Entry 1 School Information

Created: 07/14/2016
Last updated: 07/29/2016

Please be advised that you will need to complete this cover page (including signatures) before all of the other tasks assigned to you by your authorizer are visible on your task page. While completing this task, please ensure that you select the correct authorizer or you may not be assigned the correct tasks.

Page 1

a. SCHOOL NAME AND BEDS#

(Select name from the drop down menu)

SOUTH BRONX CLASSICAL CS III (REGENTS) 321200861084

b. CHARTER AUTHORIZER

(For technical reasons, please re-select authorizer name from the drop down menu).

Regents-Authorized Charter School

c. DISTRICT / CSD OF LOCATION

NYC CSD 9

d1. SCHOOL INFORMATION

	PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
	3490 Third Avenue Bronx, NY 10456	929-285-3025	929-285-2025	rgeary@southbronxclassical.org

d2. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

Contact Name	Rebecca Geary
Title	School Director

Emergency Phone Number (###-###-####)	[redacted]

e. SCHOOL WEB ADDRESS (URL)

http://classicalcharterschools.org/

f. DATE OF INITIAL CHARTER

11/2014

g. DATE FIRST OPENED FOR INSTRUCTION

08/2015

h1. APPROVED SCHOOL MISSION (Regents, NYCDOE, and Buffalo BOE authorized schools only)

MISSION STATEMENT

South Bronx Classical Charter School III prepares K-8th grade scholars in the South Bronx to excel in college preparatory high schools. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character who achieve proficiency in and advanced mastery of New York State Performance Standards.

h2. KEY DESIGN ELEMENTS (Regents, NYCDOE, and Buffalo BOE authorized schools only)

KEY DESIGN ELEMENTS (Brief description)

Variable 1	Classical Framework: We strongly believe that our school model best meets the needs of all students in our target population. The key components of a classical education in the early years focus on a core curriculum, the development of strong literacy and numeracy skills, knowledge, and understanding of elementary facts, with less emphasis on “higher level” thinking, until later grades. In all grades, our scholars develop core knowledge in the basic subjects of reading, writing, math, science, and history. Subjects are taught directly and sequentially, as clearly elucidated in the Common Core State

	Standards, so scholars can master skills and content each step of the way. Within this classical framework, SBCCS III provides an educational program firmly based on two principles: • All children can achieve academic success when given a rigorous and organized curriculum, effective teaching, and a structured environment. • Development of respectful, compassionate, productive citizens is a fundamental aim of education.
Variable 2	Rigorous and Organized Curriculum: We believe that an organized, clear, and sequential curriculum, fully aligned with the Common Core and New York State Learning Standards, focused on ensuring strong literacy skills in all students, will best serve the educational needs of our target population. Reading is the most important part of an SBCCS III education. Within a framework of classical education that focuses relentlessly on language development – a critical need of our target population – all scholars benefit from three (3) hours of daily literacy instruction and two (2) hours of daily math instruction. Consistent with the school's mission and with the tenets of a classical education, our scholars will be given one (1) hour of character education instruction per week.
Variable 3	Effective Teaching: The recruitment, development, and retention of effective teachers is critical to high scholar achievement. Effective teachers manage their classroom, know their content, develop skills sequentially over time, use data strategically to inform their instruction, and do whatever it takes to maximize impact. There is no single "recruiting season", and developing successful connections to specific candidates requires a continuous effort and targeted approach. SBCCS II will recruit teachers from a variety of sources, including critical networking with such organizations as Teach For America, New Leaders for New Schools, strategic website postings, professional job fairs, and outreach to selective businesses and industries. Similarly, teacher development is also a continuous process. Through summer orientation, weekly grade meetings, monthly school-wide meetings, and ongoing individual sessions, teachers benefit from over 100 hours of Professional Development annually. To attract and retain the strongest teachers, salaries will be 5% to 10% higher than those of teachers in New York City's Extended Time Schools.
Variable 4	Structured Environment: Within a disciplined environment, teachers can teach, and all scholars

	can learn. SBCCS III will create positive student behavior through modeling, explicit behavioral instruction, and a transparent set of expectations shared with families at orientations and throughout the year. These rules, detailed in the Code of Conduct, include recognition of the school’s core values and clear consequences for infractions.
Variable 5	Development of Respectful, Compassionate, and Productive Citizens: We believe that the development of respectful, compassionate, and productive citizens is a fundamental purpose of education. This is fully consistent with the ideals of classical education. All scholars receive one hour of weekly character education per week. As scholars acclimate to our culture of positive behavior and character, less direct instruction and teacher intervention will be required. All scholars will perform age-appropriate community service based on themes such as the environment and care of senior citizens.
Variable 6	Family Engagement: We value our scholars and our families, which are so critical to our scholars’ success. For young children to succeed academically, the school and parents must develop positive and communicative relationships. All families receive regular communication regarding their scholars’ academic and behavioral progress, using grades and test scores as benchmarks for discussion. We have a Family Advisory Council (FAC), which serves as a liaison between our parents and administration.
Variable 7	Development of Respectful, Compassionate, and Productive Citizens: We believe that the development of respectful, compassionate, and productive citizens is a fundamental purpose of education. This is fully consistent with the ideals of classical education. All scholars receive one hour of weekly character education per week. As scholars acclimate to our culture of positive behavior and character, less direct instruction and teacher intervention will be required. All scholars will perform age-appropriate community service based on themes such as the environment and care of senior citizens.
Variable 8	(No response)
Variable 9	(No response)
Variable 10	(No response)

i. TOTAL ENROLLMENT ON JUNE 30, 2016

130

j. GRADES SERVED IN SCHOOL YEAR 2015-16

Check all that apply

Grades Served	K, 1

k1. DOES THE SCHOOL CONTRACT WITH A CHARTER OR EDUCATIONAL MANAGEMENT ORGANIZATION?

No

Page 2

l1. FACILITIES

Does the school maintain or operate multiple sites?

	No, just one site.

l2. SCHOOL SITES

Please list the sites where the school will operate for the upcoming school year.

	Physical Address	Phone Number	District/CSD	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	3490 Third Avenue, Bronx, NY 10456	929-285-3025	CSD 9	K-1	No	Rent/Lease
Site 2						
Site 3						

l2a. Please provide the contact information for Site 1.

	Name	Work Phone	Alternate Phone	Email Address
School Leader	Rebecca Geary	[redacted]		[redacted]
Operational Leader	Stephanie Montero	[redacted]		[redacted]
Compliance Contact	Samuel Wilder	[redacted]		[redacted]
Complaint Contact	Rebecca Geary	[redacted]		[redacted]

m1. Is the school or are the school sites co-located?

No

Page 3

n1. Were there any revisions to the school's charter during the 2015-16 school year? (Please include approved or pending material and non-material charter revisions).

No

o. Name and Position of Individual(s) Who Completed the 2015-16 Annual Report.

Lester Long, Executive Director

p. Our signatures below attest that all of the information contained herein is truthful and accurate and that this charter school is in compliance with all aspects of its charter, and with all pertinent Federal, State, and local laws, regulations, and rules. We understand that if any information in any part of this report is found to have been deliberately misrepresented, that will constitute grounds for the revocation of our charter. Check YES if you agree and then use the mouse on your PC or the stylist on your mobile device to sign your name).

Responses Selected:

Yes

Signature, Head of Charter School

Rebecca Gedy

Signature, President of the Board of Trustees

C. Stephen Baldwin

Date

2016/07/27

Thank you.

Entry 2 Link

Last updated: 07/14/2016

Page 1

1. NEW YORK STATE REPORT CARD

Provide a direct URL or web link to the most recent New York State School Report Card for the charter school (See https://reportcards.nysed.gov/).

(Charter schools completing year one will not yet have a School Report Card or link to one. Please type "URL is not available" in the space provided).

