



2023-24 School Year Board Meeting #5 Minutes

Frederica Jeffries, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2023-24 School Year Board Meeting #5 at 6:30 PM on November 15, 2023.

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

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

- The Rockaway via email
- Public Posting at CPCS Offices
- CPCS Website and Social Media

Frederica Jeffries, Chair of the Board of Trustees called the roll of the board.

Members present via Zoom: Frederica Jeffries, Ben Waxman, Andrew Barnes, Linda Plummer, Gertrudis Hernandez

Members absent: Dr. Michelle Daniel-Robertson, Karon McFarlane

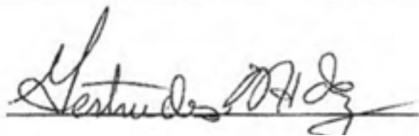
Also present: Dr. Mullings, Donna Webster

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

1. The Chair called for a review of the minutes of the 2022-23 School Year Board Meeting #4. The minutes were approved by common consent.
2. The agenda was approved by common consent.
3. The Chair called for the report of Dr. Les Mullings, CEO:
 - Dr. Mullings referred to all of the Director’s reports and shared that SDTL/Principal Gordon is out on leave at this time.
 - He introduced Valencia Kirnon, the new AP of the CTE & Early College Program. She’s from Far Rockaway, and she is an adjunct professor at York College. She will be the main point of contact for our industry and higher education partners.
 - He noted the JFK Job Fair & Expo is tomorrow, November 16. This is a continuation of our partnership with JFK Redevelopment. We hosted a meeting for the project on November 1.
 - We hosted a CTE & Early College Expo for our scholars and families on November 3. In conjunction with NYIT, we now have 2 flight simulators for our scholars.

- We are confident in our program as the Board of Regents is considering phasing out Regents with a focus instead on CTE, early college, and workforce preparation programs for high school students.
4. The Chair called for the Financial Report:
 - Donna Webster referenced the final audit and the submission of our annual report for fiscal year 2023.
 - She referenced expenditures on building repairs from the flood in September and other building repairs that have occurred.
 - As we track expenditures for the remainder of the year, she reported we expect to end the year with 2-3 months of cash on hand.
 5. The Chair called for the Personnel Report:
 - This information was covered by Dr. Mullings in his report.
 6. The Chair mentioned the next meeting on December 20, 2023. The report was received, and the meeting adjourned by common consent.

Respectfully Submitted,

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

Gertrudis Hernandez
Board Member



Attachment #1
See Prior
Month
Minutes for
Minute
Attachments



2023-24 School Year Board Meeting #4 Minutes

Frederica Jeffries, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2023-24 School Year Board Meeting #4 at 6:30 PM on October 18, 2023.

Frederica Jeffries, Chair requested verification from the members present of “The Notice of Meeting” sent to each of the board members 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 Rockaway via email
- Public Posting at CPCS Office
- CPCS Websites and Social Media Sites

Frederica Jeffries, Chair of the Board of Trustees called the roll of the board.

Members present: Frederica Jeffries, Karon McFarlane, Ben Waxman, Andrew Barnes, Linda Plummer, Gertrudis Hernandez

Members absent: Dr. Michelle Daniel-Robertson

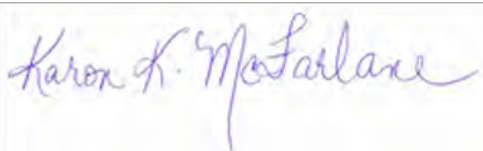
Also present: Dr. Mullings, Donna Webster, James Mercaldo (PKF O'Connor Davies), Ajay McKee (PKF O'Connor Davies)

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

1. The Chair called for a review of the minutes of the 2022-23 School Year Board Meeting #2. The minutes were approved by common consent.
2. The agenda was approved by common consent.
3. The Chair called for the report of PKF O'Connor Davies, James Mercaldo shared the following information:
 - The audit went smoothly this year.
 - The adoption of the Lease Standard was new to PKF O'Connor Davies
 - There were no difficulties with the audit this year; no corrected and uncorrected misstatements.
 - There were no deficiencies.
 - The audit was a clean audit.
 - PKF O'Connor Davies thanked Ms. Webster for her help.

4. The Chair called for the report of Dr. Les Mullings, CEO. Dr. Mullings shared the following information:
 - Dr. Mullings shared that we are presently going through renewal. This week there will be mock interviews.
 - Our partnerships with NYPD and Anti-violence Community organizations have allowed us to see an extreme decrease in students from Beach Channel High School attacking our scholars. Youth officers from the 101 precinct are stationed at hotspots and we are seeing the results.
 - CCHS is preparing for a CTE Symposium. Parents are asking about the CTE pathways. We will be giving families and scholars the opportunity to ask questions and virtually experience opportunities in each pathway. Our partners will be here sharing opportunities and information.
 - Dr. Mullings also mentioned that we will be hosting JFK Redevelopment's quarterly meeting. We have invited our Challenge community to hear about all the opportunities and developments happening in the Rockaways.
 - Dr. Mullings shared that we are also getting ready to meet with the JFK Redevelopment team. We are currently updating the proposal per JFK's request. We will be meeting to review the proposal. We discussed adding more pathways in the future.
5. The Chair called for the Financial Report:
 - There was nothing to add
6. The Chair called for Personnel Report
 - We recently hired the Health Science staff member.
7. The Chair mentioned the next meeting on November 15th, 2023. The report was received, and the meeting adjourned by common consent.

Respectfully Submitted,



Karon McFarlane
Secretary



Attachment #1
See Prior
Month
Minutes for
Minute
Attachments



2023-24 School Year Board Meeting #3 Minutes

Frederica Jeffries, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2023-24 School Year Board Meeting #3 at 6:30 PM on September 20, 2023.

Frederica Jeffries, Chair requested verification from the members present of “The Notice of Meeting” sent to each of the board members 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 Rockaway via email
- Public Posting at CPCS Office
- CPCS Websites and Social Media Sites

Frederica Jeffries, Chair of the Board of Trustees called the roll of the board.

Members present: Frederica Jeffries, Karon McFarlane, Ben Waxman, Andrew Barnes, Linda Plummer, Gertrudis Hernandez

Members absent: Dr. Michelle Daniel-Robertson

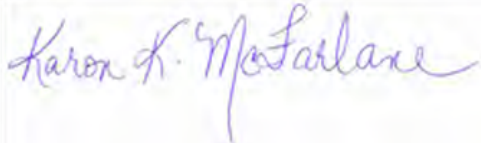
Also present: Dr. Mullings, Donna Webster

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

1. The Chair called for a review of the minutes of the 2022-23 School Year Board Meeting #2. The minutes were approved by common consent.
2. The agenda was approved by common consent.
3. The Chair called for the report of Dr. Les Mullings, CEO. Dr. Mullings shared the following information:
 - Dr. Mullings shared the news that Council member Selvena Brooke Powers’ gave the school \$500k towards technology. There was an assembly on the first day of school. The scholars and staff were notified about the funding we received.
 - Enrollment is working diligently to ensure accurate attendance. Our school counselors are also assisting by contacting families.
 - Meet the Teacher Night is happening next week.
 - Dr. Mullings reviewed the CCS District Safety Plan with the board.
 - Dr. Mullings shared an update on the health of Dr. Michelle Daniel-Robertson.
4. The chair called for a motion for approval of the CCS District Safety 2023-24. The motion was approved by Ben Waxman. The motion was seconded by Karon McFarlane.

5. The chair called for a motion for approval of the Personnel Handbook 2023-24. The motion was approved by Andrew Barnes. The motion was seconded by Ben Waxman.
6. The Chair called for the Financial Report:
 - The audit report preparation continues.
7. The Chair called for Personnel Report
 - We have 180 employees so far.
 - Hiring continues to take place.
8. The Chair mentioned the next meeting on October 18, 2023. The report was received, and the meeting adjourned by common consent.

Respectfully Submitted,



Karon McFarlane
Secretary



Attachment #2



Senior Director of Teaching and Learning K-5
October 2023 Board Report
 Covering 09/19/23 to 10/13/23
Kentia Coreus

2022 and 2023 NYS 3-8 Exam Scores

Overall

Spring 2022- READING	Spring 2023- READING
CPCS- 44% CSD 27- 46% Difference -2%	CPCS- 42% (+2%) CSD 27- 48% (+2%) Difference -6%
Spring 2022- MATH	Spring 2023- MATH
CPCS- 23% CSD 27- 32% Difference- -9%	CPCS- 36% (+13%) CSD 27- 46% (+14%) Difference- -10%

Ongoing Teaching & Learning Tasks

- Manage personnel, curricula, relationships, and partnerships in support of the educational program
- Monitor the effectiveness of the educational program by reviewing data, observing instruction, school culture, and academic operations at both elementary sites
- Supervise the K-5 principal and administrative team by conducting regular check-ins, bi-weekly supervision meetings, and providing feedback on instructional leadership
- Listen and respond to staff and family grievances
- Support human resource activities such as reviewing the credentials of all instructional candidates, recommending teacher salaries, conducting final interviews
- Responding to compliance and legal issues at it relates to staffing and the academic program

Staff Recruitment

The current teacher vacancies exist at the elementary division: 1st Grade General Education; Grade 2 SPED ICT; 4th Grade General Education Teacher ICT; 5th Grade SPED ICT; Science Specials Teacher (K-5); and 4th Grade Teaching Assistant.

The K-5 special projects coordinator is taking the following action steps to support recruitment:

- Posting vacancies on Lever which gets distributed to Indeed and LinkedIn
- Sharing vacancies with the principal for internal recruitment
- Listing vacancies with Alternative Tutoring, School Professionals, and Kokua Education for staff and substitute teacher vacancies
- Posting vacancies on personal LinkedIn Page
- Connecting with few local area colleges with teaching programs for early access to December graduates
- Reviewing all candidates in Lever who have applied to other instructional roles at the school

Lavinia Math Implementation

CPCS' adaption of Lavinia's Math Story Problems officially launched on September 19, 2023 with our Lavinia coach, Ms. Regina Westlake, who also worked with CCMS. Implementation is being rolled out with a variety of approaches:

- Virtual teacher training (August)
- Onsite live teacher coaching during math instruction
- Planning/Intellectual Prep sessions
- Grade Team Lead Meetings (planning, organizing, etc.)
- Scoring Training and Norming
- Teacher Observation & feedback

AP Thomas is the primary liaison between the school and Lavinia however all members of the instructional coach are involved in our adaptation of math story problems.

Incident at Hartman Lane

On September 29, 2023 an incident occurred at Hartman Lane that required intervention from the NYPD. The incident was managed by the SDTL with oversight from the CEO. The following facts were shared via email to the staff. A hearing was held. The team drafted and is implementing a supportive reentry plan for the scholar.

- A scholar brought a fake weapon onto his private school bus today. The driver took the item and gave it to school staff
- 911 was contacted. They confiscated the item
- Grandmother picked up scholar from school
- An investigation by the team has started and will continue in order to take the appropriate next steps
- If you were directly involved with the scholar, you may be asked for a written statement

Mock Charter Renewal

In preparation for our upcoming charter renewal visit, Challenge Preparatory Charter School will be engaging in a Mock Charter Renewal next week October 17-19. The purpose of this mock renewal is to:

- Experience aspects of the mock renewal visit and process
- Understand and discuss our successes and challenges as a charter school
- Self-evaluate where we are with meeting NYC DOE Chancellor-authorized requirements as outlined in the [Accountability Handbook](#)

The Mock Charter Renewal will occur in three phases:

- Phase I- School documents submission (By Oct 17)
- Phase II- School site visits: Classroom Observations & Teacher/Staff Interviews (October 18 & October 19)
- Phase III- Reflection & Planning (Oct 20)

The following external consultants will be part of the mock renewal team:

- Cheryl Quatrano
- Melinda Spataro
- Dr. Lloyd Jaegar
- Khari Shabazz

Below are excerpted data points that will be shared with the mock renewal team:

EQ1: Is the school an academic success?

END OF PRIOR TERM

2017-18: On par with CSD in ELA, Below CSD in Math, (ELA- 45%, Math- 36%)

2018-19: Outperformed CSD 27 in ELA and Math (**ELA- 46%, MATH- 43%**)

YEARS IN REVIEW

2019-20: **No State exam results**

2020-21: **No State exam results**

iReady Assessment Data

- 52% of scholars were on or above grade level in Reading
- 38% of scholars were on or above grade level in Math

2021-22: **Spring 2022 State exam [CCLS]:**

ELA: Proficiency Rate- 44% (-2% from CSD 27- 46%)

MATH: Proficiency Rate- 23% (-9% from CSD 27- 32%)

2022-23: **Spring 2023 State exam [NGLS]:**

ELA: Proficiency Rate- 42% (-6% from CSD 27- 48%)

MATH: Proficiency Rate- 36% (-10% from CSD 27- 46%)

2022 HS Regents Data

	All scholars				SWD				ED			
	Charter Total Count	CCS	NYS	Differential to NYS	Charter Total Count	CCS	NYS	Differential to NYS	Charter Total Count	CCS	NYS	Differential to NYS
Global History	43	72%	80%	-8	7	57%	52%	+5	7	100%	71%	+29
Algebra I	81	53%	66%	-13	13	15%	34%	-19	68	49%	54%	-5
Algebra II	48	40%	65%	-25	7	43%	29%	+14	37	32%	49%	-17
Living Environment	77	49%	74%	-25	11	36%	44%	-8	64	48%	63%	-15

EQ2: Is the school effective and well run?

ENROLLMENT

Overall Enrollment is **93%** (meets target) **Authorized enrollment:** 1296 **# of currently enrolled students:** 1222

SPECIAL POPULATIONS ENROLLMENT

SWD (data.nysed.gov, 2021-22)

CPCS-16%/CSD 27- 21%: Comparison: **-5%**

ELL (data.nysed.gov, 2021-22)

CPCS- 3.5% (27 current and 13 former ELLs)/CSD 27- 13%: Comparison: **-10%**

Economically Disadvantaged (data.nysed.gov, 2021-22)

CPCS- 82%/CSD 27- 78%: Comparison: **4%**

SPECIAL POPULATIONS RETENTION

Overall retention rate: 77%

- SWD retention rate: 62% (**-15%**)
- ELL retention rate: 56% (**-21%**)
- ED retention rate: 70% (**-7%**)

Interview Questions

SCHOOL LEADERSHIP TEAM INTERVIEW QUESTIONS

1. Please describe the school’s leadership structure.
2. What is the school’s assessment of its performance during the current charter term? *If this question seems too broad, it can be reframed with the following prompts:*
 - What grade/subject represents a growth area for our school?
 - What grade/subject represents an area of strength for our school?
3. How does the performance of SWD and ELL students compare with general education students? *If these subgroups are not performing as well as general education students what action steps have been taken to close that achievement gap? What outcomes are these actions having on student performance?*
4. How are struggling learners supported by the school’s instructional program?

5. What are the school's plans for improving math achievement?
6. Describe your special education program. What does SETTIS look like?
7. What is the school's vision for college and career? *What systems are in place to support that vision?*
8. What is the school's philosophy on student suspensions?
9. If data-driven decision making is not mentioned above, ask: How does the school utilize data to support student achievement?
10. What do you expect us to see when we visit classrooms?

TEACHER/STAFF INTERVIEW QUESTIONS

1. What is your role and how long have you worked here?
2. What are the school's instructional priorities?
3. How do you collaborate with other staff members?
4. How are you supported and evaluated?
5. Who do you support and how?
6. How does the school support students who are struggling?
7. How do you utilize data in your work?
8. What has been the biggest challenge here? How have improvements been made?
9. What are you most excited about (in the next charter term)?
10. If you had a magic wand, what is one thing you would change about the school?
11. If time permits: Do you have any questions for us?

NETWORK TEAM INTERVIEW QUESTIONS

1. What achievements are you most proud of in this charter term?
2. What are your current challenges and how do you intend to overcome them in the future?
3. Where are you with implementing Individual Learning Plans?
4. What is the school's philosophy on student discipline and consequences? Where is the school headed when it comes to its disciplinary policies?
5. Why are retention rates for students with disabilities and ELL students far below the overall retention rates? What are the school's plans for retention of its most vulnerable students?
6. What is the school doing to improve its ELL enrollment rate?
7. How is the school ensuring compliance with NYC Open meeting laws as it pertains to its board minutes?
8. We receive several notices every year from NYSED regarding late data report submissions. What is the cause of this? What is the plan moving forward?
9. How is Challenge capitalizing on the fact that it is a K-12 school?
10. Describe the school's financial outlook for the upcoming charter term.
11. What are your plans for the upcoming charter term?



Attachment #3



Ms. Nicole Griffin
Principal Report
Month: October 2023

Attendance

Attendance

1. Current Enrollment

- 650 Scholars

Daily Attendance Goal

93% Present Daily

2. Current attendance rate

- Attendance average (9/7-10/16): 89%

3. Monthly attendance rate

- September: 87%
- October (Up until 10/16): 92.2%

4. Trends of scholars absences & latenesses

September

- Thursdays are usually our highest days for scholars being present
 - 9/11: 88%, 9/18: 92%, 9/25: 93%
- Typically, first grade has the lowest percentage of scholars present.
- Besides the week of 9/25, Mondays are the usual days where scholars are being marked late

October

- The week of 10/2 & 10/9: We have attained our goal three days out of the week (Tues, Weds, Thurs)
- Kindergarten has had the lowest percentage of scholars present for the week of 10/2 & 10/9

5. Highlights # of scholars perfect attendance

- 173 scholars has perfect attendance for the month of September
- As of 10/16: 301 scholars have perfect attendance for the month of October

Instructional FOCUS:

During the month of September up until mid October, our focus was around teachers constructing learning experiences for scholars that are rigorous and aligned to the objective. Based on the lesson plan review, we will continue to ensure alignment and focus on the “I Do” portion of the lesson and then the “You Do” portion of the lesson for the next 4 weeks.

