



2022-23 School Year Board Meeting #4

Minutes Frederica Jeffries, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2022-23 School Year Board Meeting #4 at 6:30 PM on October 12, 2022.

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.

Pursuant 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 for media and public notice:

- The Wave 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, Ben Waxman, Linda Plummer, Gertrudis Hernandez, Andrew Barnes

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

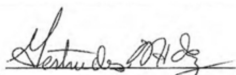
Also present: Dr. Mullings, Dr. Estep, and Auditors: Donna Webster, Gus Saliba, James

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

1. The agenda was approved by common consent.
2. The Chair called for a review of the minutes of the 2022-23 School Year Board Meeting #3. The minutes were approved by common consent.
3. Audit Report. The Board had copies of the audit to refer to as the presentation occurred.
 - a. Gus Saliba - audit is complete; we will issue a clean unmodified opinion with no substantial deficiencies; legal confirm is needed and then this will go through our final quality review. This is the first year of a single audit due to the fact the school extended \$750K expenditures due to ESSER funding like most schools. Some corrected statements occurred due to the transition with Eunice Armstrong leaving, but this did not affect our report. The new lease pronouncement will affect FY 23 which will be a large asset and liability. This is a major change for next year, and we can help you with that process.
 - b. Friends of Challenge is the next thing we need to tackle. James will now go over the financial statements highlights.

- c. James Mercado - the first couple of pages are our opinion which reflects our unmodified opinion, the best opinion you can get. Page 4, cash is down by \$3.8M which was expected due to Operations expenses. Liabilities - Forgiveness of the paycheck protection loan and the deferred rent related to the 1520 Central Avenue lease are the biggest variances. Statement of Activities: Increase in revenue \$3.5M or 20%; per pupil up \$1.8M; facilities funding up; Federal grants up \$960K in ESSER and ARP. Expenses are up \$10M or 63% due to the lease at 1520 Central and \$3.4M in salaries and benefits; raises across the board. Operating expenses up \$600K with the opening of the high school. Cash flow notes are fairly standard. No findings and no recommendations on the single or regular audit.
 - d. Gus asked if we anticipated any enrollment issues. Dr. Mullings expressed there are no concerns at all. We are a school in demand in our community. We have a great Director of Enrollment and a good reputation in the community. Gus said there is a trend in DOE schools going down but charters are not as susceptible to these downtrends.
 - e. Gus expressed concerns about expenses and asked about the budget for 2023: without funds from PPP and Federal grants from the pandemic there could be a deficit of \$5M causing the school to go through cash reserves very fast. Dr. Mullings said that we are aware and will be tightening our belts and that we are working on and looking for additional funding.
 - f. The Board will have a chance to look at 990 and review it before submission of the audit.
 - g. Dr. Estep noted the relationship with our auditors over 12 years and thanked them for their cooperation and how happy we are with the team there. Gus thanked the CSBM team.
4. Dr. Mullings expressed gratefulness related to the audit being cleaned. Ben Waxman stated that there has been a crackdown on non-profits the past year.
 5. Frederica Jeffries asked for the financial report which was sent to the Board in advance:
 - Dr. Estep gave the report emphasizing the cash issues and that as Dr. Mullings mentioned, we are in a place where we have to tighten the belt. There is an anticipation of a \$3-6M JFK grant that we hope to get this SY.
 - He reminded the Board that we have weathered other cash issues as we have added each building to accommodate our enrollment.
 - The Chair asked for a motion and common consent of approval of the financial report. Seconded by Dr. Robertson.
 6. Personnel Report:
 - a. Dr. Estep reminded the Board that the budgeting for personnel already occurred, but that now approval is needed for any new hires.
 - b. Board Chair Jeffries asked for a motion to accept the report and it was seconded by Dr. Robertson.
11. The next meeting was announced for November. The report was received, and the meeting adjourned by common consent.

Respectfully Submitted,



Gertrudis Hernandez
Secretary Pro Tem



Attachment #1
See Prior
Month
Minutes for
Minute
Attachments



2022-23 School Year Board Meeting #3 Minutes

Frederica Jeffries, CPCS Chair called the meeting to order and welcomed everyone to the CPCS 2022-23 School Year Board Meeting #3 at 6:30 PM on September 14, 2022.

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

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

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

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

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

Members absent: Andrew Barnes

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

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

1. The agenda was approved by common consent.
2. The Chair called for a review of the minutes of the 2022-23 School Year Board Meeting #1 [Attachment #1]. The minutes were approved by common consent.
3. The Chair called on the CEO to present Ben Waxman founding CPCS Board Member to be considered for reelection for a three-year term (June 2025). Karon McFarlane moved to nominate Ben Waxman with a second from Gertrudis Hernandez. The Chair called for a vote on Ben Waxman to be elected for a three-year term. Motion carried unanimously.
4. The Chair called for the report of Dr. Les Mullings, CEO. Dr. Mullings shared that Alexyia McNeil is the new Director of Operations. Dr. Mullings expressed



appreciation to Dr. Estep for his coverage of the position since May 1, 2022. He indicated that Ms. McNeil is off to a great start. He also reported that Anwar Robinson had been named the Director of Performing Arts.

Dr. Mullings reported that enrollment is up, and it appears Challenge will have a record enrollment this year.

Dr. Mullings updated the Board on the transition in the Finance/HR department. CSBM who has been working with CPCS since 2010 will expand their services until a Director of Finance is hired. He reported that he had asked Dr. Estep to provide coverage for the position.

Following discussion, the report was received with appreciation.

5. The Chair called attention to the printed report of Kentia Coreus, Senior Director of Elementary Teaching & Learning [Attachment #2]. The report was received with appreciation.
6. The Chair called attention to the printed report of Nicole Griffin, K-5 Principal [Attachment #3]. The report was received with appreciation.
7. The Chair called attention to the printed report of Mavgar Mondesir, Senior Director of Secondary Teaching & Learning and 6-10 Principal [Attachment #4]. The report was received with appreciation.
8. The Chair called attention to the printed report of Tameeka Richards, Director of Pupil Personnel Services [Attachment #5]. The report was received with appreciation.
9. The Chair called attention to the printed report of Kimberly Messer, Director of Communications [Attachment #6]. The report was received with appreciation.
10. The Chair called attention to the printed report of Natalie Zadok, Director of Special Education [Attachment #7]. The report was received with appreciation.
11. The Chair called attention to the printed report of Janis Vaughn, Director of Student Enrollment & Recruitment [Attachment #8]. The report was received with appreciation.
12. The Chair called attention to the printed report of Michael R. Estep, Director of Operations (Acting) [Attachment #8]. The report was received with appreciation.



13. The Chair called attention to the printed report of Dale Richardson, Director of Technology [Attachment #10]. The report was received with appreciation.
14. The Chair called for the August 2022 Financial Report [Attachment #11]. Following review and discussion, the report was received by common consent.
15. The Chair called for the presentation of the 2022-23 September Personnel report [Attachment #12]. A motion was made by Dr. Michelle Daniel-Robertson to approve the report with a second from Gertrudis Hernandez. Motion carried unanimously.
16. The report was received by common consent.

The meeting adjourned by common consent.

Respectfully submitted:

A handwritten signature in blue ink that reads "Karon K. McFarlane". The signature is written in a cursive style.

Karon McFarlane
Secretary



Attachment #2



Senior Director of Teaching and Learning K-5

October 2022 Board Report

Covering September 8- October 7, 2022

Kentia Coreus

Enrollment Compliance

Grade	Total Scholars	Target Enrollment	Difference	# ELL scholars	# scholars w/IEP
K	121	120	+1	7	12
1	116	125	-9	0	14
2	118	125	-7	9	24
3	119	125	-6	2	23
4	100	104	-4	6	20
5	99	104	-5	8	20
Totals	673	703		32	113

source: Student Enrollment Weekly Report sent on October 7, 2022

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 by conducting regular check-ins and weekly supervision meetings
- Provide instructional leadership feedback to assistant principals
- Listen and respond to staff and family grievances

Staffing and Leadership Recruitment

The elementary division currently has seven vacancies in the following areas: Grade K- GEN Teacher, Grade 2- GEN Teacher, Grade 3- GEN Teacher, Art Teacher, Music Teacher, SPED Liaison, and Dean of Scholars. A music teacher is scheduled to start in one week.

We have submitted requests for substitute teachers with School Professionals and Alternative Tutoring with little success. One class is being covered by a substitute teacher which results in the need for intervention (reading specialist and SETTS) teachers to cover classes and preparation periods. All efforts are being made to ensure students who are mandated for services receive instruction from their intervention teacher; however, this has not always been possible due to staff absences and vacancies.

The CEO and SDTL agree that additional talent with a proven-track record of excellent instructional leadership will be beneficial to the elementary division in the long-term (especially as we prepare for an early childhood site). To that end, the SDTL has interviewed two potential leadership candidates for the SPED Liaison and Dean of Scholar vacancies. The Dean of Scholars candidate spent a day visiting both elementary sites and had a panel interview led by the SDTL. Both positions may serve in alternative titles as their experience supersedes what is currently asked of those roles. The questions below are provided to illustrate the scope of knowledge and experiences expected in future leadership candidates.

Question 1: Tell us about a time when you took responsibility for developing and/or leading a teacher team at your school. Please tell us the situation, the actions you took, and the result. What things did the team do well/not do well? How did you go about building their capacity? What did the teacher team accomplish? What did you learn from leading this team?

Question 2: Give us an example of a time when you used data to identify and solve a specific problem or issue related to student achievement. Please tell us what data you used, what the problem was, what actions you took and the results/outcomes. What data do you believe is most informative for monitoring progress of students in your school?

Question 3: Tell us about a time when you implemented a strategy to involve parents to improve student achievement. Please tell us what you were trying to improve, the actions you took and the results/outcomes. How would you involve parents in developing and achieving the vision for your school as the principal?

Question 4: Tell us about a time when you implemented a new instructional strategy. What was the strategy, the actions you took and the results? Why did you think the strategy was the best solution? How did the strategy align to standards? How was it differentiated to meet the needs of all students, across grade levels? What happened with the strategy?

Question 5: Tell us about a time when you had to resolve a difficult disciplinary issue with a student. Please tell us the situation, your overall philosophy on student discipline, the actions you took to remedy the situation and the ultimate results.

Updating our Discipline Matrix

CCS has been asked to update its discipline policies to ensure we uphold the civil rights of all scholars and families via our due process protocols; and to align our consequences with CCS values and culture (as opposed to following the DOE matrix). SDTL Gordon began this work with her team over the summer. The elementary division did not have a dean or school counselor to engage in a similar process. Thus, the SDTL advocated for two separate submission dates with our authorizer to allow additional time for the work to be completed authentically. This updated approach was framed to elementary administrators as follows:

Phase I- Due Process

CCS will submit updated due process procedures and documentation to our authorizer by August 31, 2022. Dr. Estep has drafted this document.

Phase II- CCS-specific infractions and consequences

ES will submit an updated discipline matrix specific to the CCS community by September 30, 2022. The matrix will align with the updated matrix developed by the middle/high division.

Phase III- RTI/MTSS-Behavior Implementation

CCS will employ RTI/MTSS based strategies to improve Tier 1-3 interventions in support of a discipline program that begins with a positive learning environment where all scholars are supported and where interventions are monitored. This work will be on-going and will start after the updated discipline matrix has been approved and shared with the school community.

Preparing to Launch this Work

We will meet on Thursday September 15 from 10:00-11:30am to begin this work. You are required to complete the pre-work below to ensure readiness for this work. It is recommended that you keep structured notes/questions as you read so that you can follow-up during the meeting.

Part I. Understanding Discipline Procedures

- Read the [NYC Charter Center Discipline Guide](#)
- Read guidance from [NYSED regarding disciplining students with disabilities \(July 2022\)](#)
- Watch [video](#) from July 20, 2022 discipline training recommended by our authorizer
- Read and review the [CCS Disciplinary Hearing Protocol](#)
- Read and review the [suspension letter templates](#)
- Read [CPCS Waiver of Due Process](#)

Part II. Pre-Work for Updating the CPCS Discipline Matrix

- Review the [NYCDOE K-5 discipline code](#)
- Review the [new 6-11 discipline code of conduct](#)
- Review [sample discipline codes](#). Specifically levels of behaviors and appropriate consequences.
- Review [abbreviated version of NYCDOE discipline code](#)

Our Process

The SDTL led the Elementary Behavior & Discipline committee in completing this work (in multiple phases). Final committee members included: the principal, both assistant principals, the data coordinator, the 4th grade level lead, and the Spanish teacher. All members completed the required pre-work before the initial meeting with the SDTL. Afterwards, the SDTL surveyed the teaching staff about supports and interventions to ensure the ones selected for the matrix are immediately actionable considering the knowledge, experience, and skill level of the current staff configuration.