No Data Available

Entry 3 Progress

Created: 07/14/2016
Last updated: 07/27/2016

Page 1

PROGRESS TOWARD CHARTER GOALS

The following tables reflect formatting in the online portal required for Board of Regents-authorized charter schools and NYCDOE-authorized charter schools only. Schools should list Progress Toward Charter Goals by August 1, 2016. If the goals are based on student performance data that the school will not have access to before August 1, 2016 (e.g., the NYS Assessment results), explain this in the "2015-2016 Progress Toward Attainment of Goal" column. The information can be updated when available. Please complete and submit no later than November 1, 2016.

1. ACADEMIC STUDENT PERFORMANCE GOALS

2015-16 Progress Toward Attainment of Academic Goals

	Academic Student Performance Goal	Measure Used to Evaluate Progress Toward Attainment of Goal	Goal - Met, Partially Met, or Not Met	If Not Met, Describe Efforts School Will Take
Academic Goal 1	Scholars will demonstrate proficiency in reading.	(a) 80% of all scholars who have been enrolled at SBCCS III for 2 full academic years or more will score at Level 3 or higher on the State English Language Arts Test (ELA). (b) the SBCCS III average score on the ELA will exceed the average score of its home district and of the City as a whole, for each grade. (c) beginning in grade 2, each	SBCCS III opened in August 2015 with Kindergarten and 1st grade. We have no testing grades, and therefore no State Test data. SBCCS III scholars made 1.52 years of reading growth in 2015-2016. By the end of the year, 88% of SBCCS III	

		cohort of SBCCS III scholars will improve their literacy scores by an average of 3 percentiles per year, as measured by the TerraNova or State Test.	scholars were reading on or above grade level.	
Academic Goal 2	Scholars will demonstrate proficiency in mathematics	a) 80% of all scholars who have been enrolled at SBCCS III for 2 full academic years or more will score at Level 3 or higher on the State Mathematics Test. (b) the SBCCS III average score on the State Mathematics Test will exceed the average score of its home district and of the City as a whole, for each grade. (c) beginning in grade 2, each cohort of SBCCS III scholars will improve their math scores by an average of 3 percentiles per year, as measured by the TerraNova or State Test.	SBCCS III opened in August 2015 with Kindergarten and 1st grade. We have no testing grades, and therefore no State Test data. As measured by standardized internal math Interim Assessments, SBCCS III Kindergarten and 1st grade scholars, as a whole, outperformed their peers at Network schools SBCCS I and II.	
	Scholars will	(a) 60% of all fourth grade scholars who have been enrolled at SBCCS III for 2 full academic years or more will score at Level 3 or higher on the State	SBCCS III opened in August 2015 with Kindergarten and	

Academic Goal 3	demonstrate proficiency in science.	Science Test. (b) 60% of all eighth grade scholars who have been enrolled at SBCCS III for 2 full academic years or more will score at Level 3 or higher on the State Science Test.	1st grade. We have no testing grades, and therefore no State Test data to report.	
Academic Goal 4				
Academic Goal 5				
Academic Goal 6				
Academic Goal 7				
Academic Goal 8				

2. Do have more academic goals to add?

No

3. Do have more academic goals to add?

No

Page 2

4. ORGANIZATIONAL GOALS

2015-16 Progress Toward Attainment of Organizational Goals

	Organizational Goal	Measure Used to Evaluate Progress	Goal - Met, Partially Met, or Not Met	If Not Met, Describe Efforts School Will Take
		(a) The average daily	(a) Met. SBCCS II's average daily attendance was 95.5% in 2015-2016. (b) Met. SBCCS II	

Org Goal 1	SBCCS III will demonstrate strong annual attendance and enrollment.	attendance rate will meet or exceed 95% each year. (b) the SBCCS III waiting list will exceed 1.5 applications per available seat. (c) SBCCS III will retain its scholars at an annual rate of 90% or more during the term of its charter.	received 420 Kindergarten student applications and 444 1st grade applications for 120 available seats. SBCCS III's waiting list for Kindergarten included 360 students, and its waitlist for 1st grade included 384 students, which far exceeds the 1.5 ratio. (c) We do not yet have retention data for 2015- 2016.	
Org Goal 2	SBCCS III will provide scholars with a safe learning environment with strong communication on scholar achievement between home and school.	(a) 85% of SBCCS III parents through the NYC Department of Education's Learning Environment Survey will consider SBCCS II a "safe" school. (b) 85% of SBCCS III parents through the NYC Department of Education's Learning Environment Survey will indicate strong communication between school and home regarding scholar achievement.	SBCCS III measures success towards this goal through the new Framework for Great School Report. Question level data is not yet available.	
Org Goal 3				
Org Goal 4				
Org Goal 5				

5. Do you have more organizational goals to add?

No

6. FINANCIAL GOALS

2015-16 Progress Toward Attainment of Financial Goals

	Financial Goals	Measure Used to Evaluate Progress	Goal - Met, Partially Met, or Not Met	If Not Met, Describe Efforts School Will Take
Financial Goal 1	SBCCS III will demonstrate fiduciary responsibility in managing public and private resources.	(a) SBCCS III will use Generally Accepted Accounting Practices (GAAP) independently verified through an annual external audit. (b) SBCCS III will produce financial reports demonstrating fiscal transparency and sound financial standing.	SBCCS III operates in accordance with its Financial Polices and Procedures which is approved by the Board of Trustees and overseen by an independent auditing firm. The 2015- 2016 financial audit will occur in September 2016.	
Financial Goal 2				
Financial Goal 3				
Financial Goal 4				
Financial Goal 5				

Entry 4 Expenditures per Child

Last updated: 07/27/2016

Page 1

Financial Information

This information is required of ALL charter schools. Provide the following measures of fiscal performance of the charter school in Appendix B (Total Expenditures and Administrative Expenditures Per Child):

1. Total Expenditures Per Child

To calculate **'Total Expenditures per Child'** take total expenditures (from the unaudited 2015-16 Schedule of Functional Expenses) and divide by the year end FTE student enrollment. (Integers Only. No dollar signs or commas).

Note: The information on the Schedule of Functional Expenses on pages 41–43 of the Audit Guide can help schools locate the amounts to use in the two per pupil calculations: http://www.p12.nysed.gov/psc/AuditGuide.html

Line 1: Total Expenditures	2844245
Line 2: Year End FTE student enrollment	129
Line 3: Divide Line 1 by Line 2	22048

2. Administrative Expenditures per Child

To calculate **'Administrative Expenditures per Child'** To calculate "Administrative Expenditures per Child" first *add* together the following:

1. Take the relevant portion from the 'personnel services cost' row and the 'management and general' column (from the unaudited 2015-16 Schedule of Functional Expenses)

2. Any contracted administrative/management fee paid to other organizations or corporations

3. Take the total from above and divide it by the year-end FTE enrollment. The relevant portion that must be included in this calculation is defined as follows:

Administrative Expenditures: Administration and management of the charter school includes the activities and personnel of the offices of the chief school officer, the finance or business offices, school operations personnel, data management and reporting, human resources, technology, etc. It also includes those administrative and management services provided by other organizations or corporations on behalf of the charter school for which the charter school pays a fee or other compensation. Do not include the FTE of personnel whose role is to directly support the instructional program.

Notes:
The information on the Schedule of Functional Expenses on pages 41–43 of the Audit Guide can help schools locate the amounts to use in the two per pupil calculations: http://www.p12.nysed.gov/psc/AuditGuide.html.
Employee benefit costs or expenditures should not be reported in the above calculations.

Line 1: Relevant Personnel Services Cost (Row)	0
Line 2: Management and General Cost (Column)	639168
Line 3: Sum of Line 1 and Line 2	639168
Line 5: Divide Line 3 by the Year End FTE student enrollment	4955

Thank you.