Learning Experiences (3A)

1. Teachers communicate the goals and objectives of learning activities and outline an instructional pathway for students to meet the established criteria for success.
2. Learning activities represent cognitive challenges
3. Learning activities for reading comprehension includes a response to literature and or a graphic organizer

Using Assessments for Learning (3D)

1. Scholars complete a weekly quiz that assesses sight words and or academic vocabulary. Classroom passing rate is 75% OR MORE

Data

F&P

I-Ready 2022-2023

BOY

Reading

IReady READING Diagnostic BOY - BASELINE DATA

Grade Level	BOY Tier 1 %	BOY Tier 2 %	BOY Tier 3 %
K	0	81	19
1	28	57	15
2	31	46	23
3	37	33	30
4	43	36	21
5	40	27	23
K-5	31	47	22

IReady READING Diagnostic BOY - BASELINE DATA for our SWD's

SWD's Reading	BOY Tier 1 %	BOY Tier 2 %	BOY Tier 3 %
	63	26	9

IReady READING Diagnostic BOY - BASELINE DATA for our ELL's

ELL's Reading	BOY Tier 1 %	BOY Tier 2 %	BOY Tier 3 %
	67	24	5

Next Steps:

- SETTS providers will work with mandated scholars in Tier 2 and 3 and at risk scholars(schedule permitting)- utilizing Leveled Literacy for ELA
- Reading Specialist will work with Tier 3 scholars who are in grades K-3 utilizing FUNDATIONS and Leveled Literacy
- TA's will work with scholars who are low level in Tier 2 and provide a double dose of FUNDATIONS and GR utilizing Reading A-Z and

Foundations (Grades K/1)

- TA's will work with scholars who are low level in Tier 2 and provide a double dose of FOUNDATIONS(grade 2) and i-Ready toolbox (Grades 2-5)

Math

i-Ready MATH Diagnostic BOY- Baseline Data

Grade Level	BOY Tier 1 %	BOY Tier 2 %	BOY Tier 3 %
K	0	94	6
1	43	54	3
2	46	48	6
3	48	47	6
4	58	34	8
5	37	43	20
K-5	39	52	8

IReady Math Diagnostic BOY - BASELINE DATA for our SWD's

SWD's Math	BOY Tier 1 %	BOY Tier 2 %	BOY Tier 3 %
	65	32	1

IReady Math Diagnostic BOY - BASELINE DATA for our ELL's

ELL's Math	BOY Tier 1 %	BOY Tier 2 %	BOY Tier 3 %
	57	38	0

Next Steps:

- SETTS providers will work with mandated scholars in Tier 2 and 3 and at risk scholars (schedule permitting)- utilizing Leveled Literacy for ELA

- TA's will work with scholars who are in Tier 3 and low level Tier 2 scholars utilizing i-Ready and enVisions intervention with fidelity during the work period.
- Teacher planning time for Lavinia story problems takes place on Tuesdays and/or Wednesdays. All instructors are expected to have a folder with all of the planning templates captured.


F&P Data

Our data will be included in the next report as we still have enrolling scholars who have not been tested.

Assessments - Parent Awareness

All parents received a copy of their scholars Reading and Math baseline data. The report includes information such as the grade level placement. An explanation of each of the domains in math and reading. It also includes areas the scholar can work on to improve.

For Families

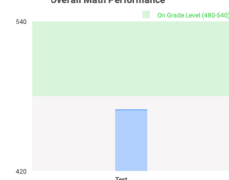


Subject: Math
Student ID: [Redacted]
Student Grade: 5

What is i-Ready? i-Ready is an online learning program focused on reading and math. This report gives you a snapshot of your child's performance. For more information about i-Ready, visit [i-Ready.com/FamilyCenter](#).

has recently taken an i-Ready assessment at school.

Overall Math Performance



Domain	Test (09/27/23)
Overall	Approaching Grade 5
Number and Operations	Approaching Grade 5
Algebra and Algebraic Thinking	At Grade 5
Measurement and Data	Approaching Grade 5
Geometry	Needs Improvement

Test (09/27/23): 466 (48th Percentile)

Additional Suggestions

- ✓ **Discuss these results with your child**
Celebrate their strengths and progress, and collaborate with them on planning how they will reach their goals.
- ✓ **Reach out to the teacher**
Ask your student's teacher for additional insight into progress and for ideas and resources to support your student's learning at home.

Understanding Key Terms

Placement Levels are used to guide instruction in the classroom. Placement levels are based on level of performance overall and on each subject, and they describe the optimum instruction level.

The four possible placement levels are:

- Above Grade Level
- At Grade Level
- Approaching Grade Level
- Needs Improvement

Scale Scores provide a single, consistent way to measure growth across grade levels and domains. You can use a scale score to compare a student's growth on different administrations of the i-Ready Diagnostic.

National Norms are percentiles that compare each student's performance with that of a nationally representative sample of students in the same grade level who took the test at the same time of year. For example, a student who has a norm of 50% on the test scored better than 50% of a nationally representative group of students who took the test.

Professional Development

TA's received professional development on administering the F&P assessments and analyzing the data.

Teachers received PD focused on launching math story problems, aligning the learning experiences and objectives, writing- rubrics and elements of a narrative, effective use of PLC's.

Special Education

Total number of SPED Students = 103' Below is a breakdown of the scholars with an IEP per class.

K11 = 4	301= 3
K12 = 4	302= 5
K13 = 0	303= 3
K14 = 0	304= 8
K15 = 0	305= 0
101 = 1	401= 2
102 = 4	402= 6
103 = 1	403= 0
104 = 3	404= 7
105 = 2	405= 4
201 = 1	501= 0
202 = 7	502= 11
203 = 1	503= 1
204 = 7	504= 9

Lavinia Math Group

We are officially in 'Module 2' for Institutes. Our institute seats are for the blended learning courses, all participants will have asynchronous/self-paced modules in between their 'live zoom' sessions. These asynchronous/self-paced courses went live on the Canvas platform on Monday, October 2. After completion of the asynchronous/self-paced portion, participants will attend a 2-hour live zoom session.

- For your Story Problems Institute Seats (35), this live zoom session takes place on Tuesday, October 24 from 9-11am
- For your Science of Reading Institute Seats (4), this live zoom session takes place on Friday, October 20 from 9-11am

Ensure all grades have math manipulatives to be used daily during Story Problems. Note that Unifix cubes should always be stored in sticks of ten cubes of the same color. In grades K-2, students should have ten sticks in two different colors to allow them to easily model two different numbers. We encourage cubes to be stored in a pencil case.

K: 80 Unifix cubes per student
1: 120 Unifix cubes per student
2: 120 Unifix cubes per student
3-5: 500 Unifix cubes per # of students you believe may need them
1 set of base-ten blocks per # of students you believe may need them

AN order was requested for these items.

School Culture

The DOSC conducted our first culture assembly. The first school assembly was an opportunity for the student body to align on the school core values and behavior expectations. The dean shared how scholars will contribute to building the culture of the school through their mindset, behaviors and actions. In addition, the school's core values and how they contribute to developing Challenge Champions!

Number of incidents - 18

Number of in school suspensions - 0

Number of out of school suspensions - 1

Parent Involvement

September 2023:

- Collaborated with the Administrative & support team to develop a calendar of upcoming events and activities for the school year.
- Organized & supported back-to-school events for teachers to meet and greet parents and families. (Welcome Table, Meet the Teacher Night).
- Collaborated with Ms. Messer & Newsletter team to create a Newsletter
- Supported with Attendance outreach
- Offered workshops for families on topics such as parent communication platforms (ParentSquare), special education (IEP), and the significance of i--ready assessments.
- Meet with the PA Board to discuss upcoming events for the month and possible fundraisers.
- Supported with the PA board to have our first PA meeting with Challenge families on 9/29/23

- Support the PA with Miss. Chocolate Fundraiser
- Conducted Exit interviews for families who decided not to continue with Challenge.
- Created and conducted a new scholar orientation workshop for parents/guardians to introduce the families to our school.
- Created and conducted a presentation to introduce the role of the Family Engagement Coordinator and the differences between Involved and Engagement.

Please see the data below

September			
Item	# of New Referrals	Grade	Number of families engaged
Exit interviews	10	Kindergarten	47
Parent Orientations	0	1st	58
Survey participation	1	2nd	29
Meetings	4	3rd	32
Staff workshops	0	4th	31
School-wide initiatives/celebrations	1	5th	35
Parent Square Registration	20		
	36		232

Grade	Number of families unreachable/ not engaged
Kindergarten	43
1st	52
2nd	86
3rd	83
4th	75
5th	71
	410

Event Date: 9/20/23

CPCS K-5 Meet The Teacher Night

Total Number	Grade
47	<i>K</i>
58	<i>1</i>
29	<i>2</i>
32	<i>3</i>
31	<i>4</i>
35	<i>5</i>
232	<i>Total</i>

Vacancies

Newly Hired

Margaret Ageloye - 1st grade TA

Shelby Deane - 1st grade TA

Erin Harris - returning staff 1st grade Teacher

Vacancies

1st grade Teacher

2nd grade SPED Teacher

4th grade Teacher

5th grade SPED Teacher

4th grade TA

Science Teacher



Attachment #4



#6	Gr. 9	75.1%	98.6%								
#7	Gr. 8	85.4%	100.0%								
#8	Gr. 7	83.7%	99.6%								
#9	Gr. 6	73.6%	100.0%								
CCMS Average		80.4%	99.9%								
CCHS Average		87.4%	97.8%								
6-12 Average		86.0%	98.5%								

ATTENDANCE:

Administration has been working with Enrollment to ensure accurate attendance rates while we work to determine students who have been discharged or withdrawn from the school. The school counselors have been conducting parent phone calls regularly to ensure that scholars report to school daily. Scholars who are sick or suspended have been receiving live links to their classes via Google Meet and meeting with teachers 1:1 to ensure minimal disruption of education.

STAFFING:

Challenge Charter High School and Challenge Charter Middle School have started the 23-24 SY strong with limited staffing vacancies. Although we are almost fully staffed, the vacancies we do have are critical for our academic programs. Nonetheless, we have used our creativity to ensure that scholars are always before instruction and that we do our best to meet the expectations of our scholars and their parents. We have made some temporary and permanent shifts to our staffing. With the resignation of our Middle School Physical Education teacher, Ms. Pazos will be filling in that role and Ms. Rivera will be replacing her as the 6th grade Humanities teacher. At the High School, Mr. Gayle will be teaching Marine Biology. Mr. Gayle holds a Bachelor's degree in Environmental Science and is in the process of obtaining his Master's degree in Special Education. Ms. Zak will be supporting Assistant Principal Dr. Lyle with the administration portion of Special Education as the caseload continues to grow at both the middle and high school levels.

To date, we have candidates awaiting clearance for the following positions:

- CCHS Culinary Arts TA
- CCHS CTE Health Science TA

We will be conducting more interviews to fill the following positions below:

- CCMS:



- Grade 7 Humanities Teacher
- CCHS:
 - Earth Science TA

CURRICULUM, INSTRUCTION, AND ASSESSMENT

- CCMS and CCHS will uphold a strong instructional focus to close the gap in Math and ELA. Most scholars at both schools have completed their iReady diagnostic to allow teachers to access scholar data to inform instruction and interventions for our scholars. Scholars will continue to work on their i-Ready assessments until all have completed the Diagnostic.
- The STEP Programs between NYIT and CCMS and CCHS is set to begin in the next couple of weeks to offer students more opportunities to engage in Science and Technology enrichment throughout the year.
- The CUNY SLU courses began the week of September 18, 2023. We are working closely with Mr. Michael Gilbert to help keep the courses rigorous and consistent for our scholars. Ms. Giotta will be supporting these classes each day to ensure that scholars are completing coursework when the CUNY professors are not on site.
- The peer tutoring program is currently up and running allowing high school scholars to peer tutor scholars from the middle school and in the APEX and Math Lab classes at CCHS.
- The College Knowledge Enrichment courses during zero period at CCHS has been supporting scholars with college applications, college essays, and SAT Prep.
- CCHS hosted its first-ever Student Government election. Each grade voted on representatives to lead and address each class' concerns. Student Government is offered as an enrichment class.

SOCIAL-EMOTIONAL LEARNING (SEL)

- CCMS and CCHS are still awaiting the revamped lessons from the HEAL Curriculum. Ms. Tameeka Richards and the Social Science Team have been working with Mr. Hal Eisenberg to make sure the lessons are appropriate for our scholars.
- The Social Science Team has been compiling data to review the graduation progress for our Seniors and Juniors. They have been making appropriate schedule changes to influence a successful pathway to graduation.
- Our parent coordinator has planned an Anti-Bullying Spirit Week in honor of Anti-Bullying Awareness Month.
- CCHS advisory classrooms are competing with each other in a door decorating contest to commemorate Hispanic Heritage Month.

SPECIAL EDUCATION and ENL SERVICES

- Our growing ENL Population is currently receiving ENL support services with the guidance of Ms. Ana Gomez. Although Ms. Gomez works between both buildings, Mr. Matthew Rivera and Mr. Nestor Medina has been assisting in providing services to all of our ELL students.
- This year, Dr. Lyle will continue to lead the SPED work for both the Middle School and High School. She has gained much knowledge over the last year to verify that CCS is in compliance



with IEP and SPED Mandates. She has collaborated with teachers and the CSE to provide professional development and informational meetings on SDI and teacher reports.

- Ms. Zak will be supporting Dr. Lyle with the administrative portion of the IEPs and SESIS due to the increase in the special education caseload.
- CCHS and CCMS just received exam materials and beginning this week, newly enrolled ELL scholars be assessed using the NYSITELL exam.
- IEP meetings are being scheduled to ensure that scholars have aligned and up-to-date IEPs. Dr. Lyle is working with the CSE to ensure that all services and transmittals are being pushed through to support our scholars.
- CCMS/CCHS will begin to work on the Language Acquisition Plan for our ELL population, as this plan does not currently exist in our school.

DIGITAL PLATFORMS

- Grades 6-8 scholars will be utilizing school-monitored Chromebooks while they are in the building. The decision was made at the end of last year to keep all Chromebooks in the building and not allow them to travel with the scholars.
- At CCHS, students have received a NYC DOE issued Chromebook. The scholars will be able to take their computers home, however, the new devices will be tracked closely.
- CCMS and CCHS will be utilizing GoGuardian to track scholar work on their Chromebooks. Due to the new DOE Chromebooks, Tech is working on effectively blocking some of our previously blacklisted websites, i.e. YouTube.
- CCHS is utilizing APEX Credit Recovery platform to assist scholars in recuperating credits to stay on track for graduation.

PARENT AND SCHOLAR OUTREACH and ACCESSIBILITY

- The Parent Coordinator has been working with Ms. Sanford and the other members of the Social Science Team to help increase parent involvement and engagement. They coordinated a pancake breakfast fundraiser to benefit the Parent Association.
- CCMS and CCHS will continue to use ParentSquare as the main method of communication between the school and school community.
- The deans, student support teams, and administration at CCMS and CCHS have hosted individual parent meetings to address concerns with our scholars.
- CCMS and CCHS hosted Meet the Teacher Night on September 27, 2023.
- On September 27, 2023, the Youth Officers from the 101 precinct hosted an assembly for grades 6-12 to discuss and answer any questions pertaining to safety and the law inside and outside of school.
- The Parent Academy offered a Financial Literacy Workshop for parents on October 11, 2023.
- The Parent Academy is hosting two parent informational sessions in conjunction with Urban Upbound to support parents with college preparation for their children.



- On October 2, 2023, Smile NY was onsite at CCMS to provide free dental screenings and exams to our scholars.
- Next month, Eyes on Education will be onsite to offer free eye exams for scholars in grades 6-12.

PROFESSIONAL DEVELOPMENT

- CCMS has been receiving regular professional developments through Lavinia. They have been meeting with our teachers since pre-service week.
- We will be continuing our work with the Collaborative at the Charter School Center.
- Key instructional staff and administrators will also be attending Professional Developments through the CTE Technical Assistance Center of NY
- CCMS and CCHS have launched our Mentoring Circles as a means of building supportive professional relationships amongst the staff.
- Principal Gordon has hosted a series of Professional Developments on Progress Monitoring for our Special Education, ENL, and Interventionist staff.
- **GRADE TEAM PLANNING AND ONGOING PROFESSIONAL DEVELOPMENT**
 - Professional development takes place weekly.
- **VERTICAL DEPARTMENT PLANNING**
 - Department Teams have been meeting to discuss instructional planning across curriculums.

INSTRUCTIONAL OBSERVATIONS

- The CCMS-CCHS Admin Team members have begun supporting instructional periods throughout the day to ensure that instruction is taking place and that outreach is performed as needed. Informal observations and coaching have begun in the form of check-ins and 1:1 Instructional Supervision. TeachBoost will continue to be used for this task, with a target of 2 long observations and 5 short observations across the board for the school year.



Attachment #5



October Board Report: Director of Pupil Personnel Services,

I hope this report finds you well. I would like to provide an update on the continuous progress of the HEAL curriculum and our efforts to improve attendance rates at our elementary school location. Additionally, I would like to highlight some recent celebrations and initiatives that have taken place across our K-12 schools.

Middle and High School Advisory Classes: Our middle and high school advisory classes have been occurring consistently, providing scholars with valuable social and emotional learning opportunities. During these sessions, scholars and teachers actively engage in discussions and activities related to self-awareness, respect for self and others, and other important topics. We have observed positive engagement and growth among our scholars as they navigate these important aspects of their development.