Sample Pre-Work Questions for the Behavior and Discipline Committee

A scholar has caused serious physical harm to another student. The principal calls the family and informs them of the incident. She further advised that their scholar is immediately suspended for five days. Upon arrival, the parent is given the suspension letter. *Was the scholar offered due process in the above scenario? Explain why or why not.*

A scholar has caused serious physical harm to another student. The principal calls the family and informs them of the incident. She further advised that their scholar is immediately suspended for ten days. Upon arrival, the parent is given the suspension letter and offered an opportunity to have an informal hearing. *Was the scholar offered due process in the above scenario? Explain why or why not.*

A scholar's anecdotal record may be used to determine whether or not they are guilty of the charges they are accused of during a hearing. *True or False*

Schools MUST present witnesses under all circumstances because the scholar has the right to represent evidence. *True or False*

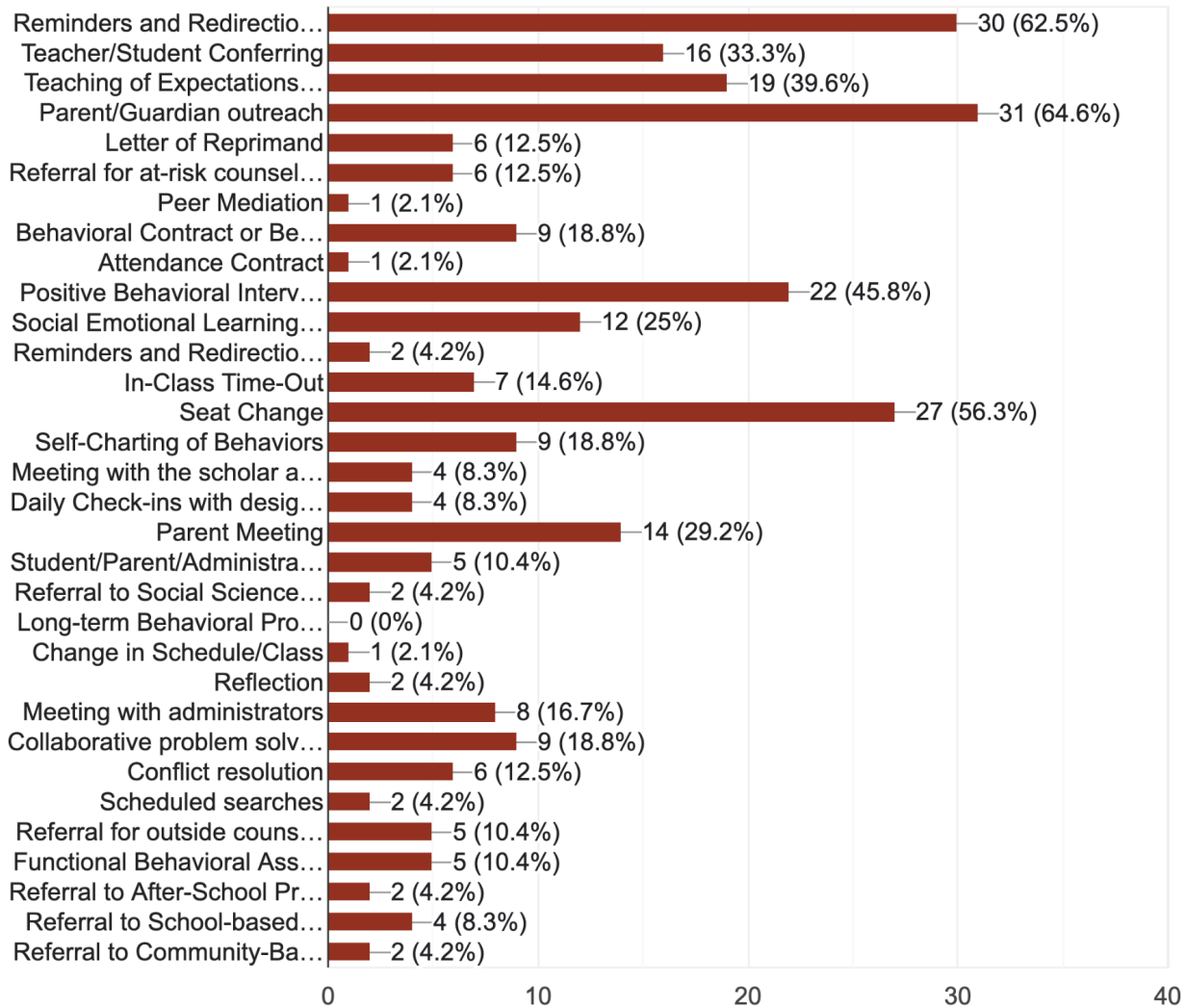
Teaching Staff Survey: Supports and Interventions

Teachers were given a list of thirty-three interventions and asked the four questions listed below. The survey was developed and administered by the Data, Assessment, and Systems Coordinator. A summary of responses for Questions 1 and 3 are provided at the end of this document.

- 1) Which interventions have worked well for our scholars in the past?
- 2) Which interventions are we equipped to deliver consistently?
- 3) Which interventions are we currently NOT equipped to deliver well?
- 4) Which interventions should we prioritize this year?

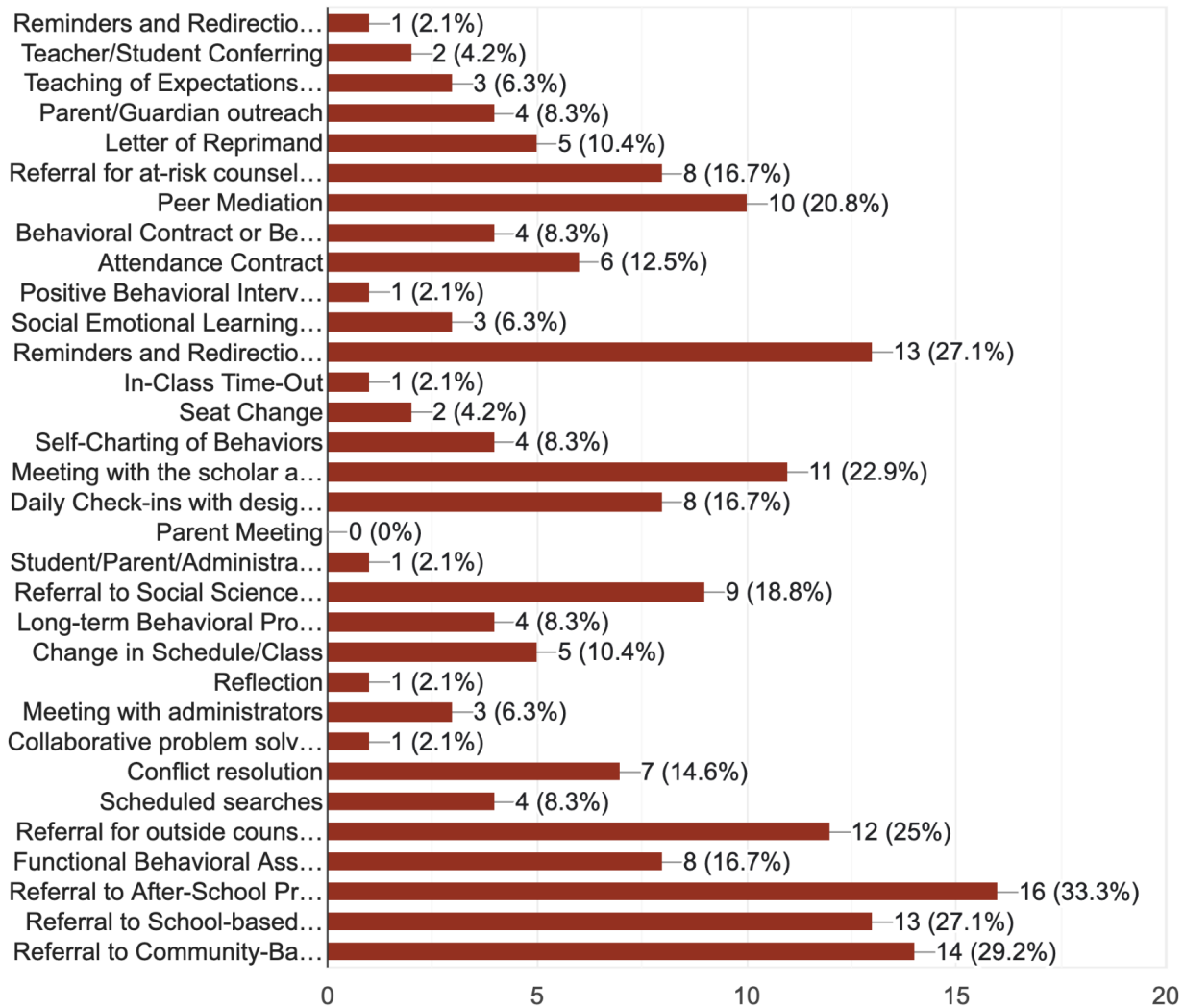
1. Which interventions have worked well for our scholars in the past? Select your top responses
(Select at least 4-6).

48 responses



3. Which interventions are we currently NOT equipped to deliver well? Select your top responses (select up to 4).

48 responses





Attachment #3



#8	Gr. 6	96%	93%								
CCMS Average		90%	96%								
CCHS Average		65%	70%								
6-11 Average		81%	81%								

ATTENDANCE:

- Please note that attendance reported for Grades 9 and 10 in red are the numbers reported in PowerSchool, but these numbers do not reflect the actual attendance, as it appears that in the first period when attendance has been taken teachers are not looping back to keep mark late scholars present. At this time the Dean, School Conselor and AP will be task with ensuring that teachers are going back to mark tardy scholars present.

STAFFING:

The teaching staff shortage still exists, especially in finding certified teachers for the roles. At the time of this reporting, we are working on improvements in closing the gap of time between candidates referred for hiring and the offering of contracts. To date, here are the vacancies:

- CCMS:
 - FACS Teacher 6-8 - Covered by various staff members (contract offered and accepted awaiting a start date due to fingerprint clearance)
 - PE/Health 6-8 - Covered by Dean Russell
- CCMS/CCHS: ENL Teacher
- CCMS SETTS Teachers

- CCHS:
 - Global II - Covered by AP Canzoneri and Instructional Coach Manniello
 - English 11 - The teacher resigned due to personal geographical reasons. This class will be covered by Principal Gordon until a teacher is found.
 - Culinary Arts - Covered by the Operations manager and other staff members
 - Spanish II Teacher - Covered by Ms. Gomez ENL Teacher and Mr. Medina

CURRICULUM, INSTRUCTION, AND ASSESSMENT

CCMS/CCHS scholars completed their B.O.Y assessments, and we had our Data PD on September 30, 2022. At this time, teachers have the data needed to engage scholars in flexible grouping. The most significant shift, however, will be the re-grouping of the scholars in grade 6. This will occur at beginning of the second quarter. As per CORTEVO, it will be a more manageable workload to make these changes at the beginning of Quarter Two. However, with the use of the data, teachers are tasked with the continuation of Station Rotation, Small Groups, and SDI methods to allow all scholars access to the content.

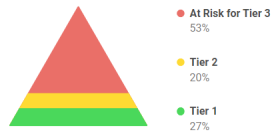
Please see the BOY data here:



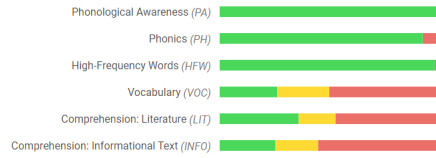
Grades 6-8 Reading:

Students Assessed/Total: 240/244

Overall Placement



Placement By Domain



[The Mapping Between 5-Level and 3-Level Placements](#)

Switch Table View | Show Results By: Placement Summary | Grade

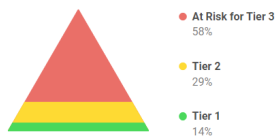
Showing 3 of 3

Grade	Tier 1 (%)	Tier 2 (%)	At Risk for Tier 3 (%)	Students Assessed/Total
Grade 6	24%	27%	49%	84/86
Grade 7	33%	15%	52%	88/90
Grade 8	24%	18%	59%	68/68

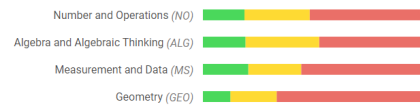
Grades 6-8 Math:

Students Assessed/Total: 240/244

Overall Placement



Placement By Domain



[The Mapping Between 5-Level and 3-Level Placements](#)

Switch Table View | Show Results By: Placement Summary | Grade

Showing 3 of 3

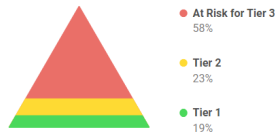
Grade	Tier 1 (%)	Tier 2 (%)	At Risk for Tier 3 (%)	Students Assessed/Total
Grade 6	13%	34%	53%	85/86
Grade 7	18%	30%	52%	88/90
Grade 8	9%	21%	70%	67/68



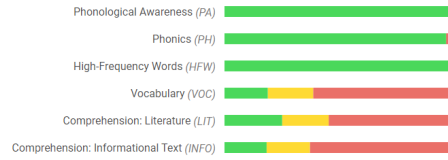
Grades 9-11 Reading:

Students Assessed/Total: 205/214

Overall Placement



Placement By Domain



[The Mapping Between 5-Level and 3-Level Placements](#)

Switch Table View: Placement Summary | Show Results By: Grade

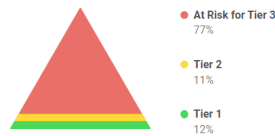
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Grade	Overall Grade-Level Placement	Students Assessed/Total
Grade 9	15% Tier 1, 31% Tier 2, 54% Tier 3	85/88
Grade 10	21% Tier 1, 21% Tier 2, 57% Tier 3	70/74
Grade 11	20% Tier 1, 14% Tier 2, 66% Tier 3	50/52

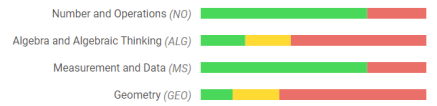
Grades 9-11 Math:

Students Assessed/Total: 198/214

Overall Placement



Placement By Domain



[The Mapping Between 5-Level and 3-Level Placements](#)

Switch Table View: Placement Summary | Show Results By: Grade

Showing 3 of 3

Grade	Overall Grade-Level Placement	Students Assessed/Total
Grade 9	17% Tier 1, 6% Tier 2, 77% Tier 3	81/88
Grade 10	13% Tier 1, 16% Tier 2, 71% Tier 3	69/74
Grade 11	2% Tier 1, 13% Tier 2, 85% Tier 3	48/52



- Spring 2022 ELA and Math Assessments are [linked here in an overview](#).
- Beginning the first period of the day with core instruction across CCMS/CCHS has yielded an improvement in punctuality. By 8:10 a.m. classrooms are at a 98% capacity. We have also used the outreach process to call parents and sent nudge letters home. The main issue now is the ability to ensure that teachers are looping back to mark tardy scholars present. SLT has been charged with supporting this work.
- iReady has become the Adaptive Learning Lab, which focuses on scholars' dedication to path and teacher assigned lessons.
- CCMS has also added a Math Intensive Class which is focused on building the fluency and essential prerequisites needed to navigate the math curriculum on all grade levels. With the Compensatory Services
- CCHS continues to use the HMH curriculum in all areas of the curriculum except for English, where the Engage NY continues to be used.
- CCHS has launched the CTE Experience offering Health I and Culinary Arts. We are also getting ready to launch the Aviation experience.
- At CCHS, APEX will also be used in the Adaptive Learning Lab, which focuses on scholars' dedication to recovering their credits and placing them on a path to graduation. We also have the Study Hall where teachers push in to help scholars with projects and assignments.
- i-Ready BOY Reading and Math diagnostics are mostly complete. As we enroll scholars the data will be updated.