Financial A

School Name:

Date:
Latest Audit Period (through June 30):

Audit Supplemental Data Request Form

for Regents-Authorized Charter Schools

South Bronx Classical Charter School III

June 30, 2016

None - new school

FILL IN GRAY CELLS

South Bronx Classical Charter School III

STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30,

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$37,918	$9,050
Grants and contracts receivable	382,905	96,069
Accounts receivables	-	-
Inventory	-	-
Prepaid Expenses	2,901	14,158
Contributions and other receivables	-	-
Other	684,835	-
TOTAL CURRENT ASSETS	$1,108,559	$119,277
OTHER ASSETS		
Investments	$-	$-
Property, Plant and Equipment, Net	149,516	-
Restricted Cash	25,031	-
OTHER ASSETS	$174,547	$-
TOTAL ASSETS	$1,283,106	$119,277
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$35,775	$17,477
Accrued payroll and benefits	78,304	-
Refundable Advances	-	-
Dreferred Revenue/Rent	65,166	-
Current maturities of long-term debt	-	-
Short Term Debt - Bonds, Notes Payable	-	-
Other	975,799	130,614
TOTAL CURRENT LIABILITIES	$1,155,044	$148,091
LONG-TERM DEBT, net current maturities	$-	$-
TOTAL LIABILITIES	$1,155,044	$148,091
NET ASSETS		
Unrestricted	$128,062	$(28,814)
Temporarily restricted	-	-
TOTAL NET ASSETS	$128,062	$(28,814)
TOTAL LIABILITIES AND NET ASSETS	$1,283,106	$119,277
Check	-	-

FILL IN GRAY CELLS

South Bronx Classical Charter School III

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30,

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE, GAINS AND OTHER SUPPORT				
State & Local Operating Revenue	$2,278,204	$-	$2,278,204	$-
Federal - Title and IDEA	144,087	-	144,087	-
Federal - Other	266,258	-	266,258	96,069
State and City Grants	304,738	-	304,738	-
Contributions and private grants	4,200	-	4,200	10,000
After school revenue	-	-	-	-
Other	3,634	-	3,634	-
Food Service/Child Nutrition Program	-	-	-	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	$3,001,121	$-	$3,001,121	$106,069
EXPENSES				
Program Services				
Regular Education	$1,764,739	$-	$1,764,739	$40,281
Special Education	440,338	-	440,338	251
Other Programs	-	-	-	-
Total Program Services	$2,205,077	$-	$2,205,077	$40,532
Supporting Services				
Management and general	$639,168	$-	$639,168	$94,351
Fundraising	-	-	-	-
TOTAL OPERATING EXPENSES	$2,844,245	$-	$2,844,245	$134,883
SURPLUS / (DEFICIT) FROM SCHOOL OPERATIONS	$156,876	$-	$156,876	$(28,814)
Contributions				
Foundations	$-	$-	$-	$-
Individuals	-	-	-	-
Corporations	-	-	-	-
Fundraising	-	-	-	-
Interest income	-	-	-	-
Miscellaneous income	-	-	-	-
Net assets released from restriction	-	-	-	-
TOTAL SUPPORT AND OTHER REVENUE	$-	$-	$-	$-
CHANGE IN NET ASSETS	$156,876	$-	$156,876	$(28,814)
NET ASSETS BEGINNING OF YEAR	$(28,814)	$-	$(28,814)	$-
PRIOR YEAR/PERIOD ADJUSTMENTS	-	-	-	-
NET ASSETS - END OF YEAR	$128,062	$-	$128,062	$(28,814)

New York State Education Department

Request for Proposals to Establish Charter Schools Authorized by the Board of Regents

2015-16 Budget & Cash Flow Template

General Instructions and Notes for New Application Budgets and Cash Flows Templates

1	Complete ALL SIX columns in BLUE
2	Enter information into the **GRAY** cells
3	Cells containing **RED** triangles in the upper right corner in columns B through G contain guidance on that particular item
4	Funding by School District information for all NYS School district is located on the State Aid website at https://stateaid.nysed.gov/charter/. Refer to this website for per-pupil tuition funding for all school districts. Rows may be inserted in the worksheet to accomodate additional districts if necessary.
5	The Assumptions column should be completed for all revenue and expense items unless the item is self-explanatory. Where applicable, please reference the page number or section in the application narrative that indicates the assumption being made. For instance, student enrollment would reference the applicable page number in Section I, C of the application narrative.

South Bronx Classical Ch

PROJECTED BUDGET F

July 1, 2016 to June

Please Note: The student enrollment data is entered below in the Enrollmei

	REGULAR EDUCATION
Total Revenue	**1,273,400**
Total Expenses	**2,005,057**
Net Income	**(731,657)**
Actual Student Enrollment	**144**
Total Paid Student Enrollment	**144**

		REGULAR EDUCATION
REVENUE		
REVENUES FROM STATE SOURCES		
Per Pupil Revenue	**CY** Per Pupil Rate	
District of Location 9	*$14,027.00*	886,506
School District 2 (Enter Name)		-
School District 3 (Enter Name)		-
School District 4 (Enter Name)		-
School District 5 (Enter Name)		-
		886,506
Special Education Revenue		-
Grants		
Stimulus		-
Other		177,301
Other State Revenue		7,953
TOTAL REVENUE FROM STATE SOURCES		**1,071,760**
REVENUE FROM FEDERAL FUNDING		
IDEA Special Needs		-
Title I		-
Title Funding - Other		6,459
School Food Service (Free Lunch)		-
Grants		
Charter School Program (CSP) Planning & Implementation		156,366
Other		-
Other Federal Revenue		-
TOTAL REVENUE FROM FEDERAL SOURCES		**162,825**
LOCAL and OTHER REVENUE		
Contributions and Donations, Fundraising		38,815
Erate Reimbursement		-
Interest Income, Earnings on Investments,		
NYC-DYCD (Department of Youth and Community Developmt.)		-
Food Service (Income from meals)		-
Text Book		-
Other Local Revenue		-
TOTAL REVENUE FROM LOCAL and OTHER SOURCES		**38,815**
TOTAL REVENUE		**1,273,400**

EXPENSES		
ADMINISTRATIVE STAFF PERSONNEL COSTS	No. of Positions	
Executive Management	1.33	81,320
Instructional Management	1.33	144,240
Deans, Directors & Coordinators	1.33	108,070
CFO / Director of Finance	1.32	-
Operation / Business Manager	2.33	-
Administrative Staff	-	-
TOTAL ADMINISTRATIVE STAFF	**8**	**333,630**
INSTRUCTIONAL PERSONNEL COSTS		
Teachers - Regular	11.00	512,622
Teachers - SPED	3.00	-
Substitute Teachers	-	-
Teaching Assistants	3.00	135,000
Specialty Teachers	-	-
Aides	-	-
Therapists & Counselors	-	-
Other	-	41,483
TOTAL INSTRUCTIONAL	**17**	**689,105**
NON-INSTRUCTIONAL PERSONNEL COSTS		
Nurse	-	-
Librarian	-	-
Custodian	-	-
Security	-	-
Other	-	-
TOTAL NON-INSTRUCTIONAL	**-**	**-**
SUBTOTAL PERSONNEL SERVICE COSTS	**25**	**1,022,735**
PAYROLL TAXES AND BENEFITS		
Payroll Taxes		116,592
Fringe / Employee Benefits		75,570
Retirement / Pension		40,909
TOTAL PAYROLL TAXES AND BENEFITS		**233,071**
TOTAL PERSONNEL SERVICE COSTS		**1,255,806**
CONTRACTED SERVICES		
Accounting / Audit		-
Legal		-
Management Company Fee		-
Nurse Services		-
Food Service / School Lunch		
Payroll Services		-
Special Ed Services		-
Titlement Services (i.e. Title I)		-
Other Purchased / Professional / Consulting		60,067
TOTAL CONTRACTED SERVICES		**60,067**
SCHOOL OPERATIONS		
Board Expenses		-
Classroom / Teaching Supplies & Materials		31,817.94
Special Ed Supplies & Materials		-
Textbooks / Workbooks		21,058
Supplies & Materials other		-
Equipment / Furniture		23,150
Telephone		868
Technology		16,205