Attendance: Over the past month, we have seen consistent progress in our attendance rates. From Monday through Thursday, we have achieved a daily attendance percentage ranging from 92% to 94%. However, we have noticed a slight decline in attendance on Fridays, with rates falling below 90%. We are actively working to address this issue and explore strategies to improve Friday attendance.

Counseling Services: Our counselors have been diligently providing at-risk and mandated counseling services to our scholars. Through the use of our services tracking tool, we have identified approximately 75 scholars school-wide who are receiving mandated counseling services, while 34 scholars are benefiting from at-risk counseling services. Additionally, we have established a referral process to Catholic Charities for scholars requiring wrap-around services. Catholic Charities will soon begin servicing scholars school-wide, further enhancing our support system.

Bully Prevention Protocols: Our DASA coordinators recently presented our bully prevention protocols to the entire staff. This initiative aims to create a safe and inclusive environment for all scholars. By implementing these protocols, we are actively working towards fostering a positive school climate and preventing instances of bullying.

Bully Prevention and Unity Day: We recently celebrated Bully Prevention Week across all grade levels. This initiative aimed to raise awareness about the importance of creating a safe and inclusive environment for all scholars. As part of the celebrations, we also observed Unity Day

K-12, where scholars and staff came together to celebrate unity and promote kindness, respect, and acceptance.

Red Ribbon Week: Another recent celebration was Red Ribbon Week K-12. This week-long event focused on promoting a drug-free and healthy lifestyle. Through various activities and educational initiatives, we emphasized the importance of making positive choices and maintaining a drug-free environment.

Family Engagement: Our family engagement counselors have been instrumental in increasing family attendance at our meet the teacher nights. Their outreach efforts have resulted in a noticeable rise in family participation. To further strengthen family engagement, we have planned professional development sessions for our teachers. These sessions will focus on building strong relationships with families, with the goal of increasing family turnout at parent-teacher conferences and overall engagement. We believe that family engagement is a school-wide effort and are committed to fostering meaningful connections between our school and families.

Parent Academy: Our Parent Academy has been successfully launched, and we have already conducted two family workshops. The topics covered during these workshops were the open house and financial literacy, in partnership with Chase Bank. These workshops have provided valuable resources and information to our families, further strengthening our partnership with the community.

In conclusion, we are making significant strides in the implementation of the HEAL curriculum and addressing attendance concerns. Our counseling services, bully prevention protocols, family engagement initiatives, and Parent Academy are all contributing to the overall success of our school community.

Thank you for your continued support and dedication to our mission of providing a high-quality education to all scholars.



Attachment #6



Challenge Charter School Communications Report - October 2023

Kim Messer, Director of Communications

Family Communications

- Our Fall Newsletter was released on September 29. Please [read it here!](#) There are some wonderful Back-to-School articles and featured staff members, plus a great section of #firstdayofschoolphotos from our parents.

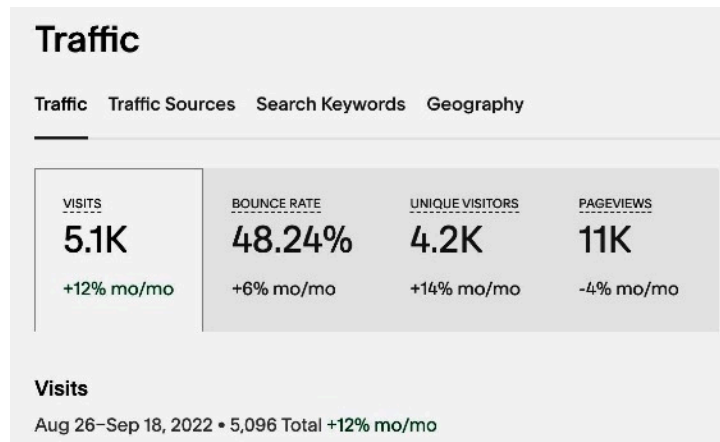
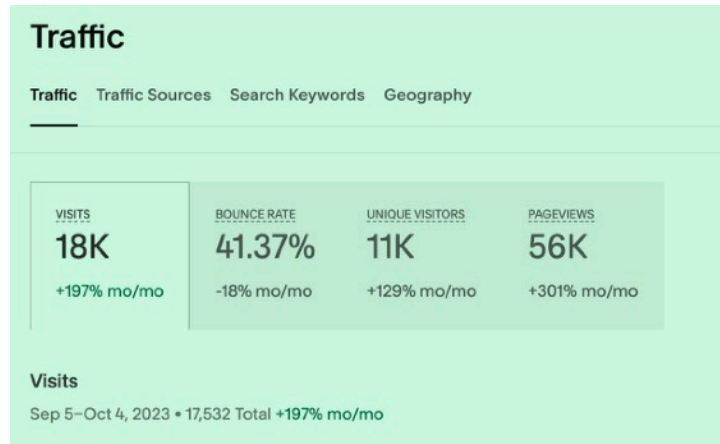


Safety Plans & Crisis Communication

- At this time, ParentSquare is our main method for Emergency Communications. We rely on this application for urgent alerts that need to go to all staff, all families, and our entire school community. Several steps are in the works related to this:
 - In the summer I developed a message library at the district level for various emergency situations. That work will now be duplicated for each school site.
 - I recently met with Mrs. Vaughn and Ms. McFarlane related to finalizing ParentSquare crisis notification groups. Email is not an effective method for communicating an emergency at the time of the event. In the spring I began to work on the groups for a quick alert via ParentSquare; those can now be finalized with the progress we have made on the Safety Plan.
- Discussions are underway about how to train and how to help employees understand that ParentSquare is a non-negotiable due to the Emergency Alerts.
 - Currently we are missing about half of employee phone number records in PowerSchool, but I have alerted HR to the issue.
- I worked with Operations and other staff to help complete the current version of the Safety Plan and developed the presentation for the Safety Forum held on September 19. The results represent a lot of work since the fall of 2022, but we are all glad to have a more current School-wide plan. Next up are the Building-level plans.

Website/Social Media

- This month, we had an update meeting with our web master and designer, Carter Baldwin to review vital work on this, our main marketing tool.
 - Since January, he has added our website translation services, done a complete audit of our site, and is currently working on a redesign to improve functionality for families and to make the site more action/marketing forward. Our last redesign was done after our previous renewal 4 years ago.
 - SEO optimization continues on our current site. We are analyzing keywords from our local school competitors to strengthen our own SEO.
 - Per the audit, we currently have an 85% health score on our website. I am working with our webmaster to strengthen our score even more.
 - Our traffic for the month since school started in 2023 has been much stronger the first month of school vs. the first month of school in 2022. This year we have had visits of 18K with unique visits of 11K vs. visits of around 5K and 4K unique visits. See the graphics for comparison.
- Following Professional Development related to metrics and analytics on our social pages, we are looking for 33% engagement or more for posts. While every post cannot hit those metrics, I am looking at our recent posts that achieved that metric or more to inform future content.



Marketing/Application Season

- I attended a Brand and Culture Conference in late September. The research-based event was hosted by Apptegy, and gave great insights on advertising to various age groups, how branding and culture go hand in hand, and how to gage the health of school leadership based on performance i.e. tactical, adaptive, or maladaptive.

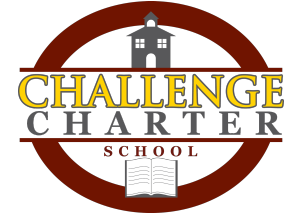
- I am working with Mrs. Logan on our Work-based Learning brochures to promote the program to business and to our scholars. Next will be slide decks and other support materials. I am also updating the language on our website related to CTE pathways.
- Spending plans are being finalized with an adjusted focus to address the support needs for marketing.
- The school brochure has been finalized and is close to printing. The print version of the application for 2024-25 has been updated and our applications are open.
- We are advertising in The Wave in an upcoming special school section with write up and full-page ad.



Attachment #7



Optimizing educational learning environments using effective school operational systems and processes.



Board Report #3

Director of Operations and Student Enrollment

October 18, 2023,

Scholar Enrollment

CCS scholar enrollment is currently at 94%. Seats will continue to be offered to fill the grade-level vacancies. The lottery application for 2024-2025 is now available. Prospective families can apply online by visiting our school website <https://challengecharterschools.org/apply>. Paper applications will also be available in the main offices and the enrollment office. The deadline for lottery applications is April 1st. Winter open house dates will be announced later this fall. The lottery will be held on Thursday, April 4, 2024.

School Operations

School Safety

Attached is the District Safety Plan that needs to be adopted by the Board of Trustees.

Challenge Preparatory Charter School has written a District Safety Plan. The public forum to present the plan to the school community was held on Tuesday, September 19, 2023. We reassured our school community that in an emergency, we have a plan, and the personnel in place to support. On September 8, 2023, professional development regarding school safety drills was to educate the staff. The school community will have 7 days to provide any feedback. The Board of Trustees has to approve the plan before we submit it to the state. The school is currently in compliance with all safety drills. We will continue to hold training every month at the site level to continue to educate the school community on the importance of school safety and prevention.

Scholar Health Physical Form and Immunization Records

CCS immunization status via ATS is up 1% from last week at 83%. The operations team will conduct parent outreach for scholar health physical forms and immunization records. We will follow the guidelines outlined in the [NYSED 2023 Immunization Guidelines for Schools](#). In addition, Department of Health and Mental Hygiene warning letters will be sent home to scholars who are missing updated immunizations. The site leadership team will be informed if a scholar is a risk for not attending school due to not meeting immunization requirements.

Family Income Inquiry Form (FIIF)

School meals are free for scholars, however, parents/guardians are encouraged to complete the Family Income Inquiry Form to help maximize Title I Funding. Please see our school data below:

- ❖ **72%** of our scholar population are enrolled in a government assistance program and are automatically eligible for Title I funds.
- ❖ **4%** of our families already completed the Family Income Inquiry Form(FIIF).
- ❖ **24%** (290 scholars) did not complete the Family Income Inquiry Form(FIIF).

The operations managers are in receipt of the list of families who did not complete the FIIF. We have a 7-week outreach plan to increase the percentage of completed forms. The CCS deadline is Friday, December 1, 2023.

Facilities

The operations team will partner with the school community to maintain the cleanliness of all facilities. All building repairs are submitted through the work order portal provided by Pillar Management.

Janisa Vaughn
Director of Operations and Student Enrollment
TNTP Leader Cohort 2022
School Business Leader, M.Ed, MBA



Attachment #8



Director of Technology Report

Oct. 2023 - Dale Richardson

I: Current Work

1. Reimbursement for 2022/2023 E-Rate (complete).
 - a. October 28, 2023, is the deadline to file for our E-Rate reimbursements for the 2022/2023 funding year, which ran from July 1, 2022 – June 30, 2023.
 - b. I have confirmed with our Director of Finance that our funding has been applied.
 - c. "Per e-rate central, the commitment for FY23 was \$54,432 in direct discounts from our internet / MIBS provider. Our records indicate that we received those discounts between 7/1/22 and 6/30/23." - Director of Finance -

 2. 710 Hartman Lane - Security Camera (complete).
 - a. Our vendor has installed the security cameras. The software is configured, the system is operational, and Challenge's security manager has full access.
 - b. I have confirmed with our Security Manager that two external cameras were reinstalled for the units to be out of arm's reach.

 3. Auvergne By The Sea: Architecture and Electrical Plans (work in progress)
 - a. The builder of our ABTS campus has provided their Electrical Plans to review telecom, data, and security.
 - b. Challenge's I.T. suggestions have been submitted.
 - c. It would be best for the builder to provide Challenge with an updated configuration before moving forward with the installation.
 - d. Before the installation, the builder should present the make and model of the planned network, security, telecom, etc..
-



4. Upgrades to Challenge's phone systems (work in progress - 95% complete)
 - a. Installation and activation of desktop and wall phones have been completed.
 - b. Next, the tech team will roll out auxiliary phones, optimize the intercom system, and incorporate cell phone forwards.
 - c. Once complete, we will create an internal phone directory.

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II: Pending budget approval - These items should be prioritized.

1. We should purchase Active Panels (smart boards) for the 2023 - 2024 school year. **(This should be our top priority. I do not recommend awaiting the release of the ResoA grant, as those funds have taken as long as 18 months to process).**
 - a. We need twelve boards to have 1520 Central Ave. fully outfitted and ready for scholars.
 - b. I also suggest ordering four extra "rolling boards" (one for each site) in case of an emergency where a classroom board malfunctions or if principals call an assembly.
 - c. At the moment, quotes on board are (ca) \$5,900.00. However, this rate will need to be updated (may become more expensive) at the time of our order.



2. 1526 Central Ave - Security Camera (Pending approval)
 - a. Quotes received (may require a new quote as quite some time has passed)
 - i. With classrooms: \$24,711.00
 1. I suggest we go with this package, even if we only run the wiring for the offices, because the current offices may become classrooms in the future).
 - ii. No Classroom cama: \$19,788.00

3. Independent Cyber Security Audit for the entire organization (Pending approval)
 - a. We should purchase an independent cyber security assessment to satisfy various insurance and state requirements.
 - i. Ex: https://www.dfs.ny.gov/industry_guidance/cybersecurity
 - ii. The quote received was \$42,327.00
 1. This quote is now aged and will require a new one (possibly a more expensive quote) when we are ready to move forward.
 - b. Dr. Mullings has forwarded me the following NYSED recommendation:
 - i. Via:
<https://www.cisa.gov/protecting-our-future-partnering-safeguard-k-12-organizations-cybersecurity-threats>
 - ii. The NYSED's version is more of a blanket suggestion.
 - iii. I strongly suggest tailoring "cyber security" to the specific needs of Challenge.



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III: Risk Factors

1. 1279 Redfern NVR [network video recorder] for Security Cameras.
 - a. Inherited from the daycare upon our acquisition of the building, the security camera system at 1279 Redfern Ave. is failing, and cameras are falling offline.
 - b. In the best-case scenario, only the NVR is failing, and we can replace it but keep the current cameras.
 - c. Worst case scenario, the entire system has expired, and we must replace NVR, cameras, and wiring.

2. Two PA Systems are needed for 1520 Central Ave.
 - a. Due to High and Middle school being in the same building, we should order an extra PA system, as they need to keep simultaneous meetings.
 - b. Additionally, the music room often borrows the current PA system, and schedules are sometimes conflicting.



Attachment #9

CHALLENGE PREPARATORY CHARTER SCHOOL



BOARD FINANCIAL REPORT

SEPTEMBER 2023



Challenge Prep Charter School
Statement of Cash Flows
 July - September, 2023

	Total
OPERATING ACTIVITIES	
Net Income	1,602,433.04
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1100 Accounts Receivable	-197,810.61
1300 Prepaid Expenses	-229,642.58
1301 Prepaid Insurance	-159,959.94
1310 Prepaid Rent	-162,380.18
2000 Accounts Payable	46,704.11
2300 Accrued Salaries/Taxes	-1,624,171.89
2301 Accrued Expenses	-151,063.31
2400 Unearned/Deferred Revenue	2,003,490.79
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-\$ 474,833.61
Net cash provided by operating activities	\$ 1,127,599.43
INVESTING ACTIVITIES	
1510 Furniture, Fixtures & Equipment:Office & Admin Computers & Equipment	-27,322.00
1511 Furniture, Fixtures & Equipment:Classroom Computers & Equipment	-7,251.31
1512 Furniture, Fixtures & Equipment:Classroom Furniture	-43,399.79
1513 Furniture, Fixtures & Equipment:Office Furniture	-22,507.07
1540 Facility and Construction:Leasehold Improvements	-25,209.98
Net cash provided by investing activities	-\$ 125,690.15
Net cash increase for period	\$ 1,001,909.28
Cash at beginning of period	4,472,511.05
Cash at end of period	\$ 5,474,420.33



**Challenge Prep Charter School
Balance Sheet
As of September 30, 2023**

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash	
1001 HSBC Checking - 0844	113,777.00
1002 HSBC Checking - 0852	8,005.78
1003 HSBC Checking - 0879	636,317.67
1005 HSBC Money Market - 5972	584.60
1006 Chase Escrow - 3060	70,000.00
1008 Chase Operating 9639	4,134,784.34
1009 Chase Secondary 9652	3,015.83
1010 Chase Debit 9660	3,691.62
1011 MCS Savings 6692	504,243.49
Total 1000 Cash	\$ 5,474,420.33
Total Bank Accounts	\$ 5,474,420.33
Accounts Receivable	
1100 Accounts Receivable	409,596.87
Total 1100 Accounts Receivable	\$ 409,596.87
Total Accounts Receivable	\$ 409,596.87
Other Current Assets	
1300 Prepaid Expenses	301,168.23
1301 Prepaid Insurance	159,959.94
1310 Prepaid Rent	656,329.65
1401 Due From Friends of Challenge Prep, Inc.	14,000.00
Total Other Current Assets	\$ 1,131,457.82
Total Current Assets	\$ 7,015,475.02
Fixed Assets	
1500 Furniture, Fixtures & Equipment	
1510 Office & Admin Computers & Equipment	314,156.58
1511 Classroom Computers & Equipment	1,427,649.77
1512 Classroom Furniture	617,722.43