SOCIAL-EMOTIONAL LEARNING (SEL)

- At this time, CCMS/CCHS teachers are engaged in growing their knowledge in the RULER - MTSS for adults. Teachers are given portions to work on every week, and then this is discussed at the beginning of our Friday PDs.
- The SST Team has also received invitations to work on the RULER with Ms. Richards - Director of Pupil Personnel Services. They also meet every First Friday of the month to engage in PD with her.
- CCMS will work with the Second Step Curriculum, and CCHS will work with the Overcoming Obstacles Curriculum.
- CCMS and CCHS will also partner with Northwell Children's Hospital and Cohen's Children Hospital to provide support as part of our SEL work. In these sessions, the scholars will continue to be guided on topics that have reared their unwanted presence in this pandemic era—impeding the socialization process for our scholars.

SPECIAL EDUCATION and ENL SERVICES

- Dr. Lyle continues to lead the SPED work on all grade levels 6-11. She is the AP with responsibilities for SPED.
- Ms. Ana Gomez provides ENL services but will need support as we search for another ENL teacher due to the increase in the ENL population at our school.



- RTI will also continue this year coupled with MTSS for scholars who need the intervention as per the IDEA and IDEiA Law.
- IEPs meetings are in full swing and thus far have been doing well—As the CSE now has a new team in place.
- Principal Gordon has also joined the Principal Cohort at the Collaborative to ensure that the school is in full compliance and maintains the knowledge needed to do this work. Our staff has also been strong attendees at the SPED and ENL boot camps and the Pipeline Program

DIGITAL PLATFORMS

- Grades 6-11 scholars will continue using a combination of digital notebooks and hardcover notebooks for all courses to build writing and engagement stamina. We will curtail the use of Chromebooks to just 9% of the instructional time in an effort to maximize engagement.

PARENT AND SCHOLAR OUTREACH and ACCESSIBILITY

- Efforts continue with respect to getting Parents to register in ParentSquare at 100% with an extended deadline of October 31, 2022. The numbers now stand at 95 scholars overall due to
- CCMS hosted Orientation on September 8, 2022, and CCHS hosted theirs on September 15, 2022. These sessions were very successful, yielding at least 50 families in each session. Teachers also reached out to families who were unable to attend in an attempt to foster positive school-to-family relationships.

PROFESSIONAL DEVELOPMENT

- We have also begun our work with the Collaborative at the Charter School Center - joining sub cohorts such as the SPED and MLL/ELL Bootcamps, Principal Cohort, and the SPED Pipeline Programs.
- GRADE TEAM PLANNING AND ONGOING PROFESSIONAL DEVELOPMENT
 - Professional development take place daily:
- VERTICAL DEPARTMENT PLANNING
 - Department Teams continue to meet to discuss instructional planning across disciplines.

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



Director of Pupil Personnel Services

September 2022 Board Report

Covid-19 Coordinator

Here are the current vaccination numbers for our staff:

159 Fully vaccinated

1 exemption

September Positive COVID Results

25 Positive cases

- The School Health Liaison is now fully trained in all COVID-19 protocols.
- Oversee all COVID-19 protocols and provide supervision to the School Health Liaison
- Support the school community with answers to COVID-19 questions
- Attend weekly Sector-Wide Q&A Calls with the NYC DOE & DOHMH to stay informed of all updated COVID-19 protocols, and inform all leaders about the updates
- Oversee next steps for staff and scholars when they have a positive COVID-19 test result
- The Test & Stay program is now implemented successfully school wide, and scholars receive 4 at-home COVID test kits a month for health and safety purposes.
- Supervise the internal data collection for all vaccinated scholars K-11.
- Oversee the process of incoming test kit shipments to all sites
- Dental services by Smile NY Dentists and crew serviced over 60 students with cleaning and X-ray services at the Hartman Lane and High school locations
- Oversee the planning and execution of the sexual health education workshops for our high school scholars
- Oversaw and supervised Nutrition month activities that included fruit week, nutrition workshops from Addobbo Health
- Collaborated with St. John's Episcopal Hospital health eating & food shopping experience for parents
- Collaborated with Cohen's Medical Children's Center to provide our middle school scholars with a workshop to prevent vaping
- Collaborated with Columbia University on a program entitled Old School Hip Hop. Research study & educational program to empower 4th & 5th grade students /communities to be champions of their own health by learning and sharing important & practical health information

Pupil Personnel Director

Elementary School

- Observed Second Step lessons and provided support and feedback to the social worker
- Started the 1:1 professional development sessions with the social worker, and will focus on delivery of the SEL lessons to align with our program goals and priorities
- Set up a planning meeting with Hal Eisenberg creator of the SEL H.E.A.L. curriculum to support the implementation of the H.E.A.L. curriculum at the elementary school location
- Planning to meet with the K-5 Senior director and principal of the elementary school on the complete SEL school-wide plan up to date for alignment and collaboration support
- Planning to meet with the new elementary school counselor to advise her on our school SEL approach and curriculum and to provide her with on the job training in areas of need

Middle and High School

- Led the SEL meetings with the team and our focus will be the advisory program, supporting the advisors to implement the lessons with fidelity
- Led the process for creating a vision for the SEL program and three of our top priorities of focus
- Planning for the 1:1 professional developments with the social workers and counselors

All sites

- Spearheaded the beginning process of all sites outlining their counseling programs, and aligning the services, and all SEL lessons to the ASCA standards and NYS SEL Benchmarks
- Supervising record keeping activities of Second Step lessons and RULER modules
- Visited all sites to ensure SEL programming is effective and following the pacing schedule
- Continuously follow-up with RULER leads to ensure we are on schedule and actively conducting the in-person activities to build an environment of emotional safety
- Created a school-wide crisis intervention protocol for high risk behaviors and ensured members are trained in CPI non-violent interventions
- Created a support schedule for the Student Support team to ensure for accountability and reflection of our social and emotional practices
- Meeting with data specialist to ensure we have attendance, behavior, and course passing data to measure the effectiveness of our schools current counseling progr

Parent Academy Coordinator/ Family Engagement Coordinators

1. The Parent Academy had its open house and is now open for parents to receive resources and information to uplift the school community as a whole.
2. The Workforce 1 session provided families with career readiness skills and knowledge
3. The Parent Academy hosted Health and Nutrition workshop in collaboration with the Addabbo Health Center
4. Kindergarten and First Grade families were also introduced to the Kids Rise Program where they can begin to set up college accounts for their scholars' future.



Attachment #5



Challenge Charter School Communications Report - October 2022

Kim Messer, Director of Communications

Application Season 2023-24

Marketing plans and website updates are beginning for our next application season.

Tentative plans include:

- Redesigned school flyer/brochure
- Bus shelter ads - this new channel was a great ROI last year, so we will use it again
- Social Media/Google Ads
- Vanguard - increased mailing as we grow to full enrollment of our charter
- Local print ads

Website

Attention will turn back to working on SEO as well as updating all of the Apply sections on the site. September Google Analytics: 1.3 clicks; 34.3 impressions.

Social Media

We have gained 20 new followers on Instagram and 7 new followers on Facebook.

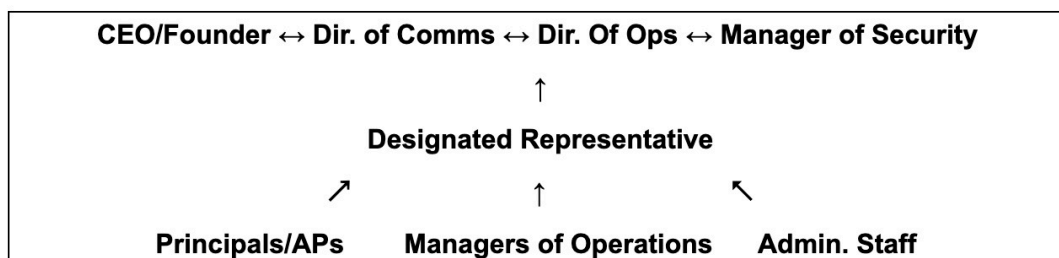
Internal/External

- **ParentSquare** - Work continues to correct records that affect unregistered families. As of 10/11 there are 206 families unregistered across K-11.
- **Brand Guidelines** - were completed last month and sent to any staff members creating advertising assets for our school. This initiative reflects many conversations with Dr. Mullings and his desire to elevate our image in the community.
- **Crisis Communication Plan** - the deadline for the larger plan was extended to the end of the year. At the September Leadership Team meeting, Principals and Leadership were reminded about our Crisis Communication Flow (per below) anytime Emergency Responders are contacted at a school site.

CRISIS COMMUNICATION FLOW

Step 1: Contact 911 - Emergency Responders

Step 2: Inform Crisis Communications Team





Attachment #6



October 15, 2022

Ms. Natalie Zadok: Director of Special Education Grades K-11

1. Develop a Vision

- Developing a streamlined vision for the Special Education Department that exemplifies integrity, equity, collaboration and empowerment for all scholars and their families to exhibit best academic and social emotional achievements.
- Meeting with Administration and School building leaders to assess the current Special Education Program in order to incorporate specific tools to strengthen the management of Scholars with IEP's across all Grades K-10.
- Gaining staff buy-in by means of empowering them to maximize scholar's with IEPs goals as well as academic achievements as well as social emotional milestones.

2. Special Education Scheduling and Planning: Maintaining the Special Education IEP Spreadsheet and Caseloads

Requires entering every scholar's Grades (K-10) OSIS# in SESIS to identify scholars with IEPs in order to align them with the correct services and providers needed

K-5 is currently 38 cases out of compliance due to the CSE not replacing their Special Education teacher to serve our annuals since last March 2022.

Grades 6-11 are currently 27 cases out of compliance for the same reason mentioned above .

All cases are said and promised to be scheduled and finalized by no later than the end of October 2022 .

3. Staffing

- Continuing to seek Special Education Certified Instructors to fill vacancies.
- Grades 6-8 Admin has stated is seeking Certified Setts Teachers
- Grades 9-11 Admin has stated seeking Certified Setts Teachers

Related Services have begun as of 9/9/22

- Continue to participant as a panelist for new staff recruitment all Grades

4. Current Action Items

- Supporting the needs of K-5 as well as 6-11 Special Education Liaison with (CSE#4) Policies and Procedures to ensure that all IEP cases are assigned annual, tri-annual, re-evaluation, initial and misaligned IEP meeting dates. Gathering all data such as Teacher Reports, IREADY, F&P, Behavioral Anecdotal logs from designated staff in order to submit to the CSE. Coordinating, sitting in on as well as leading all CSE meetings Grades K-10 until the new hire in Grades 6-11 is trained as well as a new liaison to be hired in Grades K-5.
- Ensuring the partnership with CSE District #4
- Ensuring that related service agencies are appointed to CPCS in order to ensure related service (Speech, OT, PT, and Para) services begin in a timely manner to avoid any lapse in services provided to scholars.

- Collaborating with CSE to assign related service providers, as they are resolving a shortage of employee barriers due to non-compliance of the vaccine mandate.
 - Supporting the ELL provider to send home 200 Home language surveys for Grades K-2 as the data was missing, hence not allowing the ELL provider to administer the Nysitell Exams.
 - Continuing to tally the returned parents' surveys.
 - Assessing the space in each facility in order to secure a private area for CSE Psychologists and Social Workers to interview parents as well as assess and test scholars. Collaborating with Admin to ensure that there are ample conditions for SETTS providers to efficiently pull scholars for individual and small Group interventions.
 - Collaborating with Grades K-5 Provider, Mr. Salazar as well as CCMS ELL provider Ms.Gomez to ensure all ELL scholars are re-assessed as well as initially assessed to gain clear benchmarks of scholar's ELL plans.
 - Collaborating with ELL External Consultants to implement academic plans that will fully encourage our ELL scholar's overall success and achievements according to their individualized needs and goals.
 - Aligning ELL Charter goals and policy to the ELL Program Grades K-11.
 - Weekly check-Ins to manage current caseload with District Psychologist to ensure alignment and discuss particular issues that arise within each case.
 - Attending and supporting IEP meetings Grades K-11 to ensure compliance and continuity of suggested programs remain intact.
 - Attending CST meetings to support Social Emotional, Behavioral as well as Academic Supports Grades K-11
 - Assisting newly hired employees to attain SESIS access by collaborating with the Director of Operations to enter them into the Galaxy system.
 - Panelist on the Open-House Events Grades K-11
 - TNTP Leadership Training
 - gathering information for justification to purchase a reading program called S.P.I.R.E that assist with struggling readers as well as those that struggle with Dyslexia
 - Delivering Professional Development to newly hired staff in the ICT classroom that are Gen Ed Certified
 - Creating a calendar for ongoing PD's for remainder of the school year
 - Gaining ATS access to access scantrons to test ELL scholars
 - NCI Crisis Intervention Training Certification
 - Supporting ELL Team with Nyseslat Administration and test distribution
 - Creating Behavior intervention plans in collaboration with the 9-11 support team
 - Aligned with Parent Academy Coordinator to create ways to deliver IEP empowerment and information to families
 - Closing out the 2021-2022school year
 - Deliver IEP sign out Sheets to all staff that serves students with IEP's direct
 - Evaluate projected number of scholars that will be receiving related services for the 2022-2023 school year
 - Reviewing resources for purchase to support scholars with IEP's reading and academic fluency
 - Align with external agencies to deliver EOY reports to families of scholar's with IEPs
- 5. Mobilizing Community Resources to support families with scholars with IEPs to secure the necessary external resources needed for scholars to maintain best academic as well as social emotional benchmarks this 2022-2023 school year.**
- Partnering with New Horizons and Sheltering Arms Agencies in Far Rockaway to ensure that families receive the services needed upon initiating the need for community support.