Student Testing & Assessment	-
Field Trips	3,071
Transportation (student)	-
Student Services - other	13,161
Office Expense	25,108
Staff Development	77,850
Staff Recruitment	7,032
Student Recruitment / Marketing	289
School Meals / Lunch	7,019
Travel (Staff)	7,113
Fundraising	-
Other	-
TOTAL SCHOOL OPERATIONS	**233,741**
FACILITY OPERATION & MAINTENANCE	
Insurance	13,569
Janitorial	26,044
Building and Land Rent / Lease	352,457
Repairs & Maintenance	1,447
Equipment / Furniture	1,157
Security	-
Utilities	34,725
TOTAL FACILITY OPERATION & MAINTENANCE	**429,398**
DEPRECIATION & AMORTIZATION	26,044
DISSOLUTION ESCROW & RESERVES / CONTIGENCY	-
TOTAL EXPENSES	**2,005,057**
NET INCOME	**(731,657)**

ENROLLMENT - *School Districts Are Linked To Above Entries*	**REGULAR EDUCATION**
District of Location 9	144
School District 2 (Enter Name)	
School District 3 (Enter Name)	
School District 4 (Enter Name)	
School District 5 (Enter Name)	
TOTAL ENROLLMENT	**144**
REVENUE PER PUPIL	8,843
EXPENSES PER PUPIL	13,924

harter School III

OR 2016-2017

e 30, 2017

nt Section beginning in row 155. This will populate the data in row 10.

SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
220,935	-	-	1,888,484	3,382,819
564,803	-	-	812,959	3,382,819
(343,868)	-	-	1,075,525	(0)
14				-
14				158

PROGRAM SERVICES		SUPPORT SERVICES		
SPECIAL EDUCATION	OTHER	FUNDRAISING	MANAGEMENT & GENERAL	TOTAL
-	-	-	1,329,760	2,216,266
	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,329,760	2,216,266
93,510	-	-	-	93,510
-	-	-	-	-
-	-	-	265,952	443,253
1,047	-	-	-	9,000
94,557	-	-	1,595,712	2,762,029
2,000	-	-	-	2,000
124,378	-	-	-	124,378
-	-	-	-	6,459
-	-	-	-	-
-	-	-	234,549	390,915
-	-	-	-	-
-	-	-	-	-
126,378	-	-	234,549	523,752
-	-	-	58,223	97,038
-	-	-	-	-
-	-	-		-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	58,223	97,038
220,935	-	-	1,888,484	3,382,819

-	-	-	121,980	203,300
-	-	-	-	144,240
-	-	-	-	108,070
-	-	-	138,930	138,930
-	-	-	167,630	167,630
-	-	-	-	-
-	**-**	**-**	**428,540**	**762,170**

124,378	-	-	-	637,000
191,500	-	-	-	191,500
-	-	-	-	-
-	-	-	-	135,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	41,483
315,878	**-**	**-**	**-**	**1,004,983**

-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	**-**	**-**	**-**	**-**

315,878	**-**	**-**	**428,540**	**1,767,153**

36,010	-	-	48,854	201,455
23,340	-	-	31,665	130,576
12,635	-	-	17,142	70,686
71,986	**-**	**-**	**97,660**	**402,717**

387,864	**-**	**-**	**526,200**	**2,169,870**

-	-	-	25,000	25,000
-	-	-	5,000	5,000
-	-	-	-	-
-	-	-	-	-
	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-			32,000	92,067
-	**-**	**-**	**62,000**	**122,067**

-	-	-	-	-
4,446.06	-	-	-	36,264
1,000	-	-	-	1,000
2,942	-	-	-	24,000
-	-	-	-	-
7,150	-	-	9,700	40,000
268	-	-	364	1,500
5,005	-	-	6,790.09	28,000

-	-	-	-	-
429	-	-	-	3,500
-	-	-	-	-
1,839	-	-	-	15,000
7,755	-	-	11,021	43,883
-	-	-	-	77,850
2,172	-	-	2,946	12,150
89	-	-	121	500
981	-	-	-	8,000
2,197	-	-	2,980	12,290
-	-	-	-	-
-	-	-	-	-
36,273	**-**	**-**	**33,923**	**303,937**

4,191	-	-	5,685	23,445
8,044	-	-	10,913	45,000
108,859	-	-	147,684	609,000
447	-	-	606	2,500
357	-	-	485	2,000
-	-	-	-	-
10,725	-	-	14,550	60,000
132,622	**-**	**-**	**179,924**	**741,945**

8,044	-	-	10,913	45,000
-	-	-	-	-

564,803	**-**	**-**	**812,959**	**3,382,819**

(343,868)	**-**	**-**	**1,075,525**	**(0)**

SPECIAL EDUCATION	TOTAL ENROLLED
14	158
	-
	-
	-
	-
14	**158**

15,781	-

40,343	-

Assumptions
DESCRIPTION OF ASSUMPTIONS - Please note assumptions when applicable
based on 158 scholars
Based on 9 billable scholars
Rental assistance
NYSTL
Remaining CSP balance
List exact titles and staff FTE"s (Full time eqiuilivalent)

1 SD & .33 ED
1 IC & .33 DCI
1 Dean & .33 Shared Dean
.33 each - Director of Business, Director of Talent, IT Manager, Talent Manager
1 OM, 1 OA, .33 Shared OA
Includes all special services
Includes tutoring, SLA, planning

Family Advisory cost, Assemblies, SLA expense

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September 21, 2016

To the Board of Trustees and Management
South Bronx Classical Charter School III
977 Fox Street
Bronx, NY 10459

In planning and performing our audit of the financial statements of South Bronx Classical Charter School III (the "School") as of June 30, 2016 and for the period from November 18, 2014 (inception) to June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, 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 School's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

This communication is intended solely for the information and use of management, Audit Committee, Board of Trustees, The Department of Education of the City of New York, The State Education Department of the State University of New York, and others within the School, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate your cooperation and the assistance we received during the course of our audit.

Fruchter Rosen & Company P.C.
FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 21, 2016

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

FINANCIAL STATEMENTS

JUNE 30, 2016

SOUTH BRONX CLASSICAL CHARTER SCHOOL III
FINANCIAL STATEMENTS
JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Report on the Financial Statements

We have audited the accompanying financial statements of South Bronx Classical Charter School III (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the period from November 18, 2014 (inception) to June 30, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2016, and the changes in its net assets and its cash flows for the period from November 18, 2014 (inception) to June 30, 2016 in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2016, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Fruchter Rosen & Company P.C.
FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 21, 2016

SOUTH BRONX CLASSICAL CHARTER SCHOOL III
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

ASSETS	
Current assets:	
Cash and cash equivalents	$ 37,918
Grants and contracts receivable	398,205
Prepaid expenses and other current assets	2,902
Total current assets	439,025
Property and equipment, net of accumulated depreciation and amortization of $28,804	149,515
Restricted cash	25,030
Security deposits	684,835
TOTAL ASSETS	$ 1,298,405
LIABILITIES AND UNRESTRICTED NET ASSETS	
Current liabilities:	
Accounts payable and accrued expenses	$ 36,103
Accrued payroll and payroll taxes	78,302
Refundable advances	666
Due to related parties	975,800
Total liabilities	1,090,871
Contingency	-
Unrestricted net assets	207,534
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	$ 1,298,405

The accompanying notes are an integral part of the financial statements.

SOUTH BRONX CLASSICAL CHARTER SCHOOL III
STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM NOVEMBER 18, 2014 (INCEPTION)
TO JUNE 30, 2016

Revenue and support:	
State and local per pupil operating revenue	$ 1,919,395
State and local per pupil facilities funding	358,809
Federal grants	521,714
State and city grants	304,738
Contributions	14,200
Interest and other income	3,633
Total revenue and support	3,122,489
Expenses:	
Program services:	
Regular education	1,773,631
Special education	438,150
Total program services	2,211,781
Management and general	703,174
Total expenses	2,914,955
Change in unrestricted net assets	207,534
Unrestricted net assets - beginning of period	-
Unrestricted net assets - end of period	$ 207,534

The accompanying notes are an integral part of the financial statements.