1513 Office Furniture		185,358.10
1515 Computer Software		26,928.52
Total 1500 Furniture, Fixtures & Equipment	\$	2,571,815.40
1519 Facility and Construction		127,588.58
1520 Architect Fees		119,119.76
1525 Fire Alarm System		7,500.00
1530 Kitchen/Cafeteria		162,079.22
1540 Leasehold Improvements		870,739.78
Total 1519 Facility and Construction	\$	1,287,027.34
1610 Website		11,000.00
1700 Accumulated Depreciation & Amortization		
1710 Accumulated Depreciation		-2,409,816.75
1750 Accumulated Amortization		-9,411.09
Total 1700 Accumulated Depreciation & Amortization	-\$	2,419,227.84
Total Fixed Assets	\$	1,450,614.90
Other Assets		
1800 Security Deposits		940,999.20
1830 ROU - Operating - Equipment		63,205.27
1831 ROU - Operating - Facility		97,104,438.36
Total Other Assets	\$	98,108,642.83
TOTAL ASSETS	\$	106,574,732.75
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable		396,004.40
Total Accounts Payable	\$	396,004.40
Other Current Liabilities		
2301 Accrued Expenses		28,000.00
2302 Refunds Payable		2,255.97
2400 Unearned/Deferred Revenue		2,477,750.74
2830 Lease Liability ST- Operating - Equipment		42,292.29
2832 Lease Liability ST- Facility		2,545,855.47
Total Other Current Liabilities	\$	5,096,154.47
Total Current Liabilities	\$	5,492,158.87
Long-Term Liabilities		
2930 Lease Liability LT- Operating - Equipment		20,912.98
2932 Lease Liability LT- Facility		99,261,303.87
Total Long-Term Liabilities	\$	99,282,216.85
Total Liabilities	\$	104,774,375.72
Equity		
3100 Retained Earnings		197,923.99
Net Income		1,602,433.04
Total Equity	\$	1,800,357.03
TOTAL LIABILITIES AND EQUITY	\$	106,574,732.75



Challenge Prep Charter School
Budget vs. Actuals: FY24_Operating Budget - FY24 P&L
 July - September, 2023

	Actual	Total Budget	% of Budget
Income			
4100 State Grants			
4101 Per Pupil Allocations	5,942,160.00	23,768,640.00	25.00%
4102 Per Pupil Allocations for SPED	506,959.26	2,027,837.00	25.00%
4103 NYSTL		18,901.00	0.00%
4104 NYSSL		47,458.00	0.00%
4105 NYSLIB		8,837.00	0.00%
4109 Facilities Funding	304,584.39	3,045,843.90	10.00%
Total 4100 State Grants	\$ 6,753,703.65	\$ 28,917,516.90	23.36%
4200 Federal Grants			
4201 IDEA for Sp. Ed.	24,171.00	149,291.00	16.19%
4202 Title I	17,120.60	189,506.00	9.03%
4203 Title IIA	3,079.20	32,308.00	9.53%
4205 Charter School Expansion Grant		450,000.00	0.00%
4206 E-Rate	18,432.60	226,204.00	8.15%
4208 Title IV	1,468.10	14,187.48	10.35%
4210 CRRSA ESSER 2	520.87	54,000.00	0.96%
4211 ARP ESSER 3		215,000.00	0.00%
Total 4200 Federal Grants	\$ 64,792.37	\$ 1,330,496.48	4.87%
4300 Contributions			
4301 Restricted Contributions		672,000.00	0.00%
4302 Unrestricted Contributions	626,421.84		
Total 4300 Contributions	\$ 626,421.84	\$ 672,000.00	93.22%
4400 Miscellaneous Income			
4401 Interest Income	6,801.62	20,000.00	34.01%
4405 Other Income	3,108.00		
Total 4400 Miscellaneous Income	\$ 9,909.62	\$ 20,000.00	49.55%
Total Income	\$ 7,454,827.48	\$ 30,940,013.38	24.09%
Gross Profit	\$ 7,454,827.48	\$ 30,940,013.38	24.09%
Expenses			
5000 Compensation			

5100 Instructional Staff			
Total 5100 Instructional Staff	\$ 1,684,569.71	\$ 11,181,027.43	15.07%
5200 Non-Instructional Staff			
Total 5200 Non-Instructional Staff	\$ 730,566.79	\$ 2,269,326.29	32.19%
5300 Pupil Support	0.00		
Total 5300 Pupil Support	\$ 318,809.47	\$ 2,061,301.36	15.47%
Total 5000 Compensation	\$ 2,733,945.97	\$ 15,511,655.08	17.63%
5400 Benefits			
Total 5400 Benefits	\$ 513,286.45	\$ 3,840,920.73	13.36%
6100 Administrative Expenses			
Total 6120 Insurance	\$ 60,100.99	\$ 245,329.00	24.50%
Total 6100 Administrative Expenses	\$ 148,192.74	\$ 612,781.77	24.18%
6200 Professional Services			
Total 6200 Professional Services	\$ 392,751.08	\$ 2,035,500.00	19.30%
Total 6300 Professional Development	\$ 28,410.02	\$ 345,000.00	8.23%
6400 Marketing and Staff/Student Rec			
Total 6400 Marketing and Staff/Student Rec	\$ 12,192.83	\$ 96,000.00	12.70%
7100 Curriculum & Classroom Expenses			
Total 7100 Curriculum & Classroom Expenses	\$ 251,225.58	\$ 743,196.00	33.80%
8100 Facility			
Total 8100 Facility	\$ 1,702,188.14	\$ 6,683,138.23	25.47%
8200 Technology Expenses			
Total 8200 Technology Expenses	\$ 74,731.31	\$ 472,968.85	15.80%
8800 Miscellaneous Expenses			
Total 8800 Miscellaneous Expenses	-\$ 4,529.68	\$ 600.00	-754.95%
Total Expenses	\$ 5,852,394.44	\$ 30,841,760.66	18.98%
Net Income	\$ 1,602,433.04	\$ 98,252.72	1630.93%



Attachment #10

Challenge Preparatory Charter School

Report to the Board of Trustees

June 30, 2023

October 18, 2023

Presented by

Gus Saliba, CPA
Partner
gsaliba@pkfod.com

James Mercaldo, CPA
Manager
jmercald@pkfod.com

AJay McKee
Supervisor
amckee@pkfod.com



**KNOW
GREATER
VALUE**

October 18, 2023

Board of Trustees
Challenge Preparatory Charter School
710 Hartman Lane
Far Rockaway, NY 11691

We are in the process of completing our audit of the financial statements of Challenge Preparatory Charter School (the "School") as of and for the year ended June 30, 2023.

Professional standards require us to communicate with you regarding audit matters that are, in our professional judgment, significant and relevant to those charged with governance ("TCWG") in overseeing the financial reporting process. This communication is intended to provide you with these required communications as well as other findings and information regarding our audit.

We are pleased to be of service to you and Challenge Preparatory Charter School and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of TCWG and management of Challenge Preparatory Charter School and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

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Appendices

- 1 – Management Representation Letter
- 2 – About PKF O'Connor Davies, LLP
- 3 – Podcasts

Status of the Audit and Other Services

Audit of the Financial Statements

- Audit fieldwork is substantially complete. The significant audit risks and scope of our fieldwork were substantially the same as described in our Audit Planning communications, except for assessing *Topic 842 Leases* as high risk since this is the first year of implementation.
- The financial statements have been drafted and reviewed by management.
- We anticipate that we will be issuing an unmodified report on the financial statements upon completion of all outstanding audit related items. If the nature of our report changes, we will notify you prior to issuance.
- The following audit related items remain outstanding:
 - Legal confirm from counsel
 - Signed management representation letter
 - Final quality control review

Other Services

- Our 990 questionnaire has been provided by management and preparation is underway. The 990 is due November 15, 2023 with one automatic six-month extension to May 15, 2024.
- Certification of the Data Collection Form and upload to the Federal Audit Clearinghouse, due one month after the issuance of the audited financial statements.

Required Communications and Other Matters

Required Item	Comments
<p>Auditors' responsibility under professional standards and planned scope and timing of the audit</p>	<p>We have communicated such information in our engagement letter to you dated April 20, 2023. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> • Forming and expressing an opinion on the financial statements. • Obtaining reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to TCWG. • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
<p>Supplementary information accompanying the financial statements</p>	<p>Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>

Required Communications and Other Matters *(continued)*

Required Item	Comments
<p>Our responsibilities under Uniform Guidance and the Yellow Book</p>	<p>In connection with our audit, we performed tests of the Organization’s compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also in accordance with Uniform Guidance, we examined, on a test basis, evidence about the Organization’s compliance with the types of compliance requirements described in the “U.S. Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement” applicable to each of its major federal programs for the purpose of expressing an opinion on the Organization’s compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on the Organization’s compliance with those requirements.</p>
<p>Responsibilities of management and TCWG</p>	<p>Management’s responsibilities include:</p> <ul style="list-style-type: none"> • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluating if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Organization’s ability to continue as a going concern within one year after the date the financial statements are available to be issued [include if required by financial framework] • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>

Required Communications and Other Matters *(continued)*

Required Item	Comments
<p>Qualitative aspects of accounting practices - <i>Accounting Policies</i></p>	<p>The significant accounting policies are described in Note 2 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the reporting period that had a significant impact on the financial statements, except as noted below.</p> <p>Adoption of New Accounting Policy – The School adopted Financial Accounting Standards Board (“FASB”) <i>Topic 842, Leases</i>, which resulted in the recognition of a right of use asset and related lease liability effective July 1, 2022.</p> <p>These policies are appropriate and comply with Accounting Principles Generally Accepted in the United States of America (US GAAP).</p> <p>We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>
<p>Qualitative aspects of accounting practices – <i>Significant Unusual Transactions</i></p>	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>
<p>Qualitative aspects of accounting practices – <i>Accounting Estimates and Management’s Judgment</i></p>	<p>Accounting estimates made by management are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those estimates.</p>

Required Communications and Other Matters *(continued)*

Required Item	Comments
<p>Qualitative aspects of accounting practices - <i>Accounting Estimates and Management's Judgment (continued)</i></p>	<p>Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change. The most sensitive estimates affecting the financial statements are:</p> <p>Grants and Contracts Receivable / Refundable Advances – Management estimates the collectability of receivables/refundable advances from government agencies for federal cost-reimbursement grants and state and local per pupil operating revenue based on the grant management practices and year-end reconciliation reports. Management concluded that no allowance for doubtful accounts was necessary.</p> <p>Functional Allocation of Expenses – Management performs a review of expenses and allocates costs across specific programs on a functional basis.</p> <p>Depreciation and Amortization Expense – Depreciation and amortization expense is intended to allocate the cost of a long-term asset over its period of use. Management estimates depreciation and amortization expense based on the expected useful life and residual value of the underlying assets.</p> <p>Management believes that the estimates used and assumptions made are adequate based on the information currently available. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.</p>
<p>Qualitative aspects of accounting practices - <i>Financial Statement Disclosures</i></p>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <p>Note 7 which summarizes concentration of credit risk.</p> <p>Note 8 which summarizes concentration of revenue and support.</p> <p>Note 9 which summarizes related party transactions.</p> <p>Note 11 which addresses commitments.</p> <p>Note 13 which addresses potential contingency.</p> <p>The financial statement disclosures are consistent and clear.</p>

Required Communications and Other Matters *(continued)*

Required Item	Comments
Difficulties encountered in performing the audit	We encountered no significant difficulties in dealing with management relating to the performance of our audit.
Corrected and uncorrected misstatements	Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. No corrected or uncorrected misstatements were brought to our attention during the audit.
Disagreements with management	For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.
Management representations	We have requested certain representations from management that are included in the management representation letter (Refer to Appendix 1 of this document).
Management's consultations with other accountants	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
Significant issues discussed with management prior to retention	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Auditor independence	We affirm that PKF O'Connor Davies, LLP is independent with respect to the School in accordance with relevant professional standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Challenge Preparatory Charter School's (the "School") internal control over financial reporting ("internal control") as a basis for designing 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 express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- 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 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 and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties.

PKF O'Connor Davies, LLP

Harrison, New York
October 18, 2023

* * * * *

On the Horizon

Leases (New Requirement Effective for June 30, 2022)

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations in its financial reporting for leases. The core principle of the ASU is that a lessee should recognize the assets and liabilities that arise from leases on their statement of financial position. Consequently, all leases that were classified as operating leases under prior lease guidance will now be recognized as right-to-use assets and liabilities, initially measured at the present value of the lease payments. For operating leases, the lessee will recognize a single lease cost in its statement of operations/activities calculated so that the cost of the lease is allocated over the lease term, typically on a straight-line basis. For financing leases (i.e., most leases that qualified for capital lease treatment under Topic 840), the lessee will recognize lease as interest expense and as depreciation/amortization expense in its statement of operations/activities calculated so that the cost of the lease is allocated over the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election to not recognize such leases as assets and liabilities in their statement of financial position. The accounting applied by a lessor entity is largely unchanged from prior lease guidance.

Effective Dates:

- For public business entities, the ASU is already effective.
- In June 2020, FASB issued ASU 2020-05 which delayed the implementation date one year for nonpublic business entities. The ASU is now effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early application is permitted.

Appendix 1

Management Representation Letter

October 18, 2023

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue, Suite 301
Harrison, NY 10528

This representation letter is provided in connection with your audits of the financial statements of Challenge Preparatory Charter School (the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter, the following representations made to you during your audits:

Our Responsibilities

- We acknowledge that we have fulfilled our responsibilities for:
 - The preparation and fair presentation of the financial statements in accordance with US GAAP;
 - 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; and
 - The design, implementation, and maintenance of internal control to prevent and detect fraud.
- We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audits – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.

- In regard to the assistance with preparation of financial statements, note disclosures, preparation of Data Collection Form, tax preparation, and Employee Retention Credit advisory non-attest services performed by you, we have:
 - Assumed all management responsibilities;
 - Designated members of management who have suitable skill, knowledge, or experience to oversee the services;
 - Evaluated the adequacy and results of the services performed; and
 - Accepted responsibility for the results of the services.

Financial Statements

- The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. With respect to the financial statements, we specifically confirm that:
 - The Organization's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
 - Except as disclosed in the financial statements, there have been no changes during the period audited in the Organization's accounting policies and practices.
 - All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
 - The appropriateness and consistency of the measurement processes used by management in determining accounting estimates.
 - That the assumptions appropriately reflect management's intent and ability to carry out specific courses of action.
 - That the disclosures related to accounting estimates are complete and appropriate.
 - That no subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.
- The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
 - The identity of all related parties and related party relationships and transactions.
 - Material concentrations. We understand that concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which it is reasonably possible that events could occur which would significantly disrupt normal finances within the next year.
 - Guarantees, whether written or oral, under which the Organization is contingently liable, including guarantee contracts and indemnification agreements.
 - The effects of all known actual, possible, pending or threatened litigation, claims, and assessments.
- The Organization does not have any uncertain tax positions that require disclosure or recognition in the financial statements.

- We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements.
- We have assessed the Organization's ability to continue as a going concern and have concluded that the Organization will be able to continue as a going concern for at least one year from the date of this letter.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - All documents and records provided electronically are accurate and complete reproductions of the original documents and records.
 - Access to all minutes of the meetings of trustees, or summaries of actions of recent meetings for which minutes were not yet prepared.
 - Communications from regulatory agencies concerning noncompliance with or deficiencies in, financial reporting practices.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
- We have disclosed to you our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Organization's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, regulators, or others.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

- The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- We have a reasonable basis for the allocation of functional expenses.
- With respect to contributions:
 - Adequate controls are in place over the receipt and recording of contributions.
 - There were no unrecorded contributions or pledges at June 30, 2023 and 2022 that could materially affect the financial statements. In addition, we are unaware of any assets for which the Organization may be beneficiary as prescribed by probated wills or held in trusts by independent trustees at June 30, 2023 and 2022 which should be recorded in the financial statements.
- We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor restrictions to maintain an appropriate composition of assets needed to satisfy their restrictions.

Hosting Services

We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.

We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

Uniform Guidance Compliance Report

The following representations are provided in connection with your audit of the Organization's compliance with the types of compliance requirements described in *Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance")*, *Audits of States, Local Governments and Non-Profit Organizations and Government Auditing Standards* that could have a direct and material effect on each of its major federal programs (hereinafter referred to as "compliance requirements") for the year ended June 30, 2023 for the purpose of expressing an opinion as to whether the Organization complied with such requirements.

- With respect to federal award programs:
 - We are responsible for understanding and complying with, and have complied with the requirements of Uniform Guidance, including requirements relating to preparation of the schedule of expenditures of federal awards.

- The schedule of expenditures of federal awards is in accordance with Uniform Guidance and identifies and discloses expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (“SEFA”) in accordance with the requirements of Uniform Guidance §200.502, and we believe the SEFA, including its form and content, is fairly presented in accordance with Uniform Guidance §200.502. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the supplementary information and the auditors’ report thereon.
- We have identified and disclosed to you all of our government programs and related activities subject to Uniform Guidance.
- We are responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

- We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in Uniform Guidance.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditors' report.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We have charged costs to federal awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- We are responsible for and have insured the reporting package does not contain protected personally identifiable information.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by Uniform Guidance.

- We are responsible for preparing and implementing a corrective action plan for each audit finding.
- We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have evaluated events subsequent to the date of the financial statements through the date of this letter, and (except as discussed in Note 2 to the financial statements,) no such events, including instances of noncompliance, have occurred which would require adjustment or disclosure in the financial statements or in the schedule of findings and questioned costs.
- As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- In regards to the assistance with preparation of financial statements, disclosures, preparation of Data Collection Form, tax preparation, and Employee Retention Credit advisory non-attest services performed by you, we have—
 - Assumed all management responsibilities.
 - Designated an individual with suitable skill, knowledge, or experience to oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.