- Providing families with access to their parental rights under the IDEA Law that serves as a guide for parents with scholar's IEP compliance as well as parent empowerment support guidelines.
- Conducted one on one Parent meetings via Google Meet and Telephone conference to address specific needs that arise prior to the first day of school for scholars with IEP's services that include Initiating, Maintaining as well as Re-Evaluating scholar's IEP cases.
- Providing support staff with Suicide Prevention resources for scholars.
- Collaborating with Liaisons and Parent Coordinator to secure appointment slots to assist parents to secure a Speech and OT provider via the RSA process.
- Seeking Community and CSE support for scholars experiencing trauma-related incidents such as accidents and or inability to attend in-person school due to comorbidity conditions that promote greater risk with COVID-19 risks.
- Supporting parents of scholars with IEPs to attain door-to-door as well as closest curb pick up and drop off services.
- Supporting families with scholars that have IEP's attain necessary resources needed as a direct result of COVID-19.
- Aligning with Community Physicians and Health Care Clinics that can support families with IEPs, immediate health and social emotional well-being as well as assessments for initial IEPs.

6. Sites (K-11) External Providers COVID-19 Preparation

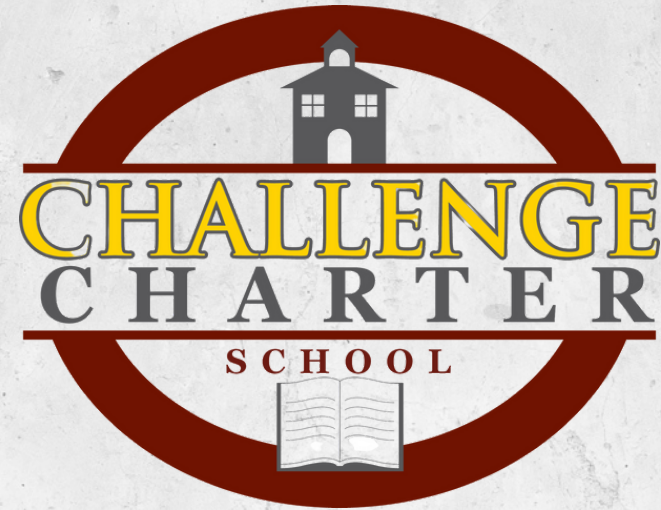
- Delivering CPCS COVID-19 Guidelines and Safety Protocol to all Related Service agencies providers that will be conducting in-person sessions with Scholars at all sites.
- Related Service agencies have received a copy of the CPCS COVID-19 safety policy and have agreed to have their providers adhere to the CPCS COVID-19 Safety measures.
- Collaborating with CSE to conduct misaligned Scholar IEP meetings to ensure compliance
- Weekly Check-Ins with providers to ensure session compliance
- Aligned with the CSE Chairperson of Related Services to ensure SESIS Encounter Attendance for providers to conduct.
- Aligning with Related Service Agencies to request transmittal from the CSE for new admits that have an IEP.
- Managing provider's time sheets and attendance to ensure efficiency of session service.

7. Professional Development Resources

- Meeting with the Special Education Collaborative to review a package that will suit the needs of CPCS staff Grades K-5 for Special Education Workshops that include (Co-Team Teaching Strategies, Specially Designed Instruction, creating Behavior Intervention Plans as well as Functional Behavior Analysis plans etc.).
- Meeting with ELL External Consultants to create plans to enrich the ELL Department via identifying, testing and aligning ATS data to ensure that scholars' home language is precise in order to administer the NYSITELL Exam.
- Creation of In-house Professional Development Presentations that highlight Special Education tools, resources and guidelines to staff.
- Mentoring Special Education Liaisons Grades K-5 & 6-11 on proper dialogue to conduct discussions with families on sensitive issues.
- Creating individual plans for scholars with IEP's that have missed extensive days due to medical conditions that can be complicated should they contract COVID-19 Plans include Teacher check-in's as well as distribution of instructional items on a bi-weekly basis , parent training on how to access instructional supports on scholars chrome books as well as social emotional check-ins and support .
- On-going alignment with Director of Pupil Personnel Services to collaborate on Restorative practices for next school year



Attachment #7



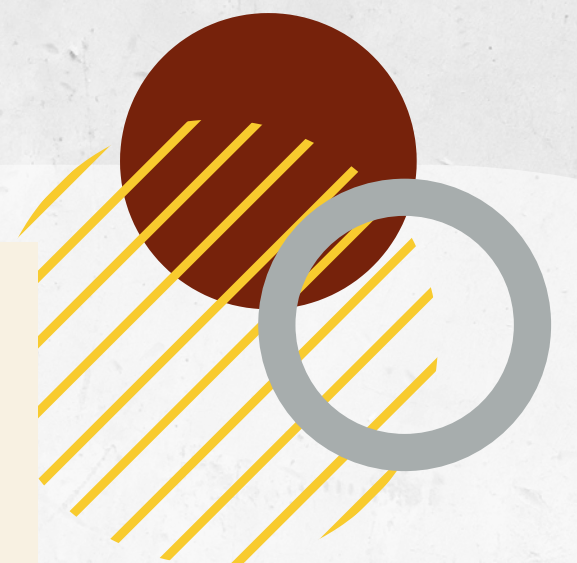
STUDENT ENROLLMENT AND RECRUITMENT BOARD REPORT #2

**DATE: OCTOBER 11, 2022
PREPARED BY: JANISA VAUGHN,
DIRECTOR OF STUDENT ENROLLMENT AND RECRUITMENT**

Table Of Content

- **Enrollment Overview 2022-23 SY**
- **Enrollment Goals 2022-23 SY**
- **Looking Ahead| Lottery 2023-24**
- **Scholar Recruitment Lottery 2023-24**

Enrollment Overview



K-11 OVERVIEW

CURRENT ENROLLMENT: **1,140 SCHOLARS**

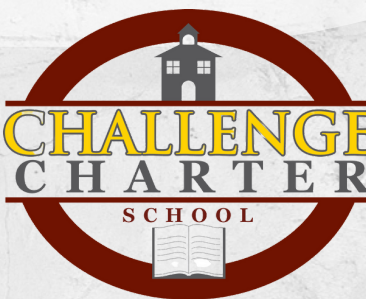
Grades 9-11
218 scholars

Kindergarten-Grade 3
474 scholars

Grades 6-8
249 scholars

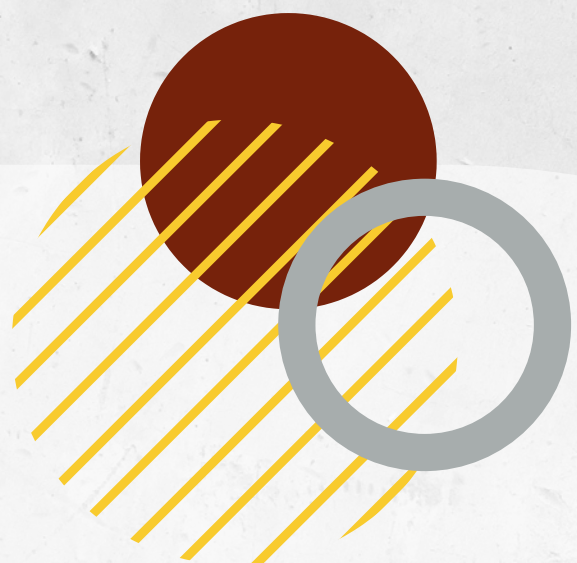


Grades 4-5
199 scholars



Enrollment Overview

Elementary Site

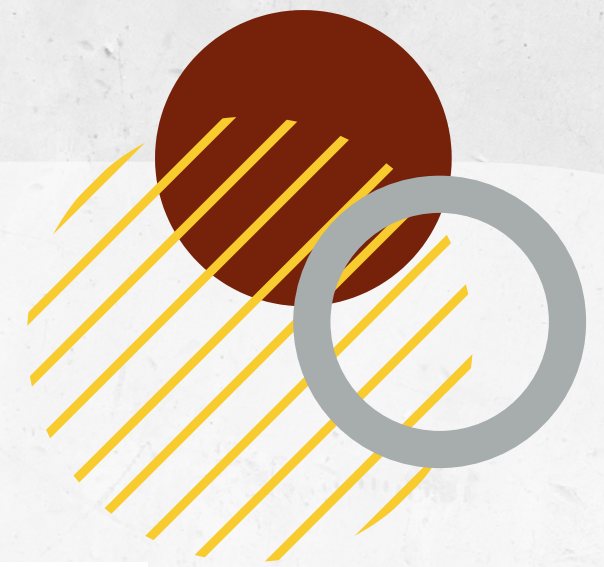


Site	Grade	CCS Enrollment Goal 2022-23	Total Number of Scholars Currently Enrolled 10/07/22
Elementary	K	120	121
	1	125	116
	2	125	118
	3	125	119
	4	104	100
	5	104	99
	Total	703	673



Enrollment Overview

Middle Site



Site	Grade	CCS Enrollment Goal 2022-23	Total Number of Scholars Currently Enrolled 10/07/22
Middle	6	104	88
	7	104	92
	8	78	69
	Total	286	249

Enrollment Overview

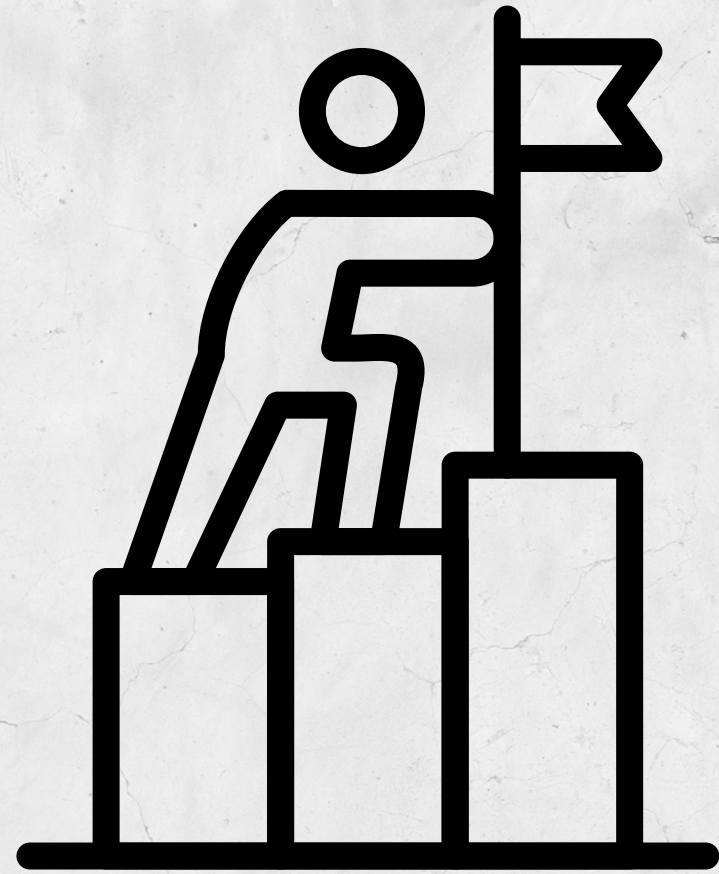
High School Site



Site	Grade	CCS Enrollment Goal 2022-23	Total Number of Scholars Currently Enrolled 10/07/22
High	9	90	89
	10	75	77
	11	53	52
	Total	218	218

Enrollment Goals

2022-23 SY



99% Enrollment

Achieve at least 99% of CCS-approved charter enrollment.