SOUTH BRONX CLASSICAL CHARTER SCHOOL III
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD FROM NOVEMBER 18, 2014 (INCEPTION) TO JUNE 30, 2016

		Program Services				
	No. of Positions	Regular Education	Special Education	Total	Management and General	Total
Personnel services costs						
Administrative staff personnel	9	$ 130,438	$ -	$ 130,438	$ 239,423	$ 369,861
Instructional personnel	16	647,124	220,397	867,521	-	867,521
Non-instructional personnel	4	-	-	-	10,992	10,992
Total salaries and staff	29	777,562	220,397	997,959	250,415	1,248,374
Fringe benefits and payroll taxes		155,483	44,071	199,554	50,074	249,628
Retirement		21,136	5,991	27,127	6,807	33,934
Legal services		-	-	-	19,309	19,309
Accounting/audit services		-	-	-	22,500	22,500
Other purchased/Professional/Consulting services		112,987	2,777	115,764	188,800	304,564
Building and land rent/Lease		339,147	96,130	435,277	109,223	544,500
Repairs and maintenance		24,852	7,044	31,896	8,004	39,900
Insurance		14,819	4,200	19,019	4,773	23,792
Utilities		24,472	6,937	31,409	7,881	39,290
Supplies/Materials		98,349	15,314	113,663	3,522	117,185
Equipment/Furnishing		2,997	850	3,847	965	4,812
Staff development		54,060	-	54,060	-	54,060
Marketing/Recruitment		25,773	7,305	33,078	8,298	41,376
Technology		5,732	1,625	7,357	1,846	9,203
Food services		6,953	972	7,925	-	7,925
Student services		44,857	6,268	51,125	-	51,125
Office expense		38,542	10,925	49,467	12,412	61,879
Depreciation and amortization		17,941	5,085	23,026	5,778	28,804
Other		7,969	2,259	10,228	2,567	12,795
Total expenses		$ 1,773,631	$ 438,150	$ 2,211,781	$ 703,174	$ 2,914,955

The accompanying notes are an integral part of the financial statements.

SOUTH BRONX CLASSICAL CHARTER SCHOOL III
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM NOVEMBER 18, 2014 (INCEPTION)
TO JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in unrestricted net assets	$ 207,534
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Depreciation and amortization	28,804
Loss on disposal of property and equipment	1,263
Changes in certain assets and liabilities:	
(Increase) in grants and contracts receivable	(398,205)
(Increase) in prepaid expenses and other current assets	(2,902)
(Increase) in security deposits	(684,835)
Increase in accounts payable and accrued expenses	36,103
Increase in accrued payroll and payroll taxes	78,302
Increase in refundable advances	666
Increase in due to related parties	975,800
NET CASH PROVIDED BY OPERATING ACTIVITIES	242,530
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(179,582)
(Increase) in restricted cash	(25,030)
NET CASH (USED IN) INVESTING ACTIVITIES	(204,612)
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,918
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	-
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 37,918

The accompanying notes are an integral part of the financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

South Bronx Classical Charter School III (the "School") is a New York State, not-for-profit educational corporation that was incorporated on November 18, 2014 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 November 18, 2014, valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The School's mission is to provide its students with a solid foundation for academic success, through achievement that exceeds citywide averages and meets or exceeds New York State standards and national norms in all curriculum areas tested, especially in mathematics and language arts. The School provided education to approximately 129 students in grades kindergarten and first in the 2015-2016 academic year.

Food and Transportation

The New York City Department of Education provides free lunches directly to some of the School's students. Such costs are not included in these financial statements. The School covers the unreimbursed cost of lunches for children not entitled to the free lunches. The Office of Pupil Transportation provides free transportation to the majority of the students during the district's school days.

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as a School described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b)(l)(A)(ii). The School is subject to income taxes only on net unrelated business income. The School did not have net unrelated business income for the period from November 18, 2014 (inception) to June 30, 2016.

The School's accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The School has no uncertain tax position resulting in an accrual of tax expense or benefit.

IRS Forms 990 filed by the School are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. All Forms 990 filed by the School are subject to examination.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The School's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The financial statement presentation follows the requirements of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") 958-205 which provides guidance for the classification of net assets. The amounts for each of the three classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

Unrestricted

Net assets of the School whose use has not been restricted by an outside donor or by law. They are available for any use in carrying out the operations of the School.

Temporarily Restricted

Temporarily restricted net assets of the School represent those amounts that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the School. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities, as net assets released from restrictions.

Permanently Restricted

Permanently restricted net assets of the School result from contributions whose use has been permanently limited by donor-imposed restrictions. Such assets include contributions required to be invested in perpetuity, the income from which is available to support charitable purposes designated by the donors.

The School had no temporarily or permanently restricted net assets at June 30, 2016.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Revenue and Support

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 temporarily restricted support 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 unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support (Continued)
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.

Refundable Advances
The School records grant revenue as refundable advances until it is expended for the purpose of the grant, at which time it is recognized as revenue.

Deferred Rent
The School records its rent in accordance with ASC 840-20 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, as well as any unamortized lease incentives, is reflected in deferred rent in the accompanying statements of financial position.

Cash and Cash Equivalents
The School consider all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk
Financial instruments which potentially subject the School to concentrations of credit risk are cash and cash equivalents. The School places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of $250,000 per institution at various times during the year. At June 30, 2016 account balances did not exceed insured levels. The School believes that there is little risk in any losses and has not experienced any losses in such accounts.

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.

Property and Equipment
Purchased property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding, whereas the government agency retains legal title to the long lived asset is expensed as incurred. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Furniture and fixtures	7 years
Computers and other equipment	3 and 5 years
Leasehold improvements	Useful life or related lease

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of federal grants, state, and city entitlements and grants. The School expects to collect these receivables within one year.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2016:

Furniture and fixtures	$ 64,471
Computers and other equipment	94,938
Leasehold improvements	18,910
	178,319
Less: Accumulated depreciation and amortization	(28,804)
	$ 149,515

During the period from November 18, 2014 (inception) to June 30, 2016, the School disposed of assets resulting in a (loss) of $(1,263). Depreciation and amortization expense was $28,804 for the period from November 18, 2014 (inception) to June 30, 2016.

NOTE 4 - CONTINGENCY

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

NOTE 5 - REVENUE CONCENTRATION

The School receives a substantial portion of its support and revenue 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.

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSE

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expense includes those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

NOTE 7 - RELATED PARTY TRANSACTIONS

The School is affiliated with two charter schools: South Bronx Classical Charter School ("SBCCS"), organized on October 7, 2005, and South Bronx Classical Charter School II ("SBCCS II"), organized on June 19, 2012, (collectively "the related charter schools"). The related charter schools are New York State not-for-profit education corporations that share common management and Board members with the School.

For operational efficiency and purchasing power, the School shares operating expenses with the related charter schools. These operating expenses include, but not limited to salaries, benefits, and start-up expenses. SBCCS billed the School $410,928 for the period from November 18, 2014 (inception) to June 30, 2016. In addition, SBCCS II billed the School $93,874 for the period from November 18, 2014 (inception) to June 30, 2016.

The net balance due (to) the related charter schools consist of the following at June 30, 2016:

SBCCS	$ (881,926)
SBCCS II	(93,874)
	$ (975,800)

NOTE 8 - PENSION PLAN

The School maintains a pension plan qualified under Internal Revenue Code 401(k) for the benefit of its eligible employees. Under the plan, the School provided matching contributions of 4% to the plan. The amount charged for matching contributions to this plan amounted to $33,934 for the period from November 18, 2014 (inception) to June 30, 2016.