Rev. Dr. Les Mullings, CEO

Linda Plummer, Board Treasurer

Appendix 2

About PKF O'Connor Davies, LLP

Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,500 professionals and 18 offices in the U.S. Our team of top-notch professionals deliver a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 25th on *Accounting Today's* 2023 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always **Know Greater Value.**

INDUSTRY RECOGNITION

Ranked 25 of "2023's Top 100 Firms"
Accounting Today, 2023

"America's Best Tax and Accounting Firms"
Forbes, 2023

"Top Tax Firm"
Accounting Today, 2023

Ranked 5 of the "Top Firms in the Mid-Atlantic"
Accounting Today, 2023

"Best Places to Work in Westchester"
914INC., 2023

Ranked 10 of the 50 "Best Accounting Employers to Work for in North America"
Vault, 2024

Ranked #1 in Three Diversity Categories
Vault, 2024

"Accounting/Due Diligence Firm of the Year"
The M&A Advisor, 2022

"Best Accountancy Advisor"
Family Wealth Report Awards, 2022

"Best Family Office Management Consultancy"
Family Wealth Report Awards, 2022

"Best Accounting Firm in Westchester"
914INC., 2022

"Best Places to Work in New Jersey"
NJBIZ, 2023

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At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.



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TAX COMPLIANCE AND PLANNING SERVICES

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- IRS Representation and Tax Controversies
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- Tax-Exempt Organizations
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Appendix 3

Podcasts

Our podcast series enables board members and professionals to stay current on a range of topics relating to governance, financial and business management.

Access these podcasts on our website and listen to them at your convenience.

Visit www.pkfod.com/media/podcasts/.

This is a sample of one of our podcasts.



**WHAT THE
BOARD NEEDS
TO KNOW ABOUT
CYBERSECURITY**

Podcast Featuring:

Mark Bednarz, Partner
mbednarz@pkfod.com

Thomas DeMayo, Principal
tdemayo@pkfod.com

The graphic features a teal background with two circular portraits of men in business attire. A stylized microphone icon is positioned between the portraits. The text is in white and orange.

Let us know what other topics
you'd like us to cover.
Email Ron DeSoiza at rdesoiza@pkfod.com



Attachment #11

Challenge Preparatory Charter School

Financial Statements and
Uniform Guidance Schedules
Together With Independent Auditors' Reports

June 30, 2023 and 2022

FOR DISCUSSION
10-17-2023

Challenge Preparatory Charter School

Financial Statements and
Uniform Guidance Schedules
Together With Independent Auditors' Reports

June 30, 2023 and 2022

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Independent Auditors' Report

Board of Trustees
Challenge Preparatory Charter School

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Challenge Preparatory Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Challenge Preparatory Charter School as of June 30, 2023 and 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Challenge Preparatory Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Policy

As discussed in Note 2 to the financial statements, Challenge Preparatory Charter School adopted Financial Accounting Standards Board ("FASB") Topic 842, *Leases*, which resulted in the recognition of right of use assets and related lease liabilities effective July 1, 2022. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Challenge Preparatory Charter School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Challenge Preparatory Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Challenge Preparatory Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October __, 2023, on our consideration of Challenge Preparatory Charter 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 Challenge Preparatory Charter 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 Challenge Preparatory Charter School's internal control over financial reporting and compliance.

Harrison, New York
October __, 2023

Challenge Preparatory Charter School

Statements of Financial Position

	June 30,	
	2023	2022
ASSETS		
Current Assets		
Cash	\$ 4,402,510	\$ 2,829,496
Grants and contracts receivable	174,792	527,246
Prepaid expenses and other current assets	602,469	805,047
Due from related party	14,000	5,000
Total Current Assets	5,193,771	4,166,789
Property and equipment, net	1,324,926	1,631,974
Restricted cash	70,000	70,000
Right of use assets, operating leases, net	97,167,643	-
Security deposits	940,999	925,999
	\$ 104,697,339	\$ 6,794,762
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 530,609	\$ 329,846
Accrued payroll and payroll taxes	1,624,172	1,429,516
Refundable advances	474,260	142,329
Deferred rent, current portion	-	1,643,524
Operating lease liabilities	2,588,147	-
Total Current Liabilities	5,217,188	3,545,215
Operating lease liabilities, less current portion	99,282,217	-
Deferred rent	-	1,399,119
Total Liabilities	104,499,405	4,944,334
Net assets, without donor restrictions	197,934	1,850,428
	\$ 104,697,339	\$ 6,794,762

See notes to financial statements

Challenge Preparatory Charter School

Statements of Activities

	Year Ended June 30,	
	2023	2022
REVENUE AND SUPPORT		
State and local per pupil operating revenue	\$ 22,111,689	\$ 17,643,377
State and local per pupil facilities funding	2,437,470	1,721,827
Federal grants	1,546,967	1,301,852
Federal E-Rate and IDEA	203,723	304,856
State grants	-	69,621
Contributions and grants	477,624	42,262
Other income	313,833	3,247
Total Revenue and Support	27,091,306	21,087,042
EXPENSES		
Program Services		
Regular education	18,978,715	17,165,805
Supporting services	6,619,653	5,583,589
Total Program Services	25,598,368	22,749,394
Supporting Services		
Management and general	3,109,280	3,134,400
Fundraising	36,152	60,301
Total Expenses	28,743,800	25,944,095
OTHER REVENUE		
Gain on forgiveness of		
Paycheck Protection Program Loan	-	1,813,019
Gain on transfer of lease to related party	-	1,272,042
Total Other Revenue	-	3,085,061
Change in Net Assets	(1,652,494)	(1,771,992)
NET ASSETS, WITHOUT DONOR RESTRICTIONS		
Beginning of year	1,850,428	3,622,420
End of year	\$ 197,934	\$ 1,850,428

See notes to financial statements

Challenge Preparatory Charter School

Statement of Functional Expenses
Year Ended June 30, 2023

	No. of Positions	Program Services			Management and General	Fundraising	Total
		Regular Education	Special Education	Total			
Personnel Services Costs							
Administrative staff personnel	44	\$ 1,917,291	\$ 557,620	\$ 2,474,911	\$ 887,559	\$ 13,953	\$ 3,376,423
Instructional personnel	121	6,234,819	2,467,609	8,702,428	219,004	-	8,921,432
Non-Instructional personnel	18	508,547	184,926	693,473	231,158	-	924,631
Total Personnel Services Costs	183	8,660,657	3,210,155	11,870,812	1,337,721	13,953	13,222,486
Fringe benefits and payroll taxes		1,878,778	696,387	2,575,165	290,195	3,027	2,868,387
Retirement		153,493	56,894	210,387	23,709	247	234,343
Legal services		-	-	-	94,876	-	94,876
Accounting and auditing services		-	-	-	51,250	-	51,250
Other professional and consulting services		946,028	250,122	1,196,150	281,794	5,648	1,483,592
Building and land rent		4,946,541	1,833,483	6,780,024	796,424	7,970	7,584,418
Repairs and maintenance		108,052	40,050	148,102	16,690	174	164,966
Insurance		130,133	48,235	178,368	20,100	210	198,678
Utilities		287,111	106,421	393,532	44,347	463	438,342
Supplies and materials		574,562	127,193	701,755	28,335	895	730,985
Equipment and furnishings		271,290	51,377	322,667	808	3,018	326,493
Staff development		268,231	62,340	330,571	15,196	109	345,876
Marketing and recruiting		49,368	9,173	58,541	-	-	58,541
Technology		105,482	36,982	142,464	15,824	371	158,659
Food service		447	83	530	-	-	530
Student service		40,243	7,478	47,721	-	-	47,721
Office expense		95,231	25,396	120,627	6,601	67	127,295
Depreciation and amortization		463,068	57,884	520,952	57,884	-	578,836
Other		-	-	-	27,526	-	27,526
Total Expenses		\$ 18,978,715	\$ 6,619,653	\$ 25,598,368	\$ 3,109,280	\$ 36,152	\$ 28,743,800

See notes to the financial statements

Challenge Preparatory Charter School

Statement of Functional Expenses Year Ended June 30, 2022

	No. of Positions	Program Services			Management and General	Fundraising	Total
		Regular Education	Special Education	Total			
Personnel Services Costs							
Administrative staff personnel	27	\$ 534,758	\$ 296,094	\$ 830,852	\$ 949,091	\$ 17,409	\$ 1,797,352
Instructional personnel	96	4,783,722	1,728,145	6,511,867	-	-	6,511,867
Non-Instructional personnel	39	2,437,099	639,081	3,076,180	423,805	-	3,499,985
Total Personnel Services Costs	<u>162</u>	<u>7,755,579</u>	<u>2,663,320</u>	<u>10,418,899</u>	<u>1,372,896</u>	<u>17,409</u>	<u>11,809,204</u>
Fringe benefits and payroll taxes		1,416,369	486,391	1,902,760	250,726	3,179	2,156,665
Retirement		140,505	48,251	188,756	24,872	315	213,943
Legal services		-	-	-	38,388	-	38,388
Accounting and auditing services		-	-	-	33,250	-	33,250
Other professional and consulting services		882,387	253,379	1,135,766	195,735	18,062	1,349,563
Building and land rent		4,555,443	1,564,371	6,119,814	812,016	10,226	6,942,056
Repairs and maintenance		90,873	31,207	122,080	16,086	204	138,370
Insurance		109,795	37,704	147,499	19,436	246	167,181
Utilities		383,982	131,862	515,844	67,973	862	584,679
Supplies and materials		720,927	163,892	884,819	50,401	1,562	936,782
Equipment and furnishings		29,551	7,454	37,005	2,270	7,597	46,872
Staff development		243,835	44,471	288,306	164,387	-	452,693
Marketing and recruiting		85,340	15,564	100,904	-	-	100,904
Technology		107,433	34,198	141,631	18,068	522	160,221
Food service		642	117	759	-	-	759
Student service		67,540	12,318	79,858	-	-	79,858
Office expense		151,956	36,134	188,090	9,898	117	198,105
Depreciation and amortization		423,648	52,956	476,604	52,956	-	529,560
Other		-	-	-	5,042	-	5,042
Total Expenses		<u>\$ 17,165,805</u>	<u>\$ 5,583,589</u>	<u>\$ 22,749,394</u>	<u>\$ 3,134,400</u>	<u>\$ 60,301</u>	<u>\$ 25,944,095</u>

Challenge Preparatory Charter School

Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,652,494)	\$ (1,771,992)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	578,836	529,560
Amortization of right of use assets - operating leases	3,872,663	-
Deferred rent	-	1,654,521
Gain on forgiveness of Paycheck Protection Program loan	-	(1,813,019)
Gain on transfer of leases to related party	-	(1,272,042)
Changes in operating assets and liabilities		
Grants and contracts receivable	352,454	(161,797)
Prepaid expenses and other current assets	(252,669)	(262,122)
Due from related party	(9,000)	(5,000)
Security deposits	(15,000)	-
Accounts payable and accrued expenses	200,763	(13,232)
Accrued payroll and payroll taxes	194,656	277,457
Operating lease liabilities	(1,757,338)	-
Refundable advances	331,931	(173,217)
Net Cash from Operating Activities	1,844,802	(3,010,883)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchases of property and equipment	(271,788)	(795,495)
Net Change in Cash and Restricted Cash	1,573,014	(3,806,378)
CASH AND RESTRICTED CASH		
Beginning of year	2,899,496	6,705,874
End of year	\$ 4,472,510	\$ 2,899,496
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for amounts included in the measurement of lease liabilities	\$ 4,985,017	\$ -

See notes to financial statements

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2023 and 2022

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 (the "Board of Regents"). 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 1135 students in kindergarten through eleventh grade during the 2022-2023 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 Pronouncement

Leases (Topic 842)

The School adopted Financial Accounting Standards Board Topic 842, *Leases* ("Topic 842"), using the effective date method with July 1, 2022, as the date of initial adoption, with certain practical expedients available.

The School elected the available practical expedients to account for its existing operating leases as operating leases, under the new guidance, without reassessing whether the contracts contain leases under the new standard, whether classification of capital leases or operating leases would be different in accordance with the new guidance, or whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Pronouncement (continued)

Leases (Topic 842) (continued)

As a result of the adoption of the new lease accounting guidance, on July 1, 2022, the School recognized lease liabilities of \$102,445,302, that represents the present value of the remaining operating and finance lease payments of \$157,419,329, discounted with risk free interest rates using the treasury bond rate ranging from 2.85% to 4.27% depending on the lease term, and right of use (“ROU”) assets of \$99,842,906, that represent the discounted operating and finance lease liabilities of \$102,445,302, with the ROU operating assets adjusted for deferred rent of \$2,602,396.

The adoption of Topic 842 had a material impact on the School’s statement of financial position but did not have a material impact on its statements of activities and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

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 reclassified 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, 2023 and 2022.

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.

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position to the amounts presented in the statements of cash flows at June 30:

	<u>2023</u>	<u>2022</u>
Cash	\$ 4,402,510	\$ 2,829,496
Restricted Cash	70,000	70,000
	<u>\$ 4,472,510</u>	<u>\$ 2,899,496</u>

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2023 and 2022

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. 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, 2023 and 2022.

Leases

The School accounts for leases under Topic 842. The School determines if an arrangement is a lease at inception. Operating leases are included in operating leases ROU assets, other current liabilities and operating lease liabilities on the accompanying statement of financial position. The School made the short-term lease election for leases with an initial term of less than 12 months.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2023 and 2022

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

Leases (continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating leases ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The School uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating leases ROU assets includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The School has lease agreements with lease and non-lease components, which are generally accounted for separately. The School's lease agreements do not contain any variable lease components. The School applies the short-term lease exemption to all of its classes of underlying assets. During the year ended June 30, 2023, the short-term lease cost was \$7,604,419 and is included in lease expense in the accompanying statement of functional expenses. For the year ended June 30, 2022, U.S. GAAP guidance stated rent shall be charged to expense over the lease term as it became payable. If rental payments are not made on a straight-line basis, rental expense shall be recognized on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis shall be used. The difference between the straight-line rent expense and rent paid is reflected as a deferred rent liability in the statement of financial position as of June 30, 2022.

Refundable Advances

The School records certain government operating revenue and private grants related to a specific program as refundable advances until related services are performed, at which time they are recognized as revenue.

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, 2023 and 2022

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

Marketing and Recruitment

Marketing and recruitment costs are expenses as incurred. Marketing and recruitment costs for the years ended June 30, 2023 and 2022 amounted to \$58,541 and \$100,904.

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 such as personnel services costs, fringe benefits and payroll taxes, building and rent lease and other professional and consulting services have been allocated among program and supporting services classifications on the basis of periodic time and expense studies and other bases 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, 2020.

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 October __, 2023.

3. Grants and Contracts Receivable

Grants and contracts receivable consist of federal, state, city entitlements and grants. The School expects to collect these receivables within one year. Management has assessed the need for an allowance and has determined that such allowance is not necessary.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2023 and 2022

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Computers and equipment	\$ 1,707,233	\$ 1,563,703
Furniture and fixtures	737,174	722,908
Software and website development	37,929	55,217
Standby generator	127,589	127,589
Leasehold improvements	<u>1,134,229</u>	<u>1,101,667</u>
	3,744,154	3,571,084
Accumulated depreciation and amortization	<u>(2,419,228)</u>	<u>(1,939,110)</u>
	<u>\$ 1,324,926</u>	<u>\$ 1,631,974</u>

Assets with a cost basis and accumulated depreciation of \$98,718 were disposed of during the year ended June 30, 2023. There were no disposals for the year ended June 30, 2022.

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>2023</u>	<u>2022</u>
Cash	\$ 4,402,510	\$ 2,829,496
Grants and contracts receivable	174,792	527,246
Due from related party	<u>14,000</u>	<u>5,000</u>
	<u>\$ 4,591,302</u>	<u>\$ 3,361,742</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 letter of credit in the amount of \$50,000, which it could draw upon as further disclosed in Note 10. The School will continue to rely on funding received from the New York City Department of Education to cover its future operating costs (see Note 8).

6. Employee Benefit Plan

The School maintains a defined 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, 2023 and 2022 amounted to \$234,343 and \$213,943.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2023 and 2022

7. Concentration of Credit Risk

Financial instruments that potentially subject the School to concentrations of credit and market risk consist principally of cash 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, 2023 and 2022, approximately \$3,743,000 and \$2,580,000 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, 2023 and 2022, the School received approximately 92% 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.

9. Related Party Transactions (not disclosed elsewhere)

The School is an affiliate of Friends of Challenge Prep. Inc. ("FOCP"), a New York State not-for-profit corporation, through common management. FOCP supports the School through real estate and facilities-related needs. At June 30, 2023 and 2022, the balance due from FOCP was \$14,000 and \$5,000.

Effective May 1, 2022, the lease agreement for one facility used by the School was transferred to FOCP (see Note 11) and a new sublease agreement was entered into between FOCP (sublandlord) and the School (subtenant). As a result of this transfer, an unamortized deferred rent liability was written off resulting in a non-operating gain of \$1,272,042 which is reported as gain on transfer of lease to related party in the statements of activities for year ended June 30, 2022.

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, 2023 and 2022.

11. 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-3.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2023 and 2022

11. Commitments (*continued*)

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 houses grades 4-5.

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, 2042. The lease commenced in August 2021 and includes a yearly rent escalation of 3%, and requires the School to pay for utilities and other office costs. This location is being used to house grades 9-11. In May 2022, the lease agreement was transferred to FOCP (see Note 9) and a new sublease agreement between FOCP (sublandlord) and the School (subtenant) was executed effective May 1, 2022 for a period of 29 years ending on June 30, 2051.

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. It currently houses grades 6-8.

On March 1, 2023, the School entered into an agreement to lease additional property at 14-18 Central Avenue, Queens, New York, expiring on February 28, 2028. The lease commenced on March 1, 2023 and includes a yearly rent escalation of 5%, and requires the School to pay for utilities and other office costs. This location became the home of the CTE Culinary Arts Kitchen.