English Language Learners (ELL)

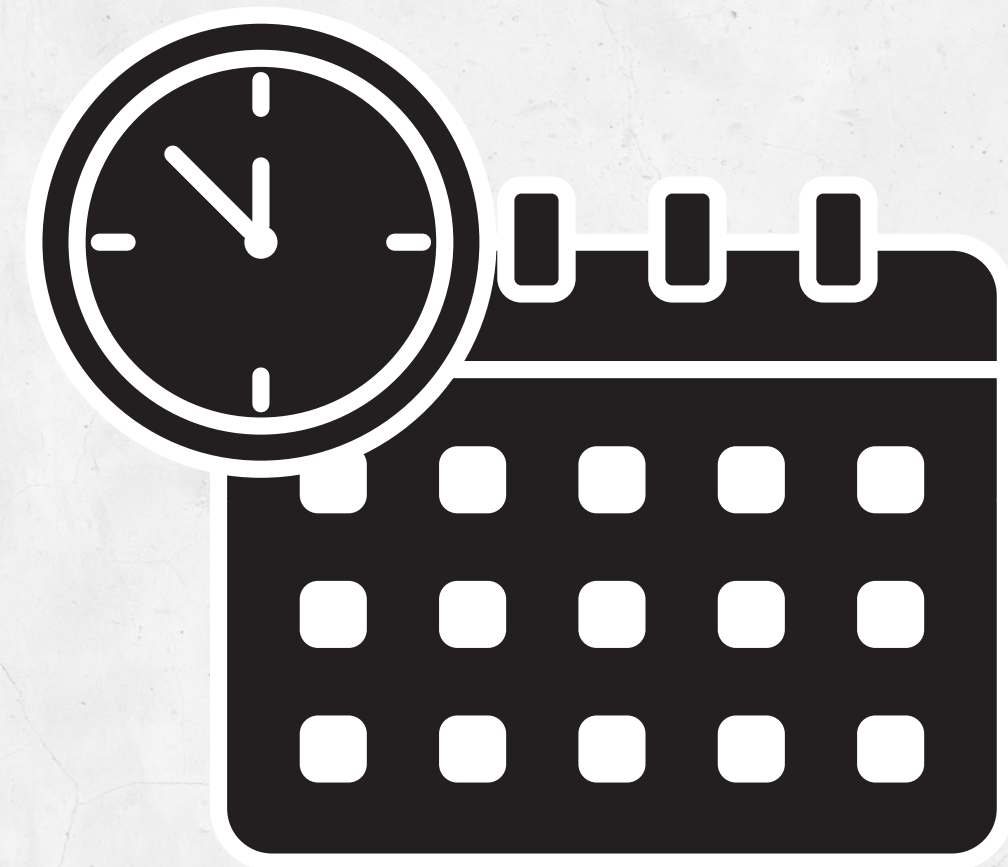
Increase the number of enrolled ELL scholars by at least 3%.



Scholar Retention

Maintain at least 75% of our scholars at each grade level.

Looking Ahead- Lottery 2023-2024



Lottery Date: April 4, 2023

Lottery Application

**The 2023-2024
Lottery Application will
launch October 31 2022.**

Recruitment Events

**Open houses will begin
January 2023 through
early spring.**

Retention

**We will actively monitor
scholar discharges to
make improvements in
our school community.**

Scholar Recruitment Lottery 2023-2024

Theme:
Begin A Lifetime Of Learning



School Wide Recruitment Initiative

The staff, scholars, and parents will have opportunities throughout the school year to participate in scholar recruitment.



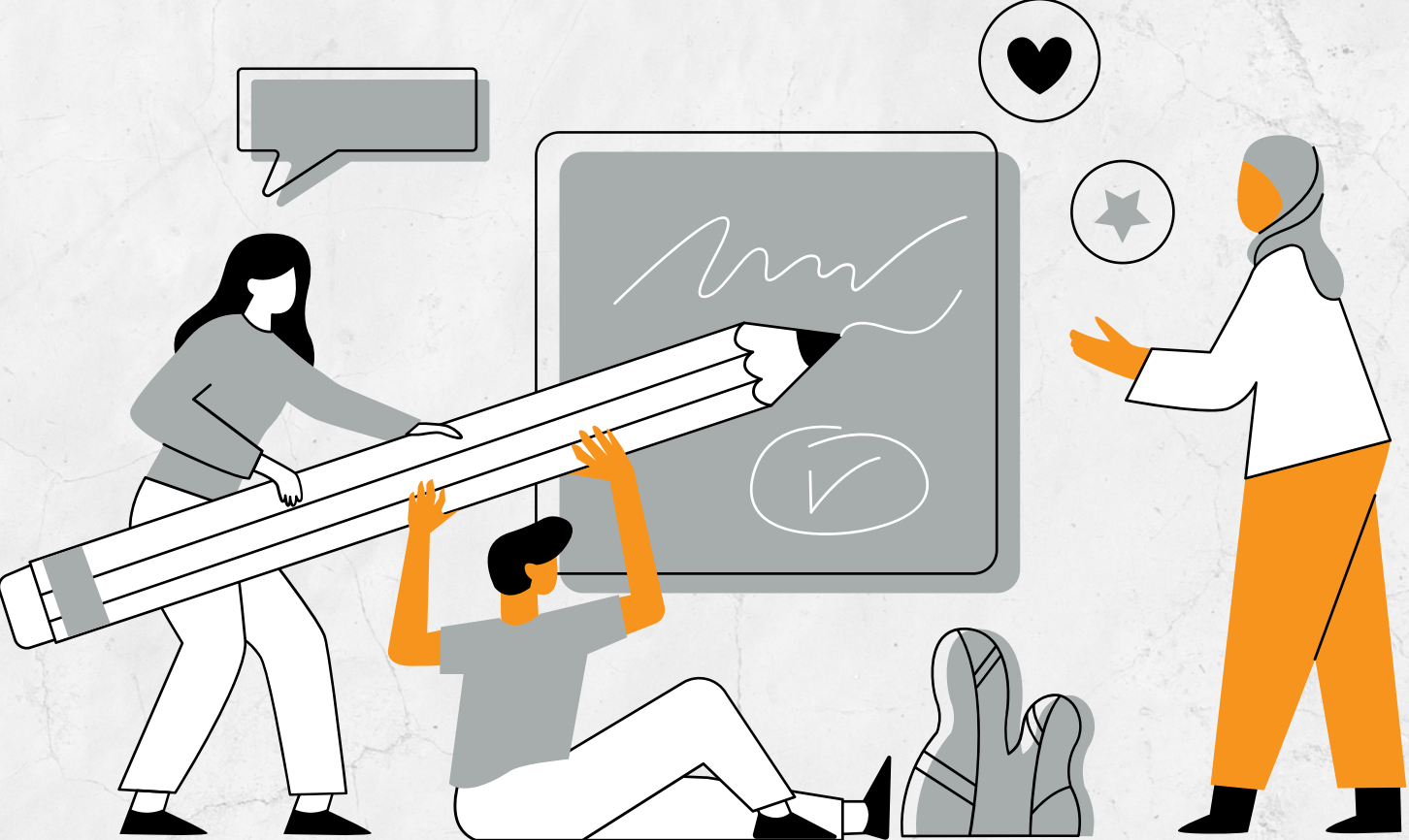
Community Outreach

Continue to partner with feeder schools in the Rockaways to recruit new families.



Host Recruitment Events

Partner with the school community to host open houses and retention events.





Attachment #8



Director of Operations
October Board Report
October 11, 2022

I am happy to bring to you my first report as the newly hired Director of Operations. My name is Alexyia N. McNeil and as a Far Rockaway Native I believe that Challenge Charter Schools provide an abundance of opportunities for our community. As I assume this new role my goal is to become acclimated with the school culture in order to support the needs of our buildings and the operations that allow them to function safely. Since appointed I have done the following:

- Reported to my direct Supervisor Dr. Mullings
- Attended training for the following programs: Procurify, Parent Square, and Powerschool
- Manage Operations Managers and Operation School Aides by meeting individually as well as a group to discuss responsibilities and goals
- Facilitated a custodial group meeting to discuss custodial responsibilities and maintenance protocol
- Interviewed and hired the newest member of our custodial staff, Mr. Terrance Harris
- Met with the Senior Director of Teaching and Learning to determine how to best support the needs of our schools
- Met with enrollment department for collaboration
- Overseen each site as well as perform weekly site visits to ensure that schools maintain a safe and clean environment
- Reported to site landlords regarding maintenance and facility repairs
- Manage and maintain the Purchase Order System in conjunction with the finance department
- Attended the September CCS Networking Meeting where I discussed the current transportation data
- Initiated adequate filtration for our water filters systems at all Challenge locations
- Provided Administration and SDTL teams with curriculum shipment information
- Collaborated with the Health Liaison Ms. Bailey to establish a goal of 100% immunization for scholars



Director of Operations
October Board Report
October 11, 2022

I am currently in the process of meeting with each principal to make sure the operations at each site are being handled appropriately for the 2022-23 school year.

The operations staff is a dedicated team and we are committed to taking the necessary steps to fully support the needs of our schools, scholars, staff, and parents.

Respectfully Submitted,

Alexyia N. McNeil

Alexyia N. McNeil
Director of Operations



Attachment #9



Director of Technology Report

Oct. 2022 - Dale Richardson

I: Current Work

1. Parent Academy at 15-20 Central Ave.
 - a. The electrical work to convert the space from a basic room to a computer lab has been completed.
 - b. Room is outfitted with 7 Apple Desktop computers via our 2019 Reso-A inventory, as we await our overdue 2021 delivery.
 - c. Room is temporarily (pending arrival of new Reso-A order) outfitted with an Interactive board, which is allocated as an auxiliary board.

 2. Computer Lab at 15-20 Central Ave.
 - a. The electrical work to convert the space from a basic room to a computer lab has been completed.
 - b. We await our overdue Reso-A delivery from 2021, in order to begin the outfitting of desktop computers, a printer, and an interactive board.

 3. Cyber Security at 12-79 Redfern Ave.
 - a. There is a persistent issue on the network which allows scholars to access a game site which is hosted on google's server.
 - b. As the tech team works with CTS to block this site a few academic sites which are hosted by google are being caught in the crossfire.
 - c. We are working to resolve intermittent service to the following sites
 - i. SoundTrap
 - ii. Google Translate
 - iii. Google Search
-



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

1. Firewall at 12-79 Redfern Ave (Top Priority - Mission Critical).
 - a. Firewall at 12-79 Redfern will expire in January of 2023.
 - i. Quote received: \$11,180.70
2. Security Upgrade at 15-20 Central Ave.
 - a. Bullet proof glass for security (awaiting quote approval).
 - i. Quote received: \$9,300 - Bullet resistance level 1.
 - ii. Quote received: \$11,650 - Bullet resistance level 3.
 - b. Upgrades to security monitoring station
 - i. Quote received: \$3,209.24 - Two TV 55" TVs, mount cables, & installation.
3. Independent Cyber Security Audit for the entire organization.
 - a. An independent cyber security assessment should be completed, in order to satisfy various insurance and state requirements. Ex: https://www.dfs.ny.gov/industry_guidance/cybersecurity
 - i. Quote received: \$42,327.00.
4. Upgrades to Challenge's phone systems.
 - a. A single phone number to reach our entire organization?
 - b. The phone systems at 710 Hartman Lane & 1526 Central Ave should be upgraded as soon as possible.
 - c. One of our current vendors is offering us free phones, in exchange for a three year contract.



- d. Due to a volume discount, our total bill will be reduced from \$3,426.29 to \$2,990.20 per month.
5. Security Camera Installs at 710 Hartman Ln & 1526 Central Ave.
- a. Security Cameras for 710 Hartman Lane.
 - i. Quote pending.
 - b. Security Cameras for 1526 Central Avenue.
 - i. Quote pending.

—

III: Risk Factors

1. Reso- A
 - a. Challenge Prep Charter School was allocated \$250K in Fiscal Year 2022 (FY22) for a Reso A Technology project by the Council Member.
 - b. We were requested to complete paperwork, notarize, and send in order to ensure a timely delivery. This was completed in January.
 - c. On 3.15.2022 we were told by the Reso A vendor, "We have not yet received the FY22 Tech/procurement certificate to proceed from the office of management and budget, but do anticipate it coming shortly. Once we do, the principal can expect outreach from DOE's DIIT."
 - d. We consider alternative funding sources to outfit our high school location at 1520 Central Ave, as these funds may not be distributed in the foreseeable future, and our school is scheduled to expand in the 2022/2023 school year.

2. Computer Lab at 1520 Central Ave.



- a. Apple desktops have been ordered via RESO A Grant Funding.
 - b. Interactive boards have been ordered via RESO A Grant Funding.
 - c. Printers have been ordered via RESO A Grant Funding.
 - d. We have been updated on 3.15.22 that Apple Desktops have been discontinued.
 - e. We were updated on 3.15.22 that Interactive boards are backordered, with a current cue of 12 - 18 months.
 - f. We have been updated on 3.15.22 that the vendor is unsure of delivery time, as equipment will take “some time” to arrive at their warehouse and will take “some time” after that to arrive at Challenge.
3. Lenovo Laptop Inventory shortage.
- a. The Lenovos currently being used by teachers are beginning to age and fail.
 - b. New laptops should be purchased via Reso A funding. However, Reso A funding has not yet been released yet.
 - c. (note) Laptop and desktop computers which are ordered via the DOE also come with apps, security, and system optimizations from the doe which are paid for by the DOE. It is not recommended that Challenge purchases devices outside of the Reso-A. This will save our organization dollars annually in 3rd party subscription fees.



Attachment #10

Performing Arts Department Update
Board of Trustees Meeting
October 2022
Challenge Preparatory Charter School
Prepared By:
Anwar Robinson, MEd
Director of Performing Arts

Summary

This comprehensive outline provides a glance at the facets of the Department, while also framing gains and needs for stakeholders of the Challenge Preparatory Charter School.

Department Vision Statement

Challenge Scholars will find their voice and point of view through refined and rigorous practice, manifesting their artistic abilities through high-quality music, performance, and fine arts exhibitions for their schools, families, and community.

Objectives

Performing & Fine Arts Department Vision (SY2022-2023) available per request.