NOTE 9 - COMMITMENTS

3490 Third Avenue Realty LLC

On June 29, 2015, South Bronx Classical Charter School III entered into a lease agreement with 3490 Third Avenue Realty LLC for the rental of temporary office/classroom space located in Bronx, New York. The lease term commenced on August 1, 2015 and expires on July 31, 2017. Under the terms of the lease, the School paid a security deposit in the amount of $148,500 during the year ended June 30, 2016. The School is responsible for utilities, custodial services, and maintenance. The School did not recognize rent expense on a straight-line basis due to the short term of this lease.

NOTE 9 - COMMITMENTS (Continued)

3450 Third Avenue Realty LLC

On November 6, 2015, South Bronx Classical Charter School III entered into a lease agreement with 3458 Third Avenue Realty LLC for the rental of permanent office/classroom space located in Bronx, New York. The lease term commences on August 1, 2017 and expires on July 31, 2037, with two options to extend the lease for an additional five years each. Under the terms of the lease, the School paid a security deposit in the amount of $528,655 during the year ended June 30, 2016. Rent will commence once the School moves into this facility. The School is responsible for real estate taxes, utilities, custodial services, and maintenance.

Future minimum lease payments under the two leases are as follows:

Year ending June 30,	2017	$ 621,500
	2018	1,471,980
	2019	1,563,269
	2020	1,578,901
	2021	1,594,691
	Thereafter	27,952,186
		$ 34,782,527

Building and land rent/Lease expense amounted to $544,500 for the period from November 18, 2014 (inception) to June 30, 2016.

NOTE 10 - SUBSEQUENT EVENTS

The School has evaluated its subsequent events through September 21, 2016, the date the accompanying financial statements were available to be issued. The School had no material events requiring disclosure except for as noted below.

South Bronx Classical Charter School I, II, and III merged into a single legal entity under South Bronx Classical Charter School II, which serves as the sole surviving education corporation. The plan of merger was approved by the New York State Education Department Board of Regents on June 20, 2016, and became effective for financial purposes on July 1, 2016. South Bronx Classical Charter School II changed its name to Classical Charter Schools, and each School is authorized by the New York State Education Department. South Bronx Classical Charter School I and III were disolved in conjunction with this merger.

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INDEPENDENT AUDITORS' 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*

TO THE BOARD OF TRUSTEES OF
SOUTH BRONX CLASSICAL CHARTER SCHOOL III

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 South Bronx Classical Charter School II (the "School"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the period from November 18, 2014 (inception) to June 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2016.

Internal Control Over Financial Reporting

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

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

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

TO THE BOARD OF TRUSTEES OF
SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Compliance and Other Matters

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

Purpose of this Report

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

Fruchter Rosen & Company P.C.
FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 21, 2016

FRUCHTER ROSEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
156 WEST 56TH STREET
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600
FAX: (212) 957-3696

INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees of South Bronx Classical Charter School III:

We have performed the procedures identified below, which were agreed to by the management of South Bronx Classical Charter School III (the "School") and the New York State Education Department ("NYSED") solely to assist the specified parties in evaluating the School's assertion to NYSED that it has maintained compliance with the requirements of the CSP grant and Federal and NYSED guidelines in managing the CSP grant for the period from November 18, 2014 (inception) to June 30, 2016.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specific users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our results are as follows:

Procedure #1: We will obtain the detail of expenditures incurred for the period under review relating to the CSP grant from the School's accounting software and reconcile to the grant revenue recorded by the School. If the CSP grant revenue does not equal the grant expenditures, we will investigate the differences.

Result: No exceptions noted.

Procedure #2: We will obtain the NYSED approved CSP grant award information, including the budget and any amendments, to determine if the revenue and expenditures recorded for the period appear reasonable.

Result: No exceptions noted.

Procedure #3: We will select a sample from the detail of expenditures obtained in Procedure #1.

a. Payroll – We will select 10 items or 10% of the total number of payroll items charged to the grant, whichever is less.

b. Other expenses – We will select 10 items or 10% of the total number of items charged to the grant, whichever is less.

c. Using the above selected items, we will:

   i. Determine if the expenditure is in accordance with the purpose of the grant and that pre-opening expenditures are charged to pre-opening periods.

   ii. Determine if the expenditure falls into an approved budget category.

   iii. Determine if the expenditure was charged to the appropriate fiscal period.

Result: No exceptions noted.

Procedure #4: We will obtain FS-25 form(s) submitted to NYSED during the period under review and perform the following:

a. Trace expenditures selected in Procedure #3 to requests for reimbursement. Determine that items requested for reimbursement had previously been expended or were expended within a month following the request for reimbursement. If items have not yet been requested for reimbursement, inquire of responsible School officials as to the plan for requesting reimbursement, and determine if a receivable is recorded, if appropriate.

b. If FS-25 form(s) included amounts on Line 4 (Cash Expenditures Anticipated During Next Month), we will select one FS-25 and determine if funds were expended within a month following the date of the request.

Result: No exceptions noted.

Procedure #5: For Schools with a weighted lottery during the period under review we will.

a. Obtain documentation that the school received permission from the NYSED Charter School Office for the weighted lottery.

b. Obtain the results of the weighted lottery.
   - Note that weighted lotteries must be conducted using the NYSED Weighted Lottery Generator (WLG). When the WLG is used, a copy of the 'lottery PDF' should be observed. (This PDF is generated after the WLG has conducted the lottery.)

Result: The School did not conduct a weighted lottery.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the School's compliance with the requirements of the CSP grant. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the School and the New York State Education Department, and it is not intended to be and should not be used by anyone other than the specified parties.

Fruchter Rosen & Company P.C.

FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 21, 2016

Disclosure of Financial Interest by a Current or Proposed Charter School Education Corporation Trustee

Trustee Name:

C. Stephen Baldwin

Name of Charter School Education Corporation (for an unmerged school, this is the Charter School Name):

South Bronx Classical Charter School III

1. List all positions held on the education corporation board (e.g., president, treasurer, parent representative). Board Chair

2. Is the trustee an employee of any school operated by the Education Corporation?
   ____Yes ___X___No

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

3. Is the trustee an employee or agent of the management company or institutional partner of the charter school(s) governed by the Education Corporation?
   ____Yes ___X___No

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

4. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school(s) governed by the Education Corporation during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Questions 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
None			

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write **None.**

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
None				

C. Stephen Baldwin 17 July 2016

Signature Date

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law. Personal contact information provided below will be redacted.

Business Telephone: _____

Business Addre[redacted]

E-mail Address:

Home Telephon

Home Address:

Disclosure of Financial Interest by a Current or Proposed Charter School Education Corporation Trustee

Trustee Name: Kathryn Moore Heleniak

Name of Charter School Education Corporation (for an unmerged school, this is the Charter School Name):
South Bronx Classical Charter School III

1. List all positions held on the education corporation board (e.g., president, treasurer, parent representative).

2. Is the trustee an employee of any school operated by the Education Corporation?
____**Yes** _X_**No**

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

3. Is the trustee an employee or agent of the management company or institutional partner of the charter school(s) governed by the Education Corporation?
____**Yes** _X_**No**

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

4. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school(s) governed by the Education Corporation during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Questions 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself
None			

Please write "None" if applicable. Do not leave this space blank.			

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write **None.**

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
Please write "None" if applicable. Do not leave this space blank. NONE				

Kathy M. Heberoak
Signature

July 14, 2016
Date

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law. Personal contact information provided below will be redacted.

Business Teleph

Business Addres

E-mail Address:

Home Telephone:

Home Address:

[redacted]

Disclosure of Financial Interest by a Current or Proposed Charter School Education Corporation Trustee

Trustee Name:

J. Kevin Murphy

Name of Charter School Education Corporation (for an unmerged school, this is the Charter School Name):

Sout Bronx Classical Charter School III

1. List all positions held on the education corporation board (e.g., president, treasurer, parent representative). Trustee, Secretary

2. Is the trustee an employee of any school operated by the Education Corporation?
   ____**Yes** _X_**No**

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

3. Is the trustee an employee or agent of the management company or institutional partner of the charter school(s) governed by the Education Corporation?

