Payable & Accrued Expenses		(266,457)	(68,221)	(64,938)	(64,988)	(64,988)	
Capital Expenditures (below)							
Accounts Receivable							
Other							
Ending Cash Balance (Operating Account)	1,519,754	2,579,112	3,602,119	4,931,748	3,686,130	2,896,852	1,896,102
Other Cash Accounts (Net of			84,746	84,746	84,746	84,746	84,746
Total Cash (All Accounts)	1,519,754	2,579,112	3,686,864	5,016,494	3,770,876	2,981,597	1,980,847

Challenge Prep Charter School
Balance Sheet
YTD as of February 29, 2020

	<u>Total</u>	<u>Comments</u>
ASSETS		
Current Assets		
Bank Accounts		
1000 Cash		
1001 HSBC Checking - 0844	4,667,312	
1002 HSBC Checking - 0852	10,369	
1003 HSBC Checking - 0879	301,992	
1004 HSBC Checking - 0887	506	
1005 HSBC Money Market - 5972	3,499	
1006 Chase Escrow - 3060	70,000	
1007 Petty Cash	372	
Total 1000 Cash	\$ 5,054,049	
Total Bank Accounts	\$ 5,054,049	
Accounts Receivable		
1100 Accounts Receivable	141,799	
1200 Other Receivables - Salary Advance	3,524	
Total Accounts Receivable	\$ 145,323	
Other current assets		
1300 Prepaid Expenses	45,695	
1301 Prepaid Insurance	31,945	
1310 Prepaid Rent	293,644	
Total Other current assets	\$ 371,284	
Total Current Assets	\$ 5,570,656	
Fixed Assets		
1500 Furniture, Fixtures & Equipment		
1510 Office & Admin Computers & Equipment	243,066	
1511 Classroom Computers & Equipment	306,040	
1512 Classroom Furniture	354,541	
1513 Office Furniture	56,983	
Total 1513 Office Furniture	\$ 56,983	
1514 Musical Instruments	16,390	
1515 Computer Software	49,217	
Total 1516 Curriculum	\$ -	
Total 1500 Furniture, Fixtures & Equipment	1,026,237	
1519 Facility and Construction		
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	825,874	
Total 1519 Facility and Construction	1,538,661	
1610 Website	11,000	
Total 1610 Website	\$ 11,000	
1700 Accumulated Depreciation & Amortization		
1710 Accumulated Depreciation	(974,365)	
1750 Accumulated Amortization	(5,744)	
Total 1700 Accumulated Depreciation & Amortization	\$ (980,109)	
Total Fixed Assets	\$ 1,595,789	

Challenge Prep Charter School
 Balance Sheet
 YTD as of February 29, 2020

	<u>Total</u>	<u>Comments</u>
Other Assets		
1800 Security Deposits	307,576	
2500 Sales Tax Receivable	-	
Total Other Assets	<u>\$ 307,576</u>	
TOTAL ASSETS	<u>\$ 7,474,021</u>	
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable	78,502	
Total Accounts Payable	<u>\$ 78,502</u>	
Credit Cards		
2200 HSBC Credit Card	-	
Total Credit Cards	<u>\$ -</u>	
Other Current Liabilities		
2300 Accrued Salaries/Taxes	-	
2301 Accrued Expenses	71,634	
2400 Unearned/Deferred Revenue	2,503,326	
Total Other Current Liabilities	<u>\$ 2,574,960</u>	
Total Current Liabilities	<u>\$ 2,653,463</u>	
Long-Term Liabilities		
2700 Deferred Rent Liability	2,248,718	
Total Long-Term Liabilities	<u>\$ 2,248,718</u>	
Total Liabilities	<u>\$ 4,902,181</u>	
Equity		
3000 Opening Balance Equity	-	
3100 Retained Earnings	805,706	
Net Income	1,766,135	
Total Equity	<u>\$ 2,571,840</u>	
TOTAL LIABILITIES AND EQUITY	<u>\$ 7,474,021</u>	

Challenge Prep Charter School
Statement of Cash Flows
YTD as of February 29, 2020

	Total	Comments
OPERATING ACTIVITIES		
Net Income	1,766,135	
Adjustments to reconcile Net Income to Net Cash provided by operations:	-	
1100 Accounts Receivable	406,877	
1200 Accounts Receivable:Other Receivables - Salary Advance	(2,149)	
1300 Prepaid Expenses	(33,565)	
1301 Prepaid Insurance	(31,945)	
1310 Prepaid Rent	(111,389)	
1700 Accumulated Depreciation & Amortization	-	
2000 Accounts Payable	(14,386)	
2300 Accrued Salaries/Taxes	(986,464)	
2301 Accrued Expenses	(108,417)	
2400 Unearned/Deferred Revenue	2,502,278	
Net cash provided by operating activities	\$ 3,386,976	
INVESTING ACTIVITIES		
1500 Furniture, Fixtures & Equipment	-	
1510 Furniture, Fixtures & Equipment:Office & Admin Computers & Equipment	-	
1511 Furniture, Fixtures & Equipment:Classroom Computers & Equipment	(101,002)	
1512 Furniture, Fixtures & Equipment:Classroom Furniture	(3,553)	
1513 Furniture, Fixtures & Equipment:Office Furniture	(5,698)	
1514 Furniture, Fixtures & Equipment:Musical Instruments	-	
Furniture, Fixtures & Equipment:Curriculum:Original Cost	-	
1800 Security Deposits	26,000	
2500 Sales Tax Receivable	-	
Net cash provided by investing activities	\$ (735,189)	
FINANCING ACTIVITIES		
2700 Deferred Rent Liability	-	
3000 Opening Balance Equity	-	
3100 Retained Earnings	-	
Net cash provided by financing activities	\$ -	
Net cash increase for period	\$ 2,651,786	
Cash at beginning of period	\$ 2,402,263	
Total Cash at beginning of period	\$ 2,402,263	
Cash at end of period	\$ 5,054,049	



ATTACHMENT #3

Ben Waxman Resignation



Dr. Michael R. Estep <mrestep@challengecharterschools.org>

Letter of Resignation from Challenge Prep Bd. of Trustee

1 message

Ben Waxman <bwaxman31@gmail.com>

Fri, Mar 13, 2020 at 8:16 AM

To: "Rev. Dr. Les Mullings" <lsmullings@challengecharterschools.org>, Les Mullings <lsmullings@aol.com>, "Dr. Michael R. Estep" <mrestep@challengecharterschools.org>

PLEASE FORWARD TO THE BOARD OF TRUSTEES

Dr. Mullings and the Board of Trustees of Challenge Preparatory Charter School,

Please accept this electronic communication as my resignation from the Board of Trustees of Challenge Prep Charter School as of March 31, 2020. This is a bittersweet time as I depart from my responsibilities, as one of the founding trustees, and look at the current reality of which I was a part of creating. At this point, I feel the success of the school and its growth has validated my time efforts and energies. I know I leave the board in your good and capable hands. I wish you all Godspeed in the creation of a much needed, truly responsive, educational program for the Rockaways.

Sincerely,

Ben Waxman