Challenge Charter High School

- ❖ Music Curriculum Development Approved by A. Robinson
- ❖ Music Teacher: TBD (as of October 7, 2022) — Robinson will teach in the interim
- ❖ Program Highlights
 - Beginner to Intermediate Music Sight Reading
 - Independent and Guided Piano Practice

Challenge Charter Middle School

- ❖ Music Curriculum Developed, Approved, and Launched by A. Robinson
 - 3 weeks of instruction provided by A. Robinson to Grades 6-8
 - Coverages provided by Middle School Faculty / Staff when Robinson is at other sites
 - Mr. Alvin Jones, Music Teacher Assistant—Start Date TBA (please see **Needs** for more information)

Challenge Preparatory Charter School

- ❖ Performing Arts: Music Program
 - A. Robinson launched Music Program for 15-26 Central Avenue (Grades 4-5) site on October 3, 2022
 - Search for FT Instructor still underway (please see **Needs** section for more details)

- ❖ Fine Arts: Visual Arts Instructor
 - Offer letter extended, per Ms. Coreus, Senior Director of Teaching and Learning for Elementary School. Start date TBD.
 - Curriculum will be reviewed by A. Robinson and N. Griffin

Proposed Programming for SY2022-2023

- ❖ Network & Community-Wide Events
 - Winter Holiday Extravaganza
 - Black History Month Celebration
 - Spring Concert
- ❖ Site-Specific Events
 - Special Assemblies
 - Visiting Guest Artists

Gains

- ❖ Offer Letter Extended for CCMS Music Teacher Assistant
- ❖ Performing & Fine Arts Department Vision created

Needs

- ❖ Because of the certification requirements of NYS, our candidate pool for vacant positions were limited. With one Elementary Music Teacher candidate that elevated to the final interviewing stages, they accepted a position within the NYCDOE. This has caused the search to continue—with a pending initial phone interview with a non-certified Music Candidate for the week of October 10, 2022.
- ❖ In this vein, the Department Head successfully petitioned the Organization to make an amendment for the Middle School Music Teacher position to be for a Music Teacher Assistant. This has allowed for an experienced candidate with additional skills in production, engineering, and recording to be offered a FT position with the organization. Start date TBD.
- ❖ High School Music Teacher position vacant as of October 7, 2022
- ❖ Budgetary Parameters
 - Department Head and High School Music Teacher will submit receipts for music supplies / instruments to Accounting
 - Guest Teaching Artist Programs
 - Jazz at Lincoln Center
 - Alvin Ailey
 - Carnegie Hall

Closing

As our Network continues to expand, our Department is deeply invested in and committed to providing Scholars with the tools necessary to foster talent and personal development. The Arts remains a viable and vital part of bringing together our Network and Community, and will continue to support the vision of our Charter and Founder.



Attachment #11

Challenge Preparatory Charter School

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

June 30, 2022 and 2021

Challenge Preparatory Charter School
Financial Statements and
Uniform Guidance Schedules
Together With Independent Auditors' Reports

June 30, 2022 and 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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 opinions.

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 13, 2022, 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.

PKF O'Connor Davies, LLP

Harrison, New York
October 13, 2022

Challenge Preparatory Charter School

Statements of Financial Position

	June 30,	
	2022	2021
ASSETS		
Current Assets		
Cash	\$ 2,829,496	\$ 6,635,874
Grants and contracts receivable	527,246	365,449
Prepaid expenses and other current assets	805,047	542,925
Due from related party	5,000	-
Total Current Assets	4,166,789	7,544,248
Property and equipment, net	1,631,974	1,366,039
Restricted cash	70,000	70,000
Security deposits	925,999	925,999
	\$ 6,794,762	\$ 9,906,286
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 329,846	\$ 363,585
Accrued payroll and payroll taxes	1,429,516	1,152,059
Refundable advances	142,329	315,546
Deferred rent, current portion	1,643,524	103,919
Total Current Liabilities	3,545,215	1,935,109
Paycheck Protection Program loan payable	-	1,792,512
Deferred rent	1,399,119	2,556,245
Total Liabilities	4,944,334	6,283,866
Net assets, without donor restrictions	1,850,428	3,622,420
	\$ 6,794,762	\$ 9,906,286

See notes to financial statements

Challenge Preparatory Charter School

Statements of Activities

	Year Ended June 30,	
	2022	2021
REVENUE AND SUPPORT		
State and local per pupil operating revenue	\$ 17,643,377	\$ 15,854,084
State and local per pupil facilities funding	1,721,827	1,064,272
Federal grants	1,606,708	582,156
State grants	69,621	59,460
Contributions, grants and other income	45,509	8,345
Rental income	-	9,408
Total Revenue and Support	21,087,042	17,577,725
EXPENSES		
Program Services		
Regular education	17,165,805	11,200,358
Supporting services	5,583,589	2,714,491
Total Program Services	22,749,394	13,914,849
Supporting Services		
Management and general	3,134,400	2,011,517
Fundraising	60,301	33,925
Total Expenses	25,944,095	15,960,291
OTHER REVENUE		
Gain on forgiveness of		
Paycheck Protection Program Loan	1,813,019	-
Gain on transfer of lease to related party	1,272,042	-
	3,085,061	-
Change in Net Assets	(1,771,992)	1,617,434
NET ASSETS		
Beginning of year	3,622,420	2,004,986
End of year	\$ 1,850,428	\$ 3,622,420

See notes to 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>

See notes to the financial statements

Challenge Preparatory Charter School

Statement of Functional Expenses
Year Ended June 30, 2021

	No. of Positions	Program Services			Management and General	Fundraising	Total
		Regular Education	Special Education	Total			
Personnel Services Costs							
Administrative staff personnel	19	\$ 539,589	\$ 152,812	\$ 692,401	\$ 754,734	\$ 16,597	\$ 1,463,732
Instructional personnel	86	3,887,783	1,051,861	4,939,644	-	-	4,939,644
Non-Instructional personnel	33	1,701,855	330,236	2,032,091	320,791	-	2,352,882
Total Personnel Services Costs	<u>138</u>	<u>6,129,227</u>	<u>1,534,909</u>	<u>7,664,136</u>	<u>1,075,525</u>	<u>16,597</u>	<u>8,756,258</u>
Fringe benefits and payroll taxes		1,205,472	304,583	1,510,055	216,080	3,334	1,729,469
Retirement		123,461	31,194	154,655	22,130	342	177,127
Legal services		-	-	-	10,086	-	10,086
Accounting and auditing services		-	-	-	29,000	-	29,000
Other professional and consulting services		657,665	142,120	799,785	164,042	1,195	965,022
Building and land rent		1,918,336	484,701	2,403,037	343,860	5,306	2,752,203
Repairs and maintenance		59,481	15,029	74,510	10,662	165	85,337
Insurance		87,099	22,007	109,106	15,612	241	124,959
Utilities		190,207	48,059	238,266	34,094	526	272,886
Supplies and materials		269,712	45,685	315,397	11,275	300	326,972
Equipment and furnishings		8,374	1,550	9,924	549	5,085	15,558
Staff development		56,374	8,239	64,613	18,473	-	83,086
Marketing and recruiting		78,770	11,512	90,282	-	-	90,282
Technology		67,889	14,079	81,968	10,261	723	92,952
Student service		34,884	5,098	39,982	-	-	39,982
Office expense		106,943	19,918	126,861	7,216	111	134,188
Depreciation and amortization		206,464	25,808	232,272	25,808	-	258,080
Other		-	-	-	16,844	-	16,844
Total Expenses		<u>\$ 11,200,358</u>	<u>\$ 2,714,491</u>	<u>\$ 13,914,849</u>	<u>\$ 2,011,517</u>	<u>\$ 33,925</u>	<u>\$ 15,960,291</u>

Challenge Preparatory Charter School

Statements of Cash Flows

	Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,771,992)	\$ 1,617,434
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	529,560	258,080
Deferred rent	1,654,521	172,454
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	(161,797)	86,791
Prepaid expenses and other current assets	(262,122)	(168,444)
Due from related party	(5,000)	-
Security deposits	-	7,000
Accounts payable and accrued expenses	(13,232)	142,705
Accrued payroll and payroll taxes	277,457	124,808
Refundable advances	(173,217)	315,546
Net Cash from Operating Activities	(3,010,883)	2,556,374
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(795,495)	(730,725)
Net Change in Cash and Restricted Cash	(3,806,378)	1,825,649
CASH AND RESTRICTED CASH		
Beginning of year	6,705,874	4,880,225
End of year	\$ 2,899,496	\$ 6,705,874

See notes to financial statements

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

1. Organization and Tax Status

Challenge Preparatory Charter School (the “School”) is a New York State, not-for-profit educational corporation that was incorporated on February 9, 2010 to operate a charter school pursuant to Article 56 of the Education Law of the State of New York. The School was granted a provisional charter on February 9, 2010 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. During 2019, the Board of Regents extended the School’s charter through June 30, 2024. The School’s educational philosophy promotes high levels of academic achievement and tailoring instruction to ensure that academic needs of all students are met. The School’s founders believe that good instruction recognizes the interrelation of content knowledge and higher order thinking and that, accordingly, good instruction should reflect a balanced approach to learning. Classes commenced in Far Rockaway, New York in August 2011 and the School provided education to approximately 950 students in kindergarten through tenth grade during the 2021-2022 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.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

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

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, 2022 and 2021.

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 for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,829,496	\$ 6,635,874
Restricted Cash	<u>70,000</u>	<u>70,000</u>
	<u>\$ 2,899,496</u>	<u>\$ 6,705,874</u>

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

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, 2022 and 2021.

Refundable Advances

The School records certain government operating revenue as refundable advances until related services are performed, at which time they are recognized as revenue.

The School is entitled to receive a rent subsidy that is calculated at the lower of 30 percent of the state and city per pupil amount or actual lease costs as approved by the New York City Department of Education (“NYCDOE”). There were no refundable advances associated with rent subsidy at June 30, 2022. During the year ended June 30, 2021, the school received funds from NYCDOE in excess of the amounts earned. A liability of \$315,546 was established at June 30, 2021 and is reflected in the accompanying statements of financial position.

Deferred Rent

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

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

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

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.

Marketing and Recruitment

Marketing and recruitment costs are expenses as incurred. Marketing and recruitment costs for the years ended June 30, 2022 and 2021 amounted to \$100,904 and \$90,282.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting services classifications on the basis of periodic time and expense studies and other 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, 2019.

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 13, 2022.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

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.

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Computers and equipment	\$ 1,563,703	\$ 1,110,086
Furniture and fixtures	722,908	448,755
Software and website development	55,217	55,217
Standby generator	127,589	127,589
Leasehold improvements	1,101,667	713,269
Construction in progress	-	320,673
	<u>3,571,084</u>	<u>2,775,589</u>
Accumulated depreciation and amortization	<u>(1,939,110)</u>	<u>(1,409,550)</u>
	<u>\$ 1,631,974</u>	<u>\$ 1,366,039</u>

Construction in progress at June 30, 2021 consisted of soft costs associated with the new facilities at 15-20 Central Avenue, Queens, New York (see Note 10). The construction was completed, and the facilities were placed into service during 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>2022</u>	<u>2021</u>
Cash	\$ 2,829,496	\$ 6,635,874
Grants and contracts receivable	527,246	365,449
Due from related party	5,000	-
	<u>\$ 3,361,742</u>	<u>\$ 7,001,323</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 11. 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).

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

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, 2022 and 2021 amounted to \$213,943 and \$177,127.

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, 2022 and 2021, approximately \$2,580,000 and \$6,390,000 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, 2022 and 2021, the School received approximately 92% and 96% 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, 2022 and 2021, the balance due from FOCP was \$5,000 and \$0.

Effective May 1, 2022, the lease agreement for one facility used by the School was transferred to FOCP (see Note 10) 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.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

10. 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.

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 9-10. 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.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

10. Commitments (continued)

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

2023	\$ 5,294,612
2024	5,453,452
2025	5,617,054
2026	5,221,208
2027	5,265,627
Thereafter	<u>124,177,935</u>
	<u>\$151,029,888</u>

The School recognizes rent expense on a straight-line basis over the term of the leases. Rent expense in excess of payments is recorded as deferred rent in the accompanying statements of financial position. Occupancy expense under the leases for the years ended June 30, 2022 and 2021 amounted to \$6,942,056 and \$2,752,203.

11. 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, 2022 and 2021.

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.

Challenge Preparatory Charter School

Notes to Financial Statements
June 30, 2022 and 2021

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.

14. Risks and Uncertainties

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

Challenge Preparatory Charter School

Uniform Guidance
Schedules and Reports

June 30, 2022

Challenge Preparatory Charter School

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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	0021-22-4785	\$ -	\$ 192,479
Title I Grants to Local Educational Agencies	84.010	0021-21-4785	-	13,598
			<u>-</u>	<u>206,077</u>
Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)	84.367	0147-22-4785	-	38,698
Student Support and Academic Enrichment Program	84.424	0204-22-4785	-	14,030
Student Support and Academic Enrichment Program	84.424	0204-19-4785	-	11,618
			<u>-</u>	<u>25,648</u>
Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-4785	-	70,456
Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund II	84.425D	5891-21-4785	-	237,983
Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund ARP	84.425U	5880-21-4785	-	722,990
			<u>-</u>	<u>1,031,429</u>
Total U.S. Department of Education			<u>-</u>	<u>1,301,852</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 1,301,852</u>

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, 2022

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, 2022. 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, 2022, 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 13, 2022.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Harrison, New York
October 13, 2022



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, 2022. 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, 2022.

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.

PKF O'Connor Davies, LLP

Harrison, New York
October 13, 2022

Challenge Preparatory Charter School

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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

Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund

84.425D

Education Stabilization Fund/Elementary and Secondary School Emergency Relief Fund II

84.425U

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, 2022.

Section III – Federal Award Findings and Questioned Costs

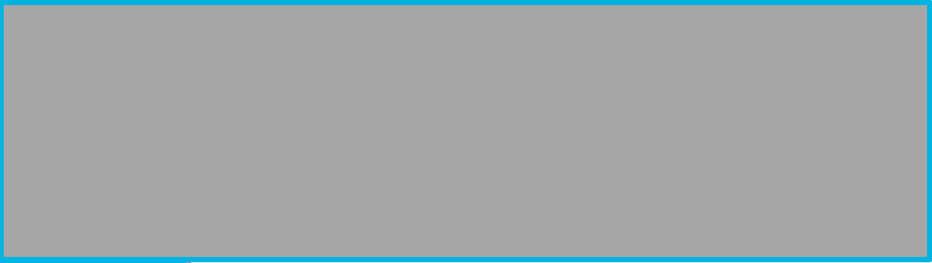
During our audit, we noted no material instance of noncompliance and none of the costs tested which were reported in the federal financially assisted programs are questioned or recommended to be disallowed.