   ____**Yes** _X_**No**

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

4. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school(s) governed by the Education Corporation during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Questions 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself

Please write "None" if applicable. Do not leave this space blank. None			

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write **None**.

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
Please write "None" if applicable. Do not leave this space blank. None				

J. Kevin Murphy
Signature

July 15, 2016
Date

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law. Personal contact information provided below will be redacted.

Business Telephone: [redacted]

Business Address: [redacted]

E-mail Address: [redacted]

Home Telephone: [redacted]

Home Address: [redacted]

Disclosure of Financial Interest by a Current or Proposed Charter School Education Corporation Trustee

Trustee Name:

_Louisa Childs_____

Name of Charter School Education Corporation (for an unmerged school, this is the Charter School Name):

South Bronx Classical Charter School III

1. List all positions held on the education corporation board (e.g., president, treasurer, parent representative).

   Trustee

2. Is the trustee an employee of any school operated by the Education Corporation?
   ____Yes _x_No

   If Yes, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

3. Is the trustee an employee or agent of the management company or institutional partner of the charter school(s) governed by the Education Corporation?

   ____Yes _x_No

   If Yes, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

4. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school(s) governed by the Education Corporation during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Questions 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself

Please write "None" if applicable. Do not leave this space blank. None			

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write **None**.

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
Please write "None" if applicable. Do not leave this space blank. None				

7/14/2016

Signature Date

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law Personal contact information provided below will be redacted

Business Telepho

Business Address

E-mail Address: _

Home Telephone:

Home Address: _

Disclosure of Financial Interest by a Current or Proposed Charter School Education Corporation Trustee

Trustee Name:

Laurence G. Hirsch

Name of Charter School Education Corporation (for an unmerged school, this is the Charter School Name):

South Bronx Classical Charter School III

1. List all positions held on the education corporation board (e.g., president, treasurer, parent representative).

   Former Vice-Chair

2. Is the trustee an employee of any school operated by the Education Corporation?
   ____**Yes** __X__**No**

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

3. Is the trustee an employee or agent of the management company or institutional partner of the charter school(s) governed by the Education Corporation?

   ____**Yes** __X__**No**

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

4. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school(s) governed by the Education Corporation during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Questions 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself

Please write "None" if applicable. Do not leave this space blank. NONE			

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write **None**.

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
Please write "None" if applicable. Do not leave this space blank. NONE				

Signature 7/21/16 Date

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law. Personal contact information provided below will be redacted.

Business Telepho [redacted]

Business Address [redacted]

E-mail Address: [redacted]

Home Telephone: [redacted]

Home Address: [redacted]

Disclosure of Financial Interest by a Current or Proposed Charter School Education Corporation Trustee

Trustee Name:

JAMES R. MAHER JR.

Name of Charter School Education Corporation (for an unmerged school, this is the Charter School Name):

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

1. List all positions held on the education corporation board (e.g., president, treasurer, parent representative).

   BOARD MEMBER

2. Is the trustee an employee of any school operated by the Education Corporation?
   ____Yes ✓No

   If Yes, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

3. Is the trustee an employee or agent of the management company or institutional partner of the charter school(s) governed by the Education Corporation?

   ____Yes ✓No

   If Yes, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

4. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school(s) governed by the Education Corporation during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Questions 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself

NONE Please write "None" if applicable. Do not leave this space blank.			

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write **None**.

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
Please write "None" if applicable. Do not leave this space blank. NONE				

Signature _____ Date 7-25-16

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law. Personal contact information provided below will be redacted.

Business Teleph[redacted]

Business Addres[redacted]

E-mail Address: [redacted]

Home Telephone[redacted]

Home Address: [redacted]

Disclosure of Financial Interest by a Current or Proposed Charter School Education Corporation Trustee

Trustee Name:

Ingrid Bateman

Name of Charter School Education Corporation (for an unmerged school, this is the Charter School Name):

South Bronx Classical Charter School III

1. List all positions held on the education corporation board (e.g., president, treasurer, parent representative).

   associate treasurer / secretary

2. Is the trustee an employee of any school operated by the Education Corporation?
   ____**Yes** _✓_**No**

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

3. Is the trustee an employee or agent of the management company or institutional partner of the charter school(s) governed by the Education Corporation?

   ____**Yes** _✓_**No**

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date.

4. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school(s) governed by the Education Corporation during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered **Yes** to Questions 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself

none Please write "None" if applicable. Do not leave this space blank.			

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write **None**.

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
none Please write "None" if applicable. Do not leave this space blank.				

Signature 7/17/16 Date

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law. Personal contact information provided below will be rec

Business Telephon

Business Address:

E-mail Address:

Home Telephone:

Home Address:

Disclosure of Financial Interest by a Current or Proposed Charter School Education Corporation Trustee

Trustee Name:

William F. Higgins

Name of Charter School Education Corporation (for an unmerged school, this is the Charter School Name):

SBCCS 3

1. List all positions held on the education corporation board (e.g., president, treasurer, parent representative)

2. Is the trustee an employee of any school operated by the Education Corporation?
   ____ Yes X No

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date

3. Is the trustee an employee or agent of the management company or institutional partner of the charter school(s) governed by the Education Corporation?

   ____ Yes X No

   If **Yes**, for each school, please provide a description of the position(s) you hold, your responsibilities, your salary and your start date

4. Identify each interest/transaction (and provide the requested information) that you or any of your immediate family members or any persons who live with you in your house have held or engaged in with the charter school(s) governed by the Education Corporation during the time you have served on the board, and in the six-month period prior to such service. If there has been no such financial interest or transaction, write **None**. Please note that if you answered Yes to Questions 2-4 above, you need not disclose again your employment status, salary, etc.

Date(s)	Nature of Financial Interest/Transaction	Steps taken to avoid a conflict of interest, (e.g., did not vote, did not participate in discussion)	Name of person holding interest or engaging in transaction and relationship to yourself

Please write "None" if applicable. Do not leave this space blank.			
none			

5. Identify each individual, business, corporation, union association, firm, partnership, committee proprietorship, franchise holding company, joint stock company, business or real estate trust, non-profit organization, or other organization or group of people doing business with the school(s) governed by the Education Corporation **and** in which such entity, during the time of your tenure as a trustee, you and/or your immediate family member(s) or person(s) living in your house had a financial interest or other relationship. If you are a member, director, officer or employee of an organization formally partnered with the school(s) that is/are doing business with the school(s) through a management or services agreement, please identify only the name of the organization, your position in the organization, and the relationship between such organization and the school(s). If there was no financial interest, write **None**

Organization conducting business with the school(s)	Nature of business conducted	Approximate value of the business conducted	Name of Trustee and/or immediate family member of household holding an interest in the organization conducting business with the school(s) and the nature of the interest	Steps Taken to Avoid Conflict of Interest
Please write "None" if applicable. Do not leave this space blank.				
none				

Signature _____ Date 12 July 16

Please note that this document is considered a public record and as such, may be made available to members of the public upon request under the Freedom of Information Law. Personal contact information provided below will be redacted.