ROU assets consist of the following at June 30, 2023:

ROU assets - operating leases	\$ 101,040,306
Less: accumulated amortization	<u>(3,872,663)</u>
	<u>\$ 97,167,643</u>

Weighted average remaining lease term for operating leases	24.38 years
Weighted average discount rate for operating leases	3.15%

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2023 and 2022

11. Commitments (continued)

The future minimum lease payments under the lease agreements are as follows for years ending June 30:

2024	\$ 5,756,331
2025	5,922,229
2026	5,519,044
2027	5,577,941
2028	5,649,230
Thereafter	<u>125,145,835</u>
Total minimum lease payments	153,570,610
Present value discount	<u>(51,700,246)</u>
Present value of lease liabilities	101,870,364
Current portion	<u>(2,588,147)</u>
Lease liabilities, less current portion	<u>\$ 99,282,217</u>

Occupancy expense under the leases for the years ended June 30, 2023 and 2022 amounted to \$7,584,418 and \$6,942,056.

12. Paycheck Protection Program Loan Payable

On May 4, 2020, the School received loan proceeds in the amount of \$1,792,512 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest were forgivable as long as the borrower used the loan proceeds for eligible purposes, as described in the CARES Act, over a period of between eight and twenty-four weeks (the "Covered Period"). Loan payments of principal or interest are deferred until the amount of loan forgiveness is determined by the United States Small Business Administration ("SBA").

On November 4, 2021, \$1,792,512 of principal and \$20,507 of accrued interest were forgiven by the SBA, and as such, the School has recognized the proceeds as gain on forgiveness of Paycheck Protection Program Loan in the accompanying statements of activities.

13. 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.

Challenge Preparatory Charter School

Uniform Guidance
Schedules and Reports

June 30, 2023

FOR DRAFT
DISCUSSION
10-17-2023

Challenge Preparatory Charter School

Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
Pass-Through New York State Education Department:				
Title I Grants to Local Educational Agencies	84.010	0021-23-4785	\$ -	\$ 185,390
Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)	84.367	0147-23-4785	-	31,675
Student Support and Academic Enrichment Program	84.424	0204-23-4785	-	13,909
Charter Schools	84.282	0089-23-9003	-	429,125
COVID-19 Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund II	84.425D	5891-21-4785	-	385,339
COVID-19 Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund ARP	84.425U	5880-21-4785	-	501,529
 Total U.S. Department of Education			 -	 1,546,967
 Total Expenditures of Federal Awards			 \$ -	 \$ 1,546,967

See independent auditors' report and notes to schedule of expenditures of federal awards

Challenge Preparatory Charter School

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Challenge Preparatory Charter School (the "School"), under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets or cash flows of the School.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 October XX, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrison, New York
October XX, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

**Board of Trustees
Challenge Preparatory Charter School**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Challenge Preparatory Charter School's (the "School") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2023. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harrison, New York
October XX, 2023

Challenge Preparatory Charter School

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to the financial statements noted?

_____ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major federal programs:

Federal Assistance Listing Number(s)

Name of Federal Program or Cluster

84.425D

COVID-19 Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund II

84.425U

COVID-19 Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund ARP

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

Section II – Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2023.

Section III – Federal Award Findings and Questioned Costs

During our audit, we noted no material instance of noncompliance and none of the costs tested which were reported in the federal financially assisted programs are questioned or recommended to be disallowed.

Section IV – Prior Year Findings

There were no findings in the prior year.



Attachment #2



Senior Director of Teaching and Learning K-5

November 2023 Board Report

Covering 10/16/23 to 11/30/23

Kentia Coreus

Ongoing Teaching & Learning Tasks

- Manage personnel, curricula, relationships, and partnerships in support of the educational program
- Monitor the effectiveness of the educational program by reviewing data, observing instruction, school culture, and academic operations at both elementary sites
- Supervise the K-5 principal and administrative team by conducting regular check-ins, bi-weekly supervision meetings, and providing feedback on instructional leadership
- Receive, investigate, and respond to staff and family grievances
- Support human resource activities such as reviewing the credentials of all instructional candidates, recommending teacher salaries, conducting final interviews
- Respond to compliance and legal issues as it relates to staffing and the academic program
- Serve as liaison between the school and the DOE charter office
- Support the school in preparing for charter renewal

Staff Recruitment

The current teacher vacancies exist at the elementary division:

Grade 2 SPED ICT; 5th Grade SPED ICT; Science Specials Teacher (K-5); Given the chronic vacancies in the two ICT classrooms we are also evaluating a few candidates for ELA and Math specialist positions who will teach those subject areas to scholars with IEP's. In addition we are collaborating with the ILT on all staffing possibilities.

The K-5 special projects coordinator is taking the following action steps to support recruitment:

- Posting vacancies on Lever which gets distributed to Indeed and LinkedIn
- Sharing vacancies with the principal for internal recruitment
- Listing staff vacancies with Alternative Tutoring and substitute teachers with Kokua Education
- Posting vacancies on personal LinkedIn Page
- We have identified 22 colleges/universities in NYC and Long Island with teacher education programs. We are proceeding with 7 for student teachers for Spring 2024 and beyond and a couple who may have December graduates
- Regular review all candidates in Lever who have applied to other instructional roles at the school

Charter Renewal

Our authorizer has set our renewal visit date for Wednesday January 10, 2023. The school continues to prepare for charter renewal both internally and externally. Through our partnership with the Collaborative for Inclusive Education, a MLL/ELL specialist will be onsite at CPCS on Monday Dec. 4, 2023 to conduct a compliance review. The topics listed below will be accessed.

MLL Identification & Enrollment

Schools are federally mandated to administer a home language survey, assess potential MLLs/ELLs for English language proficiency, and inform parents/guardians of MLL/ELL status and services.

Recruitment

Charter schools are state mandated to make good faith efforts to recruit and retain MLLs/ELLs in comparable numbers to their CSD counterparts

Language Access

Schools are federally mandated to provide free translation and interpretation for parents who prefer a language other than English

MLL Programming & Instruction

Schools are federally mandated to make sure MLLs/ELLs are not unnecessarily segregated from peers and to make the core curriculum accessible to MLLs/ ELLs.

Internally, the elementary site continues to prepare for renewal by following up with the findings of the Mock Renewal held mid-October. Follow-up is/will occur in a variety of ways:

- SDTL and principal facilitating coaching & goal-setting meetings with ILT members
- Faculty meetings
- Teacher training in PLCs with assistant principals
- Teacher coaching cycles
- Onsite teacher development with Lavinia math coach

Below are the overall findings of the Mock Renewal:

Overall Visit Highlights, K-12

- Scholars are engaged in a positive environment that is conducive to learning
- Teachers feel supported and have access to leadership
- Leaders are student-centered, and enact plans/systems to support scholar achievement

Classroom Observation Glows

- Scholars are attentive and engaged- K-12
- Scholars receive targeted instruction in small groups- K-12
- Both educators in the room worked strategically and collaboratively to support scholar learning- K-5
- Scholars know when/how to utilize math manipulatives- K-5
- Evidence of SDI is visible in anchor charts- 6-12
- Teachers who have been with CCMS/CCHS for at least three years demonstrate the ability to deliver effective instruction- 6-12

Overall Classroom Observation Grows

- The “I Do” portion of the lesson is not explicit. There is little/no modeling or demonstration. Where there is modeling, it may not align with the “We Do or You Do”- K-12
- Teacher questioning was not strategically utilized to scaffold or push scholar thinking- K-5
- There was little evidence of reliable data collection of student understanding- K-5
- Scholars lacked the opportunity to engage in intellectual discourse with their peers- 6-12
- Scholars lacked the opportunity to demonstrate agency by being given the bulk of the cognitive load to manage (rigor)- 6-12

Suggested Focus Areas in Support of Scholar Achievement

- Ensure all teachers master implementation of the Gradual Release of Responsibility model
- Ensure consistent collection and response of reliable formative assessment data (tracking sheets, exit slips, etc.)

Teacher Certification Compliance

CCS is currently out-of-compliance with teacher certification. The last review from the NYC Charter Center indicates that 29 teachers are uncertified (nearly double the allocated number of 15). The national teacher shortage exacerbated by the pandemic is definitely having an impact on CPCS. In response, CCS plans to develop a formal program for teacher and leader education and certification at CCS in pursuit of the following goals:

- Increase teacher education especially in special education and English as a second language to support scholars
- Increase teacher certification especially in special education and English as a second language as these have been hard-to-fill vacancies across all campuses in the past few years
- Increase overall teacher certification as we currently are out of compliance
- Increase leader education and certification to support leadership development and in turn, teacher development



Attachment #3



CHALLENGE CHARTER SCHOOL

2023-2024 Principal's Monthly Board Report

Mavgar Mondesir-Gordon, SDTL (Grades 6-12)

Principal Gasner Vil (Grades 6-8)

Principal Mavgar Mondesir - Gordon (Grades 9-12)

School Year 2023-2024 Report November 14, 2023

Current CCHS Enrollment:

Cohort Group	Grade Level	Enrollment as of...									
		Sept 18, 2023	Oct. 16, 2023	Nov. 14, 2023	Dec. , 2023	Jan. , 2024	Feb. , 2024	Mar. , 2024	Apr. , 2024	May , 2024	Jun. , 2024
#3	G. 12	40	38	36							
#4	G. 11	67	63	62							
#5	G. 10	89	86	81							
#6	Gr. 9	102	101	94							
TOTAL		298	288	273							

Current CCMS Enrollment:

Cohort Group	Grade Level	Enrollment as of...									
		Sept 18, 2023	Oct.16 , 2023	Nov.14 , 2023	Dec. , 2023	Jan. , 2024	Feb. , 2024	Mar. , 2024	Apr. , 2024	May , 2024	Jun. , 2024
#7	Gr. 8	103	97	98							
#8	Gr. 7	92	90	93							
#9	Gr. 6	121	113	112							
TOTAL		316	300	303							

CCMS/CCHS Attendance Statistics:

C G o r o u p t	G L r e a v e d e l	Attendance Rates									
		Sep 7, '23 - Sep 18, '23	Sep 19, '23 - Oct 16, '23	Oct, '23 - Nov, '23	Nov, '23 - Dec, '23	Dec, '23 - Jan, '24	Jan, '24 - Feb, '24	Feb, '24 - Mar, '24	Mar, '24 - Apr 2, '24	Apr, '24 - May, '24	May, '24 - Jun, '24
#3	Gr. 12	99.2%	95.4%	100%							
#4	Gr. 11	94.2%	98.2%	99.9%							
#5	Gr. 10	91.0%	97.6%	99.4%							



#6	Gr. 9	75.1%	98.6%	99.1%						
#7	Gr. 8	85.4%	100.0%	98.0%						
#8	Gr. 7	83.7%	99.6%	98.9%						
#9	Gr. 6	73.6%	100.0%	100.0%						
CCMS Average		80.4%	99.9%	99.0%						
CCHS Average		87.4%	97.8%	99.5%						
6-12 Average		86.0%	98.5%	99.3%						

ATTENDANCE:

Administration has been working with Enrollment to ensure accurate attendance rates while we work to determine students who have been discharged or withdrawn from the school. The school counselors have been conducting parent phone calls regularly to ensure that scholars report to school daily. Scholars who are sick or suspended have been receiving live links to their classes via Google Meet and meeting with teachers 1:1 to ensure minimal disruption of education.

STAFFING:

Senior Director of Teaching and Learning and CCHS Principal, Magvar Mondesir-Gordon, officially began medical leave on November 7, 2023. AP Canzoneri and AP Kirnon will lead CCHS in her absence with support from the leadership team. Principal Vil will have full responsibility of CCMS. Dr. Lyle will continue to lead Special Education and provide support when necessary. SDTL/Principal Gordon has laid out all of this work in her Standard Operating Procedure. Dr. Mullings continues to support both schools and will be signing all High School Suspension letters in her absence.

CCHS has welcomed our newest staff member, Assistant Principal Valencia Kirnon. Ms. Kirnon will be primarily responsible for the CTE and Early College Program at CCHS as well as supporting the school as needed.

Challenge Charter High School and Challenge Charter Middle School have started the 23-24 SY strong with limited staffing vacancies. Although we are almost fully staffed, the vacancies we do have are critical for our academic programs. Nonetheless, we have used our creativity to ensure that scholars are always before instruction and that we do our best to meet the expectations of our scholars and their parents.



To date, we have candidates awaiting clearance for the following positions:

- CCHS Culinary Arts TA

We will be conducting more interviews to fill the following positions below:

- CCMS:
 - Humanities Teacher
- CCHS:
 - Earth Science TA

CURRICULUM, INSTRUCTION, AND ASSESSMENT

- CCHS staff has begun the preparation for January Regents Review sessions. Staff members are completing item analysis data to determine areas of focus. Regents Review Sessions are to begin after the Thanksgiving break during the Enrichment period daily.
- CCMS and CCHS will uphold a strong instructional focus to close the gap in Math and ELA. On October 23, CCMS began High Impact Tutoring focusing on small group instruction in Math and Reading.
- The STEP Programs between NYIT and CCMS and CCHS began on October 25, 2023, to offer students more opportunities to engage in Science and Technology enrichment throughout the year. The program will run weekly throughout most of the school year.
- The CUNY SLU courses are still going strong at CCHS. Ms. Spadoni has been supporting the Composition Course and Ms. Giotta has been supporting the Health Disparities course. Ms. Sylvester from CCMS is slated to teach Composition 2 in the spring.
- The peer tutoring program is currently up and running allowing high school scholars to peer tutor scholars from the middle school and in the APEX and Math Lab classes at CCHS.

SOCIAL-EMOTIONAL LEARNING (SEL)

- CCMS and CCHS are still awaiting the revamped lessons from the HEAL Curriculum. Ms. Tameeka Richards and the Social Science Team have been working with Mr. Hal Eisenberg to make sure the lessons are appropriate for our scholars.
- The Student Support Team has been compiling data to review the graduation progress for our Seniors and Juniors. They have been making appropriate schedule changes to influence a successful pathway to graduation.
- Our Student Support Team has been busy planning initiatives and themed spirit weeks to encourage more community involvement.

SPECIAL EDUCATION and ENL SERVICES

- Our growing ENL Population is currently receiving ENL support services with the guidance of Ms. Ana Gomez. Although Ms. Gomez works between both buildings, Mr. Matthew Rivera and Mr. Nestor Medina has been assisting in providing services to all of our ELL students.



- Dr. Lyle will continue to lead the SPED work for both the Middle School and High School. She has gained much knowledge over the last year to verify that CCS is in compliance with IEP and SPED Mandates. She has collaborated with teachers and the CSE to provide professional development and informational meetings on SDI and teacher reports.
- Ms. Zak will be supporting Dr. Lyle with the administrative portion of the IEPs and SESIS due to the increase in the special education caseload.
- At CCMS and CCHS, Ms. Gomez has been administering the NYSITELL exams to newly enrolled. All scholars are tested within 10 days of enrollment.
- IEP meetings are continually being scheduled to ensure that scholars have aligned and up-to-date IEPs. Dr. Lyle is working with the CSE to ensure that all services and transmittals are being pushed through to support our scholars.
- CCMS/CCHS will begin to work on the Language Acquisition Plan for our ELL population, as this plan does not currently exist in our school.

DIGITAL PLATFORMS

- Grades 6-8 scholars will be utilizing school-monitored Chromebooks while they are in the building. The decision was made at the end of last year to keep all Chromebooks in the building and not allow them to travel with the scholars.
- At CCHS, students have received a NYC DOE issued Chromebook. The scholars will be able to take their computers home, however, the new devices will be tracked closely.
- CCMS and CCHS will be utilizing GoGuardian to track scholar work on their Chromebooks. Due to the new DOE Chromebooks, Tech is working on effectively blocking some of our previously blacklisted websites, i.e. YouTube.
- CCHS is utilizing APEX Credit Recovery platform to assist scholars in recuperating credits to stay on track for graduation.

PARENT AND SCHOLAR OUTREACH and ACCESSIBILITY

- CCHS hosted its first CTE Expo. Multiple vendors and partners were on site to give demonstrations to parents and scholars about the different programs that are available for our school community.
- On November 16 and 17th, CCMS and CCHS will be hosting Parent Teacher Conferences.
- Dean Laing at CCHS will be holding a virtual Senior's Parent Meeting on November 30, 2023, to provide information and costs for senior activities.
- The Parent Coordinator has been working with Ms. Sanford and the other members of the Student Support Team to help increase parent involvement and engagement.
- CCMS and CCHS will continue to use ParentSquare as the main method of communication between the school and the school community.
- The deans, student support teams, and administration at CCMS and CCHS have hosted individual parent meetings to address concerns with our scholars.



- The Parent Academy has hosted two parent informational sessions in conjunction with Urban Upbound to support parents with college preparation for their children.
- Eyes on Education Program has been rescheduled to January 31, 2024. They will be onsite to offer free eye exams for scholars in grades 6-12.

PROFESSIONAL DEVELOPMENT

- CCHS and CCMS engaged in a professional development about questioning and discussion techniques. The PD was turn-keyed by staff and leadership who attended a virtual conference during pre-service week.
- CCHS and CCMS collaboratively planned and participated in modeling instructional models during the October 31st professional development day.
- Mr. Manniello gave a PD to CCHS English Teachers on close reading strategies.
- CCMS has been receiving regular professional developments through Lavinia. They have been meeting with our teachers since pre-service week.
- We will be continuing our work with the Collaborative at the Charter School Center.
- Key instructional staff and administrators will also be attending Professional Developments through the CTE Technical Assistance Center of NY
- CCMS and CCHS have launched our Mentoring Circles as a means of building supportive professional relationships amongst the staff.
- Principal Gordon has hosted a series of Professional Developments on Progress Monitoring for our Special Education, ENL, and Interventionist staff.
- **GRADE TEAM PLANNING AND ONGOING PROFESSIONAL DEVELOPMENT**
 - Professional development takes place weekly.
- **VERTICAL DEPARTMENT PLANNING**
 - Department Teams have been meeting to discuss instructional planning across curriculums.