Section IV – Prior Year Findings

There were no findings in the prior year.



Attachment #12



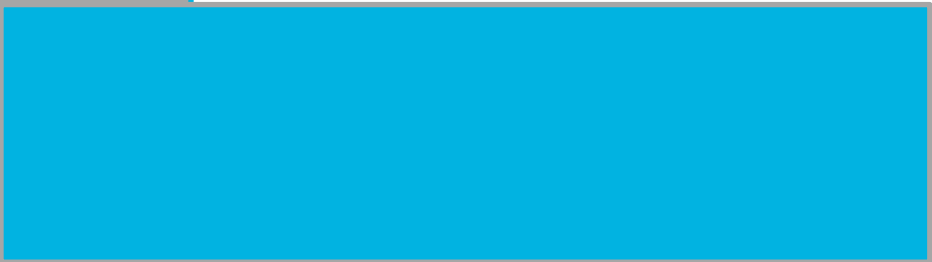
Helping you to focus on what's important:
STUDENT ACHIEVEMENT



experience. expertise. execution.

Challenge Prep Charter School

Monthly Financial Report
September 2022

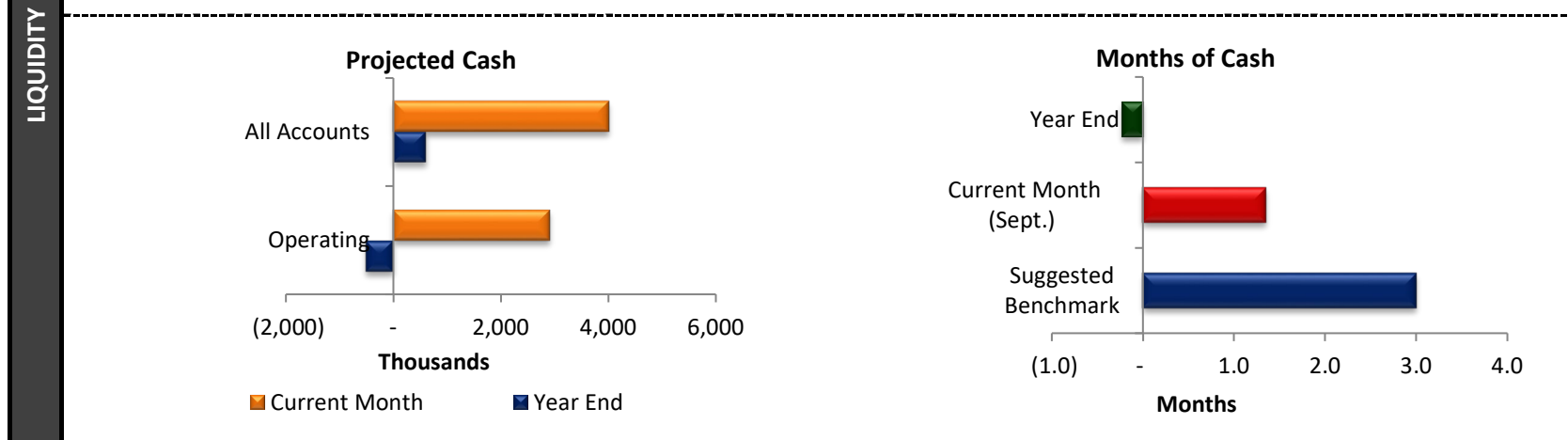


Challenge Prep Charter School

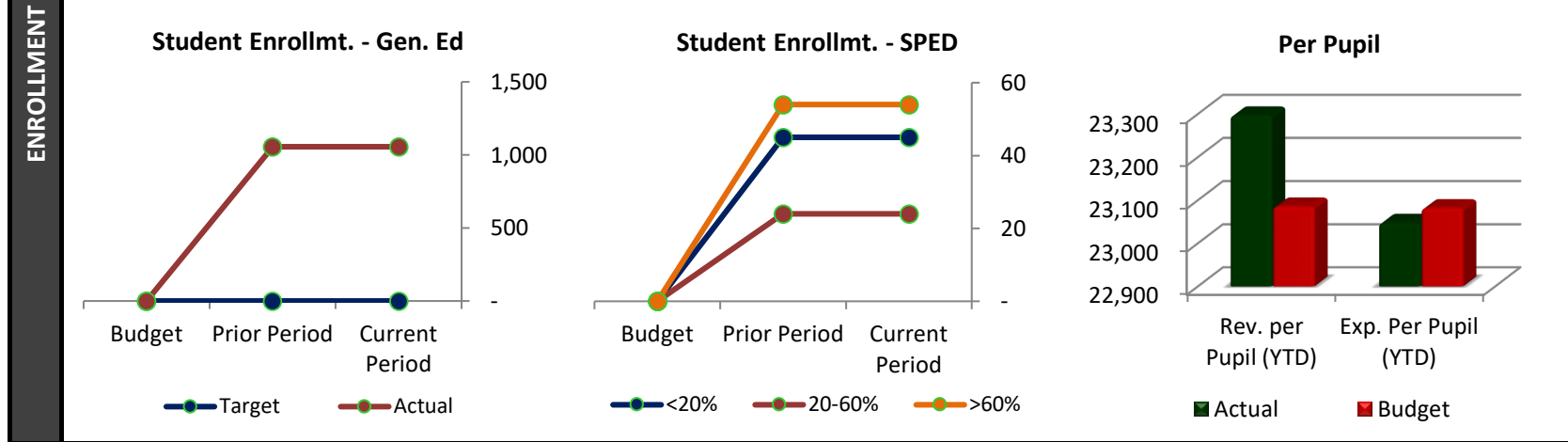
Financial Summary

For Period Ended September 30, 2022

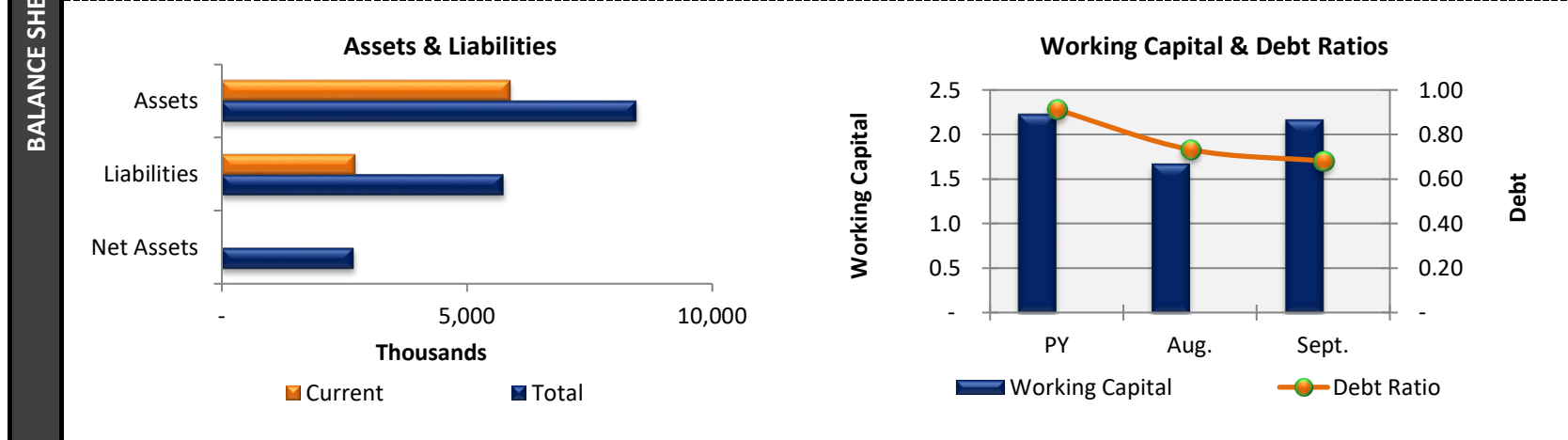
LIQUIDITY	Cash in Bank (Operating Account(s) Only: as of September 30, 2022)	\$ 2,911,547
	Projected months of cash on hand	1.3
	Cash in Bank (Total - All Accounts: as of September 30, 2022)	\$ 4,010,114
	FY Ending Cash Available to Carryover to FY23-24 (Operating Account(s) Only)	\$ (498,621)
	<i>*Cash balance available once all FY22-23 obligations & receivables have been settled</i>	
	Projected months of cash on hand	(0.2)
	FY Ending Cash Available to Carryover to FY23-24 (Total - All Accounts)	\$ 599,945



	Actual	Budget	Variance	Actual	Budget	Variance
General Ed	1,100.00	1,086.00	14.00	\$ 17,765,000	\$ 16,624,488	\$ 1,140,512
SPED						
0 - 20%	45.02	45.00	0.02	-	-	\$ -
20 - 59%	26.92	27.00	(0.08)	279,699	280,530	\$ (831)
60% - Over	66.00	66.00	-	1,257,234	1,257,234	\$ -
Total SPED	137.94	138.00	(0.06)	1,536,933	1,537,764	\$ (831)



Total Current Assets:	\$ 5,869,343
Total Current Liabilities:	\$ 2,711,495
Working Capital (Current) Ratio	2.16
Total Assets:	\$ 8,454,163
Total Liabilities:	\$ 5,754,138
Debt Ratio	0.68
Total Net Assets:	\$ 2,700,025



Challenge Prep Charter School

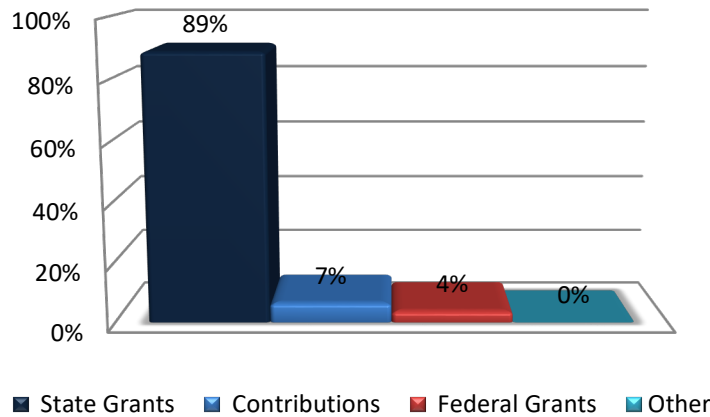
Financial Summary

For Period Ended September 30, 2022

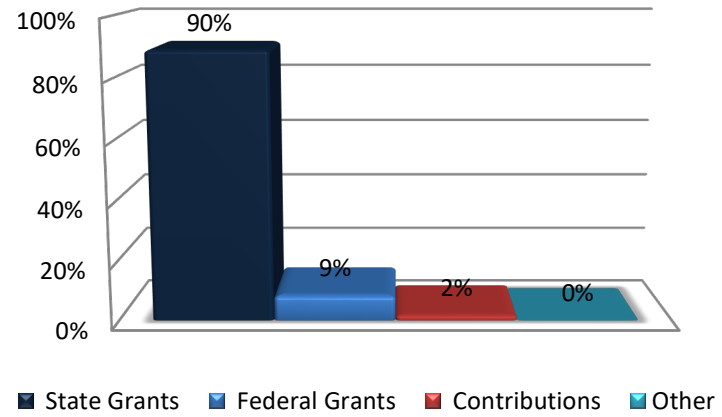
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue YTD:	\$ 6,511,461	\$ 6,183,424	\$ 328,036
Total Expenses YTD:	(5,661,850)	(5,258,683)	(403,167)
Net Operating Surplus(Deficit):	\$ 849,610	\$ 924,741	\$ (75,131)
	<u>Projected</u>	<u>Budget</u>	<u>Variance</u>
Annual Projected Revenue:	\$ 25,626,771	\$ 25,071,163	\$ 555,609
Annual Projected Expenses (before depreciation):	(25,352,678)	(25,066,857)	(285,821)
Projected Net Operating Surplus(Deficit) before Depreciation:	\$ 274,093	\$ 4,305	\$ 269,788
Annual Projected Depreciation:	(561,939)	-	(561,939)
Projected Net Operating Surplus(Deficit) after Depreciation:	\$ (287,846)	\$ 4,305	\$ (292,151)
Capital Expenditure Requirements	\$ (230,000)	\$ -	\$ (230,000)
Total Cash Expenditures	\$ (24,560,739)	\$ (25,066,857)	\$ 506,118
Revenue per Pupil (YTD)	\$ 23,297	\$ 23,086	\$ 211
Expenditure per Pupil (YTD)	\$ 23,048	\$ 23,082	\$ (34)

BUDGETING / REVENUE & EXPENSES

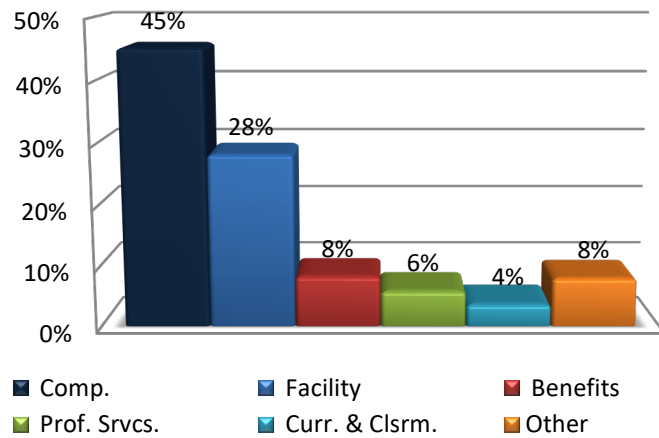
Revenue Breakdown YTD



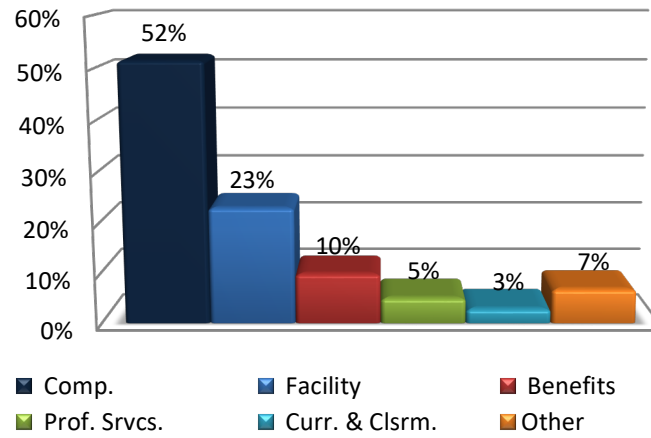
Revenue Breakdown YE



Expense Breakdown YTD



Expense Breakdown YE



Challenge Prep Charter School

Financial Variance Summary

Fiscal Year Ending 6/30/2023	Comments
Net Budget Surplus after Depreciation	\$ 4,305
Increase in Projected Annual Expenses	847,760
Net Projected Deficit Variance after Depreciation	<u>\$ (287,846)</u>

**Challenge Prep Charter School
Budget vs. Actuals
Fiscal Year Ending June 30, 2023**

	September 30, 2022			YTD Through September 30, 2022			Projected FYE June 30, 2023 Current Month				Comments
	Actual	Budget	Variance	Actual	Budget	Variance	Projected - September 30, 2022	Actuals - July 2022-September 30, 2022 + Projections thru June 30, 2023	Annual Budget	Variance	
Income											
4100 State Grants	1,942,087	1,909,626	32,461	5,826,261	5,728,877	97,384	17,164,444	22,990,704	22,990,704	-	Projected based on budget: Per Pupil GenEd based on 1,086 students, SpEd based on 27 (20-60); 66 (>60)
4200 Federal Grants	64,313	168,587	(104,274)	250,803	454,547	(203,745)	1,941,544	2,192,346	2,080,458	111,888	Title projection based on preliminary allocation per NYSED
4300 Contributions	-	-	-	431,205	-	431,205	-	431,205	-	431,205	
4400 Miscellaneous Income	1,106	-	1,106	3,192	-	3,192	9,324	12,516	-	12,516	
Total Income	2,007,506	2,078,212	(70,706)	6,511,461	6,183,424	328,036	19,115,311	25,626,771	25,071,163	555,609	Projected based on budget: Per Pupil GenEd based on 1,086 students, SpEd based on 27 (20-60); 66 (>60); Title projections based on preliminary allocation
Expenses											
Compensation											
5100 Instructional Staff	709,429	757,342	(47,913)	1,585,171	1,332,315	252,856	7,502,933	9,088,104	9,088,104	-	Projection based on budget
5200 Non-Instructional Staff	208,708	224,683	(15,975)	648,535	674,048	(25,513)	2,047,657	2,696,192	2,696,192	-	Projection based on budget
5300 Pupil Support	115,712	134,855	(19,142)	338,311	404,564	(66,253)	1,279,946	1,618,257	1,618,257	-	Projection based on budget
5000 Compensation	1,033,850	1,116,879	(83,030)	2,572,017	2,410,927	161,090	10,830,535	13,402,553	13,402,553	-	Projection based on budget
5400 Benefits	198,091	215,432	(17,341)	476,563	646,297	(169,734)	2,131,549	2,608,112	2,585,189	22,923	Projection updated to include Workers Compensation
6100 Administrative Expenses	19,173	49,340	(30,167)	136,660	141,501	(4,841)	415,105	551,765	549,565	2,200	Projection updated to include travel and student meals
6200 Professional Services	108,497	92,542	15,955	335,223	272,625	62,598	992,877	1,328,100	1,202,500	125,600	Projection updated to include temporary staffing (unbudgeted)
6300 Professional Development	42,655	11,295	31,359	61,780	28,341	33,439	88,220	150,000	130,000	20,000	Projection updated to increase non-instructional staff PD
6400 Marketing and Staff/Student Rec	2,167	8,292	(6,125)	6,920	24,875	(17,955)	92,580	99,500	99,500	-	
6500 Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	
7100 Curriculum & Classroom Expenses	66,726	44,781	21,945	208,745	121,448	87,297	550,411	759,157	646,877	112,280	Projection updated to increase non-instructional enrichment
8100 Facility	537,606	501,890	35,716	1,610,824	1,505,669	105,155	4,412,850	6,023,674	6,022,674	1,000	
8200 Technology/Communication Expens	41,752	35,667	6,085	111,991	107,000	4,991	316,009	428,000	428,000	-	
8800 Miscellaneous Expenses	338	-	338	641	-	641	1,177	1,818	-	1,818	
8900 Depreciation Expense	140,485	-	140,485	140,485	-	140,485	421,454	561,939	-	561,939	
Total Expenses	2,191,339	2,076,119	115,221	5,661,850	5,258,683	403,167	20,252,767	25,914,617	25,066,857	847,760	
Net Income	(183,833)	2,094	(185,927)	849,610	924,741	(75,131)	(1,137,456)	(287,846)	4,305	(292,152)	
Capital Expenditures											
Furniture, Fixtures & Equipment	28,710	-	28,710	28,710	-	28,710	151,290	180,000	-	180,000	
Facility and Construction	27,061	-	27,061	27,061	-	27,061	22,939	50,000	-	50,000	
Website	-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditures	55,772	-	55,772	55,772	-	55,772	174,228	230,000	-	230,000	Fixed Assets not included in board-approved budget

**Challenge Prep Charter School
Cash Flow Projection as of September 30, 2022**

Annual Budget FYE June 30, 2023	Projected Aug 22 - June 23	Projected Aug 22 - June 23	October	November	December	January	February	March	April	May	June	July + Subsequent FY22-23 Items
Beginning Cash Balance (Operating Account) 4,804,870	6,645,873	2,936,922	2,911,547	3,800,989	1,796,063	3,685,817	1,618,030	3,399,152	1,331,365	3,112,488	1,044,700	(271,297)
Projected Cash Receipts from Operations (below) 25,071,163	19,115,311	17,319,926	3,854,527	68,479	3,963,158	5,617	3,854,527	5,617	3,854,527	5,617	757,408	950,448
Projected Cash Disbursements from Operations (below) (25,066,857)	(20,252,767)	(19,666,159)	(2,056,020)	(2,054,046)	(2,054,046)	(2,054,046)	(2,054,046)	(2,054,046)	(2,054,046)	(2,054,046)	(2,054,046)	(1,177,773)
Net Cash from Operations 4,305	(1,137,456)	(2,346,234)	1,798,507	(1,985,567)	1,909,112	(2,048,429)	1,800,481	(2,048,429)	1,800,481	(2,048,429)	(1,296,638)	(227,325)
Cash Receipts from Accounts & Misc Receivables (not included in revenue below) -	-	-	-	-	-	-	-	-	-	-	-	-
Cash Disbursements for Accounts Payable & Accrued Expenses -	-	-	(889,707)	-	-	-	-	-	-	-	-	-
Capital Expenditures (below) -	(174,228)	(174,228)	(19,359)	(19,359)	(19,359)	(19,359)	(19,359)	(19,359)	(19,359)	(19,359)	(19,359)	-
Accounts Receivable -	-	-	-	-	-	-	-	-	-	-	-	-
PPP Loan Payable -	-	-	-	-	-	-	-	-	-	-	-	-
PPP Loan Interest Payable -	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance (Operating Account) 4,809,175	5,682,645	416,460	3,800,989	1,796,063	3,685,817	1,618,030	3,399,152	1,331,365	3,112,488	1,044,700	(271,297)	(498,621)
Other Cash Accounts (Net of Transfers) 75,354	-	1,098,567	1,098,567	1,098,567	1,098,567	1,098,567	1,098,567	1,098,567	1,098,567	1,098,567	1,098,567	1,098,567
Total Cash (All Accounts) 4,884,529	5,682,645	1,515,027	4,899,556	2,894,630	4,784,384	2,716,597	4,497,719	2,429,932	4,211,055	2,143,267	827,270	599,945

Challenge Prep Charter School
Balance Sheet
YTD as of September 30, 2022

	Total	Comments
ASSETS		
Current Assets	-	
Bank Accounts		
1000 Cash		
1001 HSBC Checking - 0844	2,068,831	
1002 HSBC Checking - 0852	25,374	
1003 HSBC Checking - 0879	842,717	
1005 HSBC Money Market - 5972	1,003,192	
1006 Chase Escrow - 3060	70,000	
Total 1000 Cash	\$ 4,010,114	
Total Bank Accounts	\$ 4,010,114	
Accounts Receivable		
1100 Accounts Receivable	875,805	
Total Accounts Receivable	\$ 875,805	
Other current assets		
1300 Prepaid Expenses	265,252	
1301 Prepaid Insurance	145,751	
1310 Prepaid Rent	558,421	
Total Other current assets	\$ 983,424	
Total Current Assets	\$ 5,869,343	
Fixed Assets		
1500 Furniture, Fixtures & Equipment		
1510 Office & Admin Computers & Equipment	256,303	
1511 Classroom Computers & Equipment	1,374,450	
1512 Classroom Furniture	564,041	
1513 Office Furniture	203,196	
Total 1513 Office Furniture	\$ 203,196	
1514 Musical Instruments	16,390	
1515 Computer Software	44,217	
Total 1500 Furniture, Fixtures & Equipment	2,458,598	
1519 Facility and Construction	127,589	
1520 Architect Fees	115,620	
1525 Fire Alarm System	7,500	
Total 1525 Fire Alarm System	\$ 7,500	
1530 Kitchen/Cafeteria	162,079	
1535 Construction In Progress	-	
1540 Leasehold Improvements	856,030	
Total 1519 Facility and Construction	1,268,817	

Challenge Prep Charter School
Balance Sheet
YTD as of September 30, 2022

	Total	Comments
1610 Website	11,000	
Total 1610 Website	\$ 11,000	
1700 Accumulated Depreciation & Amortization		
1710 Accumulated Depreciation	(2,070,733)	
1750 Accumulated Amortization	(8,861)	
Total 1700 Accumulated Depreciation & Amortization	\$ (2,079,594)	
Total Fixed Assets	\$ 1,658,821	
Other Assets		
1800 Security Deposits	925,999	
Total Other Assets	\$ 925,999	
TOTAL ASSETS	\$ 8,454,163	
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable	853,592	
Total Accounts Payable	\$ 853,592	
Other Current Liabilities		
2301 Accrued Expenses	36,115	
2302 Refunds Payable	2,256	
2400 Unearned/Deferred Revenue	1,815,807	
Total Other Current Liabilities	\$ 1,857,903	
Total Current Liabilities	\$ 2,711,495	
Long-Term Liabilities		
2700 Deferred Rent Liability	3,042,643	
Total Long-Term Liabilities	\$ 3,042,643	
Total Liabilities	\$ 5,754,138	
Equity		
3100 Retained Earnings	1,850,415	
Net Income	849,610	
Total Equity	\$ 2,700,025	
TOTAL LIABILITIES AND EQUITY	\$ 8,454,163	

Challenge Prep Charter School
Statement of Cash Flows
YTD as of September 30, 2022

OPERATING ACTIVITIES	<u>Total</u>	<u>Comments</u>
Net Income	849,610	
Adjustments to reconcile Net Income to Net Cash provided by operations:		
1100 Accounts Receivable	(348,558)	
1200 Accounts Receivable:Other Receivables - Salary Advance	-	
1300 Prepaid Expenses	(131,294)	
1301 Prepaid Insurance	(145,751)	
1310 Prepaid Rent	112,667	
1710 Accumulated Depreciation & Amortization:Accumulated Depreciation	140,301	
2000 Accounts Payable	660,804	
2100 HSBC Loan Payable	-	
2300 Accrued Salaries/Taxes	-	
2301 Accrued Expenses	(1,425,791)	
2302 Refunds Payable	(86,936)	
2303 Accrued Interest - PPP	(11,767)	
2304 Due To Friends of Challenge Prep, Inc.	-	
2400 Unearned/Deferred Revenue	-	
2600 Exchange Transactions (deleted)	1,673,478	
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<u>428,155</u>	
Net cash provided by operating activities	<u>1,277,765</u>	
INVESTING ACTIVITIES		
1500 Furniture, Fixtures & Equipment		
1510 Furniture, Fixtures & Equipment:Office & Admin Computers & Equipment	-	
1511 Furniture, Fixtures & Equipment:Classroom Computers & Equipment	-	
15111 Furniture, Fixtures & Equipment:pp (deleted)	(83,440)	
1512 Furniture, Fixtures & Equipment:Classroom Furniture	-	
1513 Furniture, Fixtures & Equipment:Office Furniture	(40,157)	
1514 Furniture, Fixtures & Equipment:Musical Instruments	(4,172)	
1610 Website	(39,561)	
Net cash provided by investing activities	<u>(167,147)</u>	
FINANCING ACTIVITIES		
2700 Deferred Rent Liability	-	
Net cash provided by financing activities	-	
Net cash increase for period	<u>1,110,618</u>	
Cash at beginning of period	<u>2,899,496</u>	
Total Cash at beginning of period	<u>2,899,496</u>	
Cash at end of period	<u>4,010,114</u>	