INSTRUCTIONAL OBSERVATIONS

- The CCMS-CCHS Admin Team members have begun supporting instructional periods throughout the day to ensure that instruction is taking place and that outreach is performed as needed. Informal observations and coaching have begun in the form of check-ins and 1:1 Instructional Supervision. TeachBoost will continue to be used for this task, with a target of 2 long observations and 5 short observations across the board for the school year.



Attachment #4



November Board Report: Director of Pupil Personnel Services

I am pleased to provide you with an update on the recent activities and achievements at our school, as well as the progress in developing our team.

1. **Curriculum Implementation:** In November, the HEAL curriculum was fully implemented, and scholars are currently in Unit 2. They are focusing on the Self-awareness competency, which involves building relationships with diverse cultures and exploring values and attitudes. The teachers have successfully implemented the curriculum, and they will soon receive a visit from the curriculum writer to acknowledge their efforts and encourage them to continue their work.
2. **Social-Emotional Learning:** In addition to the HEAL curriculum, scholars in the elementary school are also participating in Second Step lessons, which allow them to practice various social-emotional learning skills. These lessons contribute to the overall well-being and development of our scholars.
3. **Activities and Events:** Throughout the month, scholars were engaged in various activities and events. They attended an interactive fire prevention assembly, had a visit from veterans on Veterans Day, and celebrated Hispanic heritage by creating passports and learning about different Hispanic cultures. These activities provide our scholars with valuable experiences and broaden their understanding of the world around them.
4. **Scholar Achievements:** Assemblies have begun to honor scholars' achievements. This recognition encourages and motivates our scholars to continue their hard work and strive for excellence.
5. **Attendance:** The elementary attendance team continues to exceed the attendance goal of 93% on various days. This achievement reflects the efforts of our staff and the support of our families in ensuring regular attendance for our scholars.
6. **Advisory Classes:** Advisory classes in the middle and high school celebrated S.M.A.R.T week to raise awareness about youth homelessness. Scholars also started the process of creating their Individual Achievement Plans. These classes provide a platform for important discussions and promote empathy and understanding among our scholars.
7. **Community Engagement:** All scholars are participating in a K-12 canned food drive, contributing to the well-being of our local community. Additionally, our partnership with Catholic Charities is thriving, with 27 referrals to date. This collaboration allows us to provide additional support and resources to our scholars and their families.

8. Parent Engagement: The Parent Academy has held several workshops, including college access workshops, Kids Rise workshops, and Workforce 1 information workshops. These workshops empower our parents and provide them with valuable information and resources to support their children's education.

9. Team Development: I am actively working on developing my team. As part of this process, my team members are creating three learning goals to enhance their professional growth. They have also completed a self-awareness assessment, which will help them identify areas for improvement and further develop their skills and knowledge.

In conclusion, our school continues to thrive and provide a nurturing and engaging environment for our scholars. The implementation of the HEAL curriculum, along with various activities and events, contributes to their holistic development. Our team is also actively engaged in their professional growth, setting learning goals and assessing their own strengths and areas for improvement. We are committed to providing the best education and support to our scholars and their families.



Attachment #5



Challenge Charter School Communications Report - November 2023

Kim Messer, Director of Communications

Family Communications

- Fall is a very busy time at our school, and I am excited to see many of our school flyers going out with correct branding, colors, and fonts. I have created and/or proofed over 30 advertising pieces in the past month.
- Recent and upcoming events include: Breast Cancer Awareness Walk, Unity Day, Book Fairs, CTE and Early College Expo, Parent/Teacher Conferences, Harvest Feast, Family Involvement Week, PA Fundraiser, and Community Job Fair.



Website/Social Media

- I invited our Music Department, led by Anwar Robinson, to do a Social Media Takeover the week of November 6-10.
- This is the first takeover in our history and featured videos, photos, and updates from our talented music staff showing the various ways music arts positively challenges and impacts our scholars.
- As of this report, there have been over 3000 video views and 500 + views of our stories and photo highlights.
- This has been a successful way to highlight the valuable part musical arts play in our school.
- Our followers continue to grow! We are getting closer to 2000 followers on FB and IG. The graphic shows our engagement over the last month and how our numbers are increasing.



Audience	
Lifetime	
Facebook followers	
958	
Instagram followers	
913	
Trends	
Last 28 days	
Facebook reach	
2.4K ↑ 96%	
Instagram reach	
1.1K ↑ 29%	

Safety Plans & Crisis Communication

- All designated reporters have now been trained on Smart Alerts in ParentSquare.
 - On-going - Currently we are missing about half of employee phone number records in PowerSchool, but I have alerted HR to the issue.
- Building Level Plans are still TB done.

Marketing/Application Season

- Application season for 2024-25 is underway.
 - Brochure is complete and awaiting printing with Enrollment
 - Signage and branding updates have been researched and are in process of finalization for POs.
 - Website updates have been started to our Apply pages.
 - Ad season begins in late December with bus shelter ads, print ads, and digital ads.
 - A professional video and photoshoot will take place November 15-17 to create advertising assets for the 2024-25 promotional season and beyond. Our last professional marketing shoot was before the pandemic.
- Our new Work-based Learning brochures (see trifold example below) I created will promote the program to businesses and to our scholars. I am working with Mrs. Hogan on support materials such as forms and slide decks. The language on our website related to CTE pathways has been updated, and I am hoping to create an article and/or Press Release with Ms. McFarlane's support related to our JFK Redevelopment Partnership.



GET IN TOUCH

Laura Hogan
Work-based Learning Coordinator

Challenge Charter High School
1520 Central Avenue
Far Rockaway, NY 11691
lhogan@challengecharterschools.org
201-383-5535

www.challengecharterschools.org

How You Benefit

TRAINING + SKILLS = JOB READY

- We partner with you to prepare potential future employees.
- We evaluate students on a consistent basis.
- Your training & recruitment costs are reduced.
- You can then employ local residents that are job ready.

CHALLENGE HIGH CHARTER SCHOOL

WORK-BASED LEARNING PROGRAM

Challenge Charter High School:
We Help Businesses Grow
Tomorrow's Employees TODAY!



Attachment #6



Optimizing educational learning environments using effective school operational systems and processes.



Board Report #4 Director of Operations and Student Enrollment

November 14, 2023,

Scholar Enrollment

CCS scholar enrollment is currently at 94%. The school welcomed 32 new scholars in the past 4 weeks. Seats will continue to be offered to fill the grade-level vacancies.

[Reminder]

The lottery application for 2024-2025 is available. We have received 85 applications since the launch on October 2nd. Prospective families can apply online by visiting our school website <https://challengecharterschools.org/apply>. Paper applications will also be available in the main and enrollment offices. The deadline for lottery applications is April 1st.

Scholar Recruitment

The enrollment team is preparing to visit the feeder schools in the Far Rockaway community to meet with prospective families. We are also preparing the mass mailers and open house communications.

School Operations

School Safety

As of November 1, 2023, the school is no longer using direct emails to send 911 alerts to the Building Response Teams(BRTs). Monday, October 30th, and Tuesday, October 31st, the BRTs sent test notifications via Parent Square. The BRTs were informed that If they received alerts to their Google Voice phone number and would like it to be sent to their cellular number, update their account profile in ParentSquare. All team members were trained by the Director of Communications on how to send the alerts via Parent Square.

Scholar Health Physical Form and Immunization Records

CCS immunization status via ATS is up at 83.9%. The operations team will conduct parent outreach for scholar health physical forms and immunization records. We will follow the guidelines outlined in the [NYSED 2023 Immunization Guidelines for Schools](#). In addition, Department of Health and Mental Hygiene warning letters will be sent home to scholars who are missing updated immunizations. The site leadership team will be informed if a scholar is at risk for not attending school due to not meeting immunization requirements.

Family Income Inquiry Form (FIIF)

There was a 4% increase from last month's reporting.

School meals are free for scholars, however, parents/guardians are encouraged to complete the Family Income Inquiry Form to help maximize Title I Funding. Please see our school data below:

- ❖ **72%** of our scholar population are enrolled in a government assistance program and are automatically eligible for Title I funds.
- ❖ **7%** of our families already completed the Family Income Inquiry Form(FIIF).
- ❖ **21%** (262 scholars) still need to complete the Family Income Inquiry Form(FIIF).

Next Steps:

- Ms. Vaughn will send a notice via ParentSquare to only those groups of scholars.
- The K-5 team will encourage families to fill out the FIIF during PTC.
- The 6-12 team will encourage families to fill out the FIIF during PTC this week.
- Follow-up calls will be done over the next 2 weeks.
 - Kindergarten and grade 1- Ms. Brown and Ms. Young.
 - Grades 2-5 Anderson, Naissant, Ms. Wiggins, and support staff.
 - Grades 6-8- Johnson and Colon
 - Grades 9-12- Luton, Tucker, and Batista

We will partner with the school counselor, social worker, and academic assistant for additional support. The school's internal deadline is Friday, December 1, 2023. The official deadline is Dec 20, 2023 .

Facilities

The operations team will partner with the school community to maintain the cleanliness of all facilities. All building repairs are submitted through the work order portal provided by Pillar Management. With the peak of cold, flu, and COVID-19 season, the school was reminded of cleanliness protocols. The custodians have been informed to do a deep comprehensive cleaning during the closing shifts. In addition, they will be sanitizing the frequently touched areas throughout the day. The air vents will be dusted and cleaned at every location.

Operational Systems

[Linked here](#) is the CCS Events Request Form.

Challenge Preparatory Charter School has grown to servicing grades K-12 across 4 locations. Every week each site has school events and we needed a system of tracking. If someone plans to host a meeting, school, or community event and requires operations support they complete the form. Requests must be submitted at least 10 business days prior to the event. Once the request is received an operations team member will contact you within 24 hours to confirm the event details. The school community has been utilizing the form which has helped us streamline the process and communicate to all stakeholders.

Janisa Vaughn

Director of Operations and Student Enrollment

TNTP Leader Cohort 2022

School Business Leader, M.Ed, MBA



Attachment #7



Director of Technology Report

Nov. 2023 - Dale Richardson

I: Current Work

1. \$171,672.14 Grant pending the collection of Parent filled forms.
 - a. Challenge has been approved for a \$171,672.14 grant for our Chromebook initiative. However, some stipulations come along with this.
 - b. This is a needs-based program & parents/guardians will have to fill out a form & only those who state a need can receive a device.
 - c. Chromebooks are primarily for home usage. As a result, we should begin with our HS, as they currently take devices back and forth. Then we move to the upper MS.
 - d. With current Chromebook prices hovering at about \$380, we will be able to receive about 450 devices. As a result, I suggest this will be on a first-come, first-serve basis.
 - e. Once forms are filled out, we can order up to \$171,672.14. However, we will have to forfeit the balance if we do not get 450 needs-based scholars.

 2. JFK Events
 - a. Setting up AV for 200 attendees of the JFK Redevelopment events.
 - b. The electricity @ 1520 Central Ave. should be revamped to accommodate bigger events that demand more power consumption.
 - c. If Challenge intends to accommodate more events of this magnitude, a more powerful HiFi sound system is needed. At the moment, the current system has volume limitations. If we increase the volume further, we risk blowing the speakers.
 - d. Perhaps one of the JFK stakeholders can assist Challenge with a grant to invest in a HiFi sound system to accommodate large audiences.
-



3. Brainstorming Cyber Security for our CTE with key stakeholders
 - a. Potentially incorporating a Cyber Security leg of our CTE program.
 - b. With Cyber Security attacks on the rise worldwide, it may be a good idea to see how we could incorporate cybersecurity into our CTE programs.
 - c. Parties include
 - i. Principal Gordon - Initialized the idea for the Aviation program.
 - ii. AP Kirnon - Would like to see a certification track.
 - iii. Lloyd Jaeger and Frank SanFelice - Would like to see Cyber Security integrated into all tracks, in one form or another.

4. Auvergne By The Sea: Architecture and Electrical Plans (work in progress)
 - a. The builder of our ABTS campus has provided their Electrical Plans to review telecom, data, and security.
 - b. Challenge's I.T. suggestions have been submitted.
 - c. It would be best for the builder to provide Challenge with an updated configuration before moving forward with the installation.
 - d. Before the installation, the builder should present the make and model of the planned network, security, telecom, etc.

—

II: Pending budget approval - These items should be prioritized.

1. We should purchase Active Panels (smart boards) for the 2023 - 2024 school year. **(This should be our top priority. I do not recommend awaiting the release of the ResoA grant, as those funds have taken as long as 18 months to process).**
 - a. We need twelve boards to have 1520 Central Ave. fully outfitted and ready for scholars.



- b. I also suggest ordering four extra “rolling boards” (one for each site) in case of an emergency where a classroom board malfunctions or if principals call an assembly.
 - c. At the moment, quotes on board are (ca) \$5,900.00. However, this rate will need to be updated (may become more expensive) at the time of our order.

- 2. 1526 Central Ave - Security Camera (Pending approval)
 - a. Quotes received (may require a new quote as quite some time has passed)
 - i. With classrooms: \$24,711.00
 - 1. I suggest we go with this package, even if we only run the wiring for the offices, because the current offices may become classrooms in the future).
 - ii. No Classroom cama: \$19,788.00

- 3. Independent Cyber Security Audit for the entire organization (Pending approval)
 - a. We should purchase an independent cyber security assessment to satisfy various insurance and state requirements.
 - i. Ex: https://www.dfs.ny.gov/industry_guidance/cybersecurity
 - ii. The quote received was \$42,327.00
 - 1. This quote is now aged and will require a new one (possibly a more expensive quote) when we are ready to move forward.
 - b. Dr. Mullings has forwarded me the following NYSED recommendation:
 - i. Via: <https://www.cisa.gov/protecting-our-future-partnering-safeguard-k-12-organizations-cybersecurity-threats>
 - ii. The NYSED’s version is more of a blanket suggestion.



- iii. I strongly suggest tailoring “cyber security” to the specific needs of Challenge.

—

III: Risk Factors

1. 1279 Redfern NVR [network video recorder] for Security Cameras.
 - a. Inherited from the daycare upon our acquisition of the building, the security camera system at 1279 Redfern Ave. is failing, and cameras are falling offline.
 - b. In the best-case scenario, only the NVR is failing, and we can replace it but keep the current cameras.
 - c. Worst case scenario, the entire system has expired, and we must replace NVR, cameras, and wiring.
2. Two PA Systems are needed for 1520 Central Ave.
 - a. Due to High and Middle school residing in the same building, we should order an extra PA system, as they need to keep simultaneous meetings.
 - b. Additionally, the music room often borrows the current PA system, and schedules are sometimes conflicting.



Attachment #8

Finance Report Notes
CPCS Board Meeting 11/15/23
Report Period: October 2023

Audit

- The final audited financial statements were received.
- The statements were submitted to the New York City Department of Education and New York State Education Department as required.

Budget vs. Actual

We are trending towards ending the year in a deficit.

- We are below projected enrollment so that has us behind in our revenue projections by \$1.149m. Budgeted enrollment was 1,296, actual enrollment for the November per pupil invoice was 1,191.
- We are currently spending \$1.2m on salaries and \$220k on benefits each month.
- We continue to enroll students but will need to curtail spending to avoid a deficit.
- Our increased spending year-to-date has been in the following areas:
 - Repairs and maintenance
 - Miscellaneous expenses - Settlement of claims for three former employees
 - Substitute teachers as a result of chronic absenteeism
 - Utilities

Cash Flow

- We have received three of our six per pupil payments.
- At this point we anticipate that we will end the year with \$1.834m in cash, including savings and escrow.
- \$1.834 is 1.1 months of expenses.

Balance Sheet

- Cash on hand at the end of October was \$3.8m including escrow and savings.
- Our receivables balance is \$255k.
- Accounts payable balance is \$854k including payroll of \$616k.



Attachment #9



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



Monthly Financial Report
October 2023



Challenge Prep Charter School

Financial Summary

October 2023

LIQUIDITY	Cash on Hand	<i>Operating accounts (Savings account not included)</i>	\$ 2,751,946
	Cash on Hand	<i>Total Accounts</i>	\$ 3,826,190
	Months of Cash on Hand - (Excellent > 3 months/ Poor < 1 month)		1.1
	FY Ending Cash Available to Carryover to FY 24	<i>(Operating Account(s) Only)</i>	\$ 1,834,469
	<i>*Cash balance available once all FY23 obligations & receivables have been settled</i>		
Escrow Reserve - current balance			\$ 70,000

ENROLLMENT		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	General Ed	1,191.025	1,296.00	(104.975)	\$	21,843,399	23,768,640	(1,925,242)
	SPED							
	0 - 20%	65.000	51.000	14.000		-	-	\$ -
	20 - 59%	45.053	43.000	2.053		468,101	446,770	\$ 21,331
	60% - Over	90.105	83.000	7.105		1,716,410	1,581,067	\$ 135,343
Total SPED	200.158	177.000	23.158		2,184,511	2,027,837	\$ 156,674	

BALANCE SHEET	Total Current Assets:	Assets	\$ 5,130,442
	Total Current Liabilities:	Liabilities	\$ 3,496,839
	Working Capital (Current) Ratio - (Rating Excellent >=3.0/Poor <1.0)		1.47
	Quick (Acid Test) Ratio - (Rating Excellent >=2.5/Poor <1.0)		1.38
	Total Assets:		\$ 104,719,278
	Total Liabilities:		\$ 102,779,056
	Debt Ratio - (Rating Excellent <0.50/Poor >1.0)		0.98
Total Net Assets:	Net Assets	\$ 1,940,223	

Summary		<u>YTD Actual</u>	<u>Annual Projected</u>	<u>Annual Budget</u>	<u>Variance</u>
	Revenue	\$ 9,936,931	\$ 29,790,253	\$ 30,940,013	\$ (1,149,760)
	Expenses (before depreciation)	8,194,632	30,225,126	30,341,761	(116,634)
	Net Operating Surplus(Deficit) before Depreciation:	\$ 1,742,299	\$ (434,873)	\$ 598,253	\$ (1,033,126)
	Depreciation:	-	500,000	500,000	-
	Net Operating Surplus(Deficit) after Depreciation:	\$ 1,742,299	\$ (934,873)	\$ 98,253	\$ (1,033,126)
	Capital Expenditure Requirements	\$ 140,579	\$ 183,327	\$ 142,000	\$ 41,327
	Total Cash Expenditures	\$ 8,335,211	\$ 30,408,454	\$ 30,483,761	\$ (75,307)
			<u>Annual Projected</u>	<u>Annual Budget</u>	<u>Variance</u>
	Revenue per Pupil		\$ 25,012	\$ 23,873	\$ 1,139
Expenditure per Pupil		\$ 25,797	\$ 23,798	\$ 2,000	

Challenge Prep Charter School

Budget vs. Actuals Fiscal Year Ending 6/30/2024

	YTD Actuals	Full Year Projection	Annual Budget	Variance	Notes
Income					
4100 State Grants					
4101 Per Pupil Allocations	7,922,880	21,843,399	23,768,640	(1,925,242)	Projection based on Invoice #3
4102 Per Pupil Allocations for SPED	675,946	2,184,511	2,027,837	156,674	Projection based on Invoice #3
4103 NYSTL	-	18,901	18,901	-	
4104 NYSSL	-	47,458	47,458	-	
4105 NYSLIB	-	8,837	8,837	-	
4109 Facilities Funding	609,169	3,045,844	3,045,844	-	
Total 4100 State Grants	9,207,994	27,148,949	28,917,517	(1,768,568)	
4200 Federal Grants					
4201 IDEA for Sp. Ed.	24,171	149,291	149,291	-	
4202 Title I	34,241	179,806	189,506	(9,700)	Based on Final Allocation
4203 Title IIA	6,158	30,792	32,308	(1,516)	Based on Final Allocation
4205 Charter School Expansion Grant	-	450,000	450,000	-	
4206 E-Rate	24,577	226,204	226,204	-	
4208 Title IV	2,936	14,681	14,187	494	Based on Final Allocation
4210 CRRSA ESSER 2	521	54,000	54,000	-	
4211 ARP ESSER 3	-	215,000	215,000	-	
Total 4200 Federal Grants	92,604	1,319,774	1,330,496	(10,722)	
4300 Contributions					
4301 Restricted Contributions	-	672,000	672,000	-	
4302 Unrestricted Contributions	626,422	626,422	-	626,422	Summer Boost
Total 4300 Contributions	626,422	1,298,422	672,000	626,422	
4400 Miscellaneous Income					
4401 Interest Income	6,802	20,000	20,000	-	
4405 Other Income	3,108	3,108	-	3,108	For Instruments
Total 4400 Miscellaneous Income	9,910	23,108	20,000	3,108	
Total Income	9,936,931	29,790,253	30,940,013	(1,149,760)	
Expenses					
5000 Compensation					
5100 Instructional Staff					
5101 Administrative Leadership	90,541	271,622	259,836	11,786	
5102 Instructional Leadership	555,923	1,667,770	1,685,353	(17,583)	
5103 Classroom Teachers	1,009,995	4,389,695	4,389,695	-	
5104 Teaching Assistants	254,988	1,300,258	1,300,258	-	
5105 Special Education Teachers	319,007	1,734,170	1,734,170	-	
5106 ELL Teachers	31,837	159,308	159,308	-	
5107 Music Teacher	67,682	286,865	286,865	-	
5108 Art Teacher	-	72,100	72,100	-	
5109 Physical Education Teacher	60,732	433,994	433,994	-	
5110 Specialty Teachers	111,395	859,447	859,447	-	
Total 5100 Instructional Staff	2,502,100	11,175,231	11,181,027	(5,797)	
5200 Non-Instructional Staff					
5201 Finance & Human Resources	92,329	276,986	306,765	(29,778)	
5202 Administration & Operations	528,312	1,584,935	856,712	728,223	
5204 Administrative Assistant	79,599	238,798	418,725	(179,927)	
5205 Custodians	206,441	619,322	589,515	29,807	
5206 Security Guards	47,711	143,134	97,610	45,524	
Total 5200 Non-Instructional Staff	954,392	2,863,176	2,269,326	593,850	
5300 Pupil Support					
5301 Pupil Support Services	392,589	1,177,767	1,840,731	(662,964)	
5302 School Aides	50,815	152,445	220,570	(68,125)	
Total 5300 Pupil Support	443,404	1,330,212	2,061,301	(731,089)	
5400 Benefits					
5402 NY State Unemployment Insurance	27,790	227,790	620,466	(392,676)	
5403 Social Security - EmployER	226,344	937,405	949,808	(12,403)	
5404 Social Security - EmployEE	-	-	-	-	
5405 Medicare - EmployER	54,753	221,050	224,919	(3,869)	
5406 Medicare - EmployEE	-	-	-	-	
5407 Worker's Compensation Expense	9,821	325,745	325,745	-	
5408 NYS Disability	(7,542)	-	-	-	
5409 Medical Insurance	266,672	1,280,105	1,280,105	-	
5410 Dental Insurance	21,826	48,854	48,854	-	
5411 Vision Insurance	4,105	12,699	12,699	-	
5412 Life Insurance, STD, & LTD	28,167	84,075	84,075	-	
5414 Retirement 403(B) Match	81,371	234,267	234,267	-	
5415 Retirement 403(B) Clearing	(20,821)	(20,821)	-	(20,821)	
5420 Other Employer Taxes	17,086	44,984	44,984	-	
5421 Garnishment Child Support (Clearing)	-	-	-	-	
5422 HRA/FSA Diff Card Premium & Contributions	(1,117)	15,000	15,000	-	
5423 Garnishments - Other	-	-	-	-	
5425 AFLAC (Clearing)	(10,012)	(10,012)	-	(10,012)	
Total 5400 Benefits	698,444	3,401,139	3,840,921	(439,782)	

	YTD Actuals	Full Year Projection	Annual Budget	Variance	Notes
6100 Administrative Expenses					
6101 Office Supplies	31,731	75,000	75,000	-	
6102 Printer Supplies	4,565	20,000	20,000	-	
6103 Office Furn (non-asset)	3,665	10,000	10,000	-	
6104 Office Equipment (non-asset)	-	15,000	15,000	-	
6105 Copy Machine Lease	18,371	49,527	49,527	-	
6106 Postage and Delivery	966	7,100	7,100	-	
6107 Temperature Scanning Kiosk Lease	1,873	1,873	-	1,873	
6109 Administrative Licenses, Software, & Subscriptions	36,411	109,234	50,000	59,234	
6110 Team Building/Staff Lunch & App	5,296	45,000	45,000	-	
6111 Student/Family Appreciation	9,501	50,000	50,000	-	
6112 Travel to/from Meetings	-	500	500	-	
6114 Signage (Indoor/Outdoor)	-	20,000	20,000	-	
6115 Student Uniforms/Apparel	2,158	5,326	5,326	-	
6119 Classroom Furniture and Equipment (non-asset)	5,681	20,000	20,000	-	
6120 Insurance	-	-	-	-	
6121 Insurance Fees	206	206	150	56	
6123 Insurance - Excess Liability	167	167	-	167	
6124 Insurance - General Liability & Property	59,728	245,179	245,179	-	
Total 6120 Insurance	180,319	674,112	612,782	61,330	
6200 Professional Services					
6201 Audit/Accounting Services	-	50,000	50,000	-	
6202 Payroll Services	163,846	360,500	360,500	-	
6203 Communication & Compliance Consulting Services	111,396	200,000	120,000	80,000	
6204 Legal Services - Paid	5,419	100,000	100,000	-	
6205 Educational Consulting	64,260	600,000	600,000	-	
6206 Financial Management Services	5,101	60,000	60,000	-	
6207 Substitute Teacher Services	24,984	80,000	60,000	20,000	
6208 Temporary Staffing Services	80,887	80,887	20,000	60,887	
6210 ERate Consulting	13,190	15,000	15,000	-	
6212 Contracted Security Services	142,646	600,000	600,000	-	
6216 Cleaning Services	12,100	50,000	50,000	-	
Total 6200 Professional Services	623,829	2,196,387	2,035,500	160,887	
6300 Professional Development					
6301 Instructional Staff PD	12,360	315,000	315,000	-	
6302 Non-Instructional Staff PD	7,400	20,000	20,000	-	
6303 Board Development/ Strategic Planning	-	5,000	5,000	-	
6304 Tuition and Cert Reimbursement	8,945	10,000	-	10,000	
6305 Conferences and Workshops	-	5,000	5,000	-	
Total 6300 Professional Development	28,705	355,000	345,000	10,000	
6400 Marketing and Staff/Student Rec					
6401 Advertising	-	18,000	18,000	-	
6402 Student Recruiting	2,245	35,000	35,000	-	
6404 Staff Recruiting	5,675	18,000	18,000	-	
6405 Website Maintenance	10,400	25,000	25,000	-	
Total 6400 Marketing and Staff/Student Rec	18,320	96,000	96,000	-	
7100 Curriculum & Classroom Expenses					
7101 Classroom Libraries	293	15,000	15,000	-	
7102 Curric Textbooks and Other Curr	71,654	150,000	150,000	-	
7105 Music	2,554	13,000	13,000	-	
7107 Curriculum Licenses, Software, & Subscriptions	49,947	180,000	180,000	-	
7108 Standardized Test Materials/Ass	-	35,000	35,000	-	
7109 Student Field Trips	-	20,000	20,000	-	
7110 Classroom Supplies	14,336	75,000	75,000	-	
7112 Physical Movement/Recess Suppli	1,073	15,000	15,000	-	
7114 Non-Instructional Student Enric	156,340	156,340	150,000	6,340	
7115 NYSTL Expense	-	18,901	18,901	-	
7116 NYSSL Expense	-	47,458	47,458	-	
7117 NYSLIB Expense	-	8,837	8,837	-	
7118 Student Information Management System	8,912	15,000	15,000	-	
Total 7100 Curriculum & Classroom Expenses	305,107	749,536	743,196	6,340	
8100 Facility					
8102 Utilities	99,558	298,675	250,000	48,675	
8104 Rent Expense	1,920,412	5,722,156	5,722,156	-	
8105 Signage	-	15,000	15,000	-	
8106 Real Estate Taxes	116,363	468,982	468,982	-	
8111 Relocation Expense	7,088	30,000	30,000	-	
8114 Custodial Supplies	32,170	96,511	72,000	24,511	
8115 Landscaping	5,000	5,000	5,000	-	
8120 Repair & Maintenance	111,005	333,014	120,000	213,014	
Total 8100 Facility	2,291,596	6,969,338	6,683,138	286,199	
8200 Technology Expenses					
8201 Phone & Fax Expenses	14,589	41,000	41,000	-	
8202 Mobile Phone Expenses	3,743	15,000	15,000	-	
8203 Internet Connectivity Expenses	37,616	109,019	109,019	-	
8204 Network Maintenance/Tech Suppor	-	15,000	15,000	-	
8205 Technology Consultants	33,687	88,000	88,000	-	
8208 Technology Supplies	2,403	20,000	20,000	-	
8209 Technology Equipment (non-asset)	1,195	15,000	15,000	-	
8210 Technology Licenses, Software, & Subscriptions	26,797	80,392	169,950	(89,558)	
Total 8200 Technology Expenses	120,031	383,411	472,969	(89,558)	
8800 Miscellaneous Expenses					
8801 Bank Service Charges	2,085	5,285	600	4,685	
8804 Expense Suspense Account	(9,610)	(9,610)	-	(9,610)	Item to be reclassified to A/R
8806 Miscellaneous Expense - Other	35,910	35,910	-	35,910	
Total 8800 Miscellaneous Expenses	28,385	31,585	600	30,985	
8900 Depreciation Expense	-	500,000	500,000	-	
Total Expenses	8,194,632	30,725,126	30,841,761	(85,649)	
Net Surplus(Deficit)	1,742,299	(934,873)	98,253	(1,064,112)	

Challenge Prep Charter School

Cash Flow Projections

	November	December	January	February	March	April	May	June	July + Subsequent
Beginning Cash Balance (Unrestricted)	3,826,190	1,185,291	4,871,286	2,476,909	5,737,784	3,043,406	6,479,281	3,784,903	1,272,469
Projected Cash Receipts	80,332	6,407,226	326,853	5,982,106	26,853	6,157,106	26,853	208,796	562,000
Projected Cash Disbursements	(2,721,231)	(2,721,231)	(2,721,231)	(2,721,231)	(2,721,231)	(2,721,231)	(2,721,231)	(2,721,231)	-
Net Cash from Operations	(2,640,899)	3,685,995	(2,394,378)	3,260,875	(2,694,378)	3,435,875	(2,694,378)	(2,512,435)	562,000
Accounts & Other Receivables									
AP, Credit Card & Accrued Expenses									
Employee Funds (FSA/Transit)									
Ending Cash Balance (Unrestricted)	1,185,291	4,871,286	2,476,909	5,737,784	3,043,406	6,479,281	3,784,903	1,272,469	1,834,469

Challenge Prep Charter School

Balance Sheet

October 2023

ASSETS

Current Assets

Bank Accounts

1000 Cash

1001 HSBC Checking - 0844	-412.59
1002 HSBC Checking - 0852	8,005.78
1003 HSBC Checking - 0879	248,849.46
1004 HSBC Checking - 0887	0.00
1005 HSBC Money Market - 5972	0.46
1006 Chase Escrow - 3060	70,000.00
1007 Petty Cash	0.00
1008 Chase Operating 9639	2,488,633.17
1009 Chase Secondary 9652	3,015.83
1010 Chase Debit 9660	3,854.44
1011 MCS Savings 6692	1,004,243.49

Total 1000 Cash **\$ 3,826,190.04**

1072 Bill.com Money Out Clearing 0.00

Total Bank Accounts **\$ 3,826,190.04**

Accounts Receivable

1100 Accounts Receivable	255,642.93
1200 Other Receivables - Salary Advance	0.00

Total 1100 Accounts Receivable **\$ 255,642.93**

Total Accounts Receivable **\$ 255,642.93**

Other Current Assets

1300 Prepaid Expenses	290,500.83
1301 Prepaid Insurance	159,959.94
1310 Prepaid Rent	598,148.40
1400 Due From Challenge Charter Network	0.00
1401 Due From Friends of Challenge Prep, Inc.	0.00
Inventory Asset	0.00

Total Other Current Assets **\$ 1,048,609.17**

Total Current Assets **\$ 5,130,442.14**

Fixed Assets

1500 Furniture, Fixtures & Equipment

1510 Office & Admin Computers & Equipment	314,156.58
1511 Classroom Computers & Equipment	1,436,381.41
1512 Classroom Furniture	638,569.35
1513 Office Furniture	185,358.10
1514 Musical Instruments	0.00
1515 Computer Software	26,928.52

Total 1500 Furniture, Fixtures & Equipment **\$ 2,601,393.96**

1519 Facility and Construction

1520 Architect Fees	127,588.58
1525 Fire Alarm System	7,500.00
1530 Kitchen/Cafeteria	162,079.22
1535 Construction In Progress	0.00
1540 Leasehold Improvements	870,739.78

Total 1519 Facility and Construction **\$ 1,287,027.34**

1610 Website 11,000.00

1700 Accumulated Depreciation & Amortization 0.00

1710 Accumulated Depreciation -2,409,816.75

1750 Accumulated Amortization -9,411.09

Total 1700 Accumulated Depreciation & Amortization **-\$ 2,419,227.84**

Total Fixed Assets **\$ 1,480,193.46**

Challenge Prep Charter School

Balance Sheet

October 2023

Other Assets	
1800 Security Deposits	940,999.20
1830 ROU - Operating - Equipment	63,205.27
1831 ROU - Operating - Facility	97,104,438.36
2500 Sales Tax Receivable	0.00
Total Other Assets	\$ 98,108,642.83
TOTAL ASSETS	\$ 104,719,278.43
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	854,975.25
Total Accounts Payable	\$ 854,975.25
Other Current Liabilities	
2100 HSBC Loan Payable	0.00
2300 Accrued Salaries/Taxes	0.00
2301 Accrued Expenses	28,000.00
2302 Refunds Payable	2,255.97
2303 Accrued Interest - PPP	0.00
2304 Due To Friends of Challenge Prep, Inc.	0.00
2400 Unearned/Deferred Revenue	23,459.93
2830 Lease Liability ST - Operating - Equipment	42,292.29
2832 Lease Liability ST- Facility	2,545,855.47
Total Other Current Liabilities	\$ 2,641,863.66
Total Current Liabilities	\$ 3,496,838.91
Long-Term Liabilities	
2700 Deferred Rent Liability	0.00
2930 Lease Liability LT- Operating - Equipment	20,912.98
2932 Lease Liability LT- Facility	99,261,303.87
Total Long-Term Liabilities	\$ 99,282,216.85
Total Liabilities	\$ 102,779,055.76
Equity	
3000 Opening Balance Equity	0.00
3100 Retained Earnings	197,923.99
Net Income	1,742,298.68
Total Equity	\$ 1,940,222.67
TOTAL LIABILITIES AND EQUITY	\$ 104,719,278.43