Business Teleph

Business Addres

E-mail Address:

Home Telephone:

Home Address:

[redacted]

Entry 9 BOT Table

Created: 07/26/2016

Last updated: 07/27/2016

Page 1

1. Current Board Member Information

	Trustee Name	Email Address	Position on the Board	Committee Affiliations	Voting Member? (Y/N)	Area of Expertise, and/or Additional Role at School (parent, staff member, etc.)	Number of Terms Served and Length of Each (Include election date and term expiration)
1	Stephen Baldwin	[redacted]	Chair/Board President	Executive, Legal, Oversight	Yes	Law, Management	Serving 1st term, 2 years (elected May 15, 2015, expiration May 16, 2017)
2	Katherine Heleniak	[redacted]	Vice Chair/Vice President	Executive, Education	Yes	Education	Serving 1st term, 2 years (elected May 15, 2015, expiration May 16, 2017)
3	Kevin Murphy	[redacted]	Secretary	Executive, Education, Finance	Yes	Education, Finance	Serving 1st term, 2 years (elected May 15, 2015, expiration May 16, 2017)

4	William Higgins	[redacted]	Treasurer	Finance, Real Estate	Yes	Real Estate	Serving 1st term, 2 years (elected May 15, 2015, expiration May 16, 2017)
5	Larry Hirsch	[redacted]	Trustee/Member	Real Estate	Yes	Real Estate	Serving 1st term, 2 years (elected May 15, 2015, expiration May 16, 2017)
6	James Maher	[redacted]	Trustee/Member	Real Estate	Yes	Real Estate	Serving 1st term, 2 years (elected May 15, 2015, expiration May 16, 2017)
7	Louisa Childs	[redacted]	Trustee/Member	Legal	Yes	Law	Serving 1st term, 2 years (elected May 15, 2015, expiration May 16, 2017)
8	Ingrid Bateman	[redacted]	Trustee/Member	Education, Finance	Yes	Education, Finance	Serving 1st term, 2 years (elected May 15, 2015, expiration May 16, 2017)
9							
10							
11							

12							
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14							
15							
16							
17							
18							
19							
20							

2. Total Number of Members on June 30, 2015

8

3. Total Number of Members Joining the Board 2015-16 School Year

0

4. Total Number of Members Departing the Board during the 2015-16 School Year

0

5. Number of Voting Members 2015-16, as set by the by-laws, resolution or minutes

8

6. Number of Board Meetings Conducted in the 2015-16 School Year

11

7. Number of Board Meetings Scheduled for the 2016-17 School Year

11

Thank you.

SOUTH BRONX CLASSICAL
CHARTER SCHOOL

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

August 25, 2015

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Prof. Kathryn Heleniak, Mr. Bill Higgins, Mr. James Maher, Mr. J. Kevin Murphy

Trustees Absent: Ms. Brown, Ms. Smaylovsky, and Mr. Hirsch

Trustees Phoning in: None

Guests: Mr. Lester Long

I. Call to Order

After touring the new school and its facilities and there being a quorum, the Chair called the Meeting to order at SBCCS III at 3490 Third Avenue, Bronx, N.Y. after the meeting of SBCCS II.

II. Review of Minutes

The Board Members unanimously approved the minutes from the 6/22/2105 Board Meeting.

III. Report of the Chair

The Chair entered into Executive Session to consider matters pertaining to personnel, the appointment of a DCI, and compensation. The relevant minutes of the Executive Session and their supporting documentation and Exhibits 1-7, filed separately, are integral to the record of this meeting.

IV. Executive Directors Report

Prior to the meeting, the Principal of SBCCS III, Ms. Geary, escorted the Trustees around the temporary space in which the school will "incubate" for 2 years pending construction of a new facility at the end of the block. The current premises nevertheless impose constraints on expansion year after next. This makes the timely completion of the long term facility all the more key to the school's expansion. Some aspects of the lease are being negotiated while at the same time we are developing a dialogue with a potential advisor to help direct fund-raising.

V. Financial Report

Profit and Loss Statements and Balance Sheets, SBCCS III as well as on a Consolidated basis were tabled for the Financial Year 7/31/14-6/30/15 as well as for the month ending 7/31/15. The Revenue for School III is slightly below budgeted amounts, however so are current operating expenses due to the de novo status of the school. SBCCS I has advanced some working capital from and the new program is necessarily very thinly capitalized, though it is liquid at 7/31/15.

The Trustees:

VOTED to approve the Financial Statements as presented for FY 2014-2015 and the month through 7/31/15.

VI. Calendar of Meetings for SBCCS III 2015-2016

Calendar for SBCCS Board Meetings 2015-2016

August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

All meetings begin at 6:00 p.m. at the designated venue.

VII. Other Business and Adjournment

There being no further business for SBCCS the Trustees:

VOTED to adjourn until the next meeting on Tuesday, October 13, 2015 at 6:00 p.m. at SBCCS II at 333 East 135th Street, Bronx, N.Y.

Respectfully submitted,

J. Kevin Murphy

J. Kevin Murphy, Secretary

SOUTH BRONX CLASSICAL
CHARTER SCHOOL

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

October 13, 2015

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Mr. Bill Higgins, Mr. James Maher, Mr. J. Kevin Murphy, Ms. Smaylovsky.

Trustees Absent: Ms. Brown, Prof. Kathryn Heleniak, and Mr. Hirsch

Trustees Phoning in: None

Guests: Mr. Lester Long

I. Call to Order

There being a quorum, the Chair called the Meeting to order at SBCCS II at 333 East 135th Street, Bronx, N.Y. after the meeting of SBCCS II.

II. Review of Minutes

The Board Members approved the minutes from the 8/25/2015 Board Meeting.

III. Report of the Chair

The Chair entered into Executive Session to hear strategic options pertaining to the continued expansion of SBCCS. The relevant minutes of the Executive Session, filed separately, are integral to the record of this meeting.

The Chair also took the opportunity to explain that Outreach grants of up to $500,000 are being offered by NYS to Charter schools which can effectively share with public schools their curriculum, methods, and instruction. He suggested that we convene a subcommittee to investigate the opportunity, while not adding to the ED's workload. Messrs. Higgins, Maher, and Murphy will aid the Chair in responding to the RFP.

IV. Executive Director's Report

On the business side, the process of merging the educational corporations is proceeding slowly with a target date of June 30, 2016. There are several literacy initiatives which are underway especially in the early grades including revamping the phonics program, formulating a home reading program and tutoring program, as well as a "Close reading" program for all grades. Other initiatives are also underway including the establishment of an on-line video library of best practices and work with the Special Services Team, which includes SETSS, speech, counseling, occupational and physical therapies.

V. Financial Report

The Financial Statements for through 9/30/2015 are included in the accompanying PDF file in the folder. The Profit and Loss statement reports Revenue from the State and City, which had been budgeted for 130 scholars and 15 SPED students, is running slightly behind plan, while the Title I and II funding is significantly ahead of budgeted amounts. Despite a 9/1 start by the SPED staff, Faculty compensation is somewhat higher than anticipated, although this has been offset by lower than anticipated expenses in utilities, moving expense, and custodial services leading to a higher than anticipated net operating income. Overall, enrollment is somewhat less than anticipated.

The school's assets are quite liquid, with Cash and Cash Equivalents exceeding Fixed Assets at this point. Much of that investment and the requisite security deposits have been financed by advances from SBCCS I and the diminishing Deferred Revenue liability that arises through the City and State's funding practices. Net Income is sufficiently positive to offset negative retained earnings, resulting in net equity of over $30,000 for the new program.

The Trustees:

VOTED to approve the Financial Statements as presented for through 9/30/2015.

VI. Calendar of Meetings for SBCCS 2015-2016

Calendar for SBCCS Board Meetings 2015-2016

August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

All meetings begin at 6:00 p.m. at the designated venue.

VII. Other Business and Adjournment

The next meeting for SBCCS will take place on Tuesday, November 17, 2015 at 6:00 p.m., 1192 Park Avenue, N.Y.

There being no further business for SBCCS the Trustees

VOTED to adjourn.

Respectfully submitted,

J. Kevin Murphy, Secretary

SOUTH BRONX CLASSICAL CHARTER SCHOOL II
FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
SOUTH BRONX CLASSICAL CHARTER SCHOOL II

Report on the Financial Statements

We have audited the accompanying financial statements of South Bronx Classical Charter School II (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the School's 2014 financial statements, and our report dated September 19, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the period ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2015, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Fruchter Rosen & Company P.C.

FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 4, 2015

SOUTH BRONX CLASSICAL CHARTER SCHOOL II
STATEMENT OF FINANCIAL POSITION
JUNE 30,

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 42,824	$ 44,332
Grants and contracts receivable	51,472	9,633
Prepaid expenses and other current assets	61,949	11,406
Total current assets	156,245	65,371
Property and equipment, net of accumulated depreciation and amortization of $75,781 and $29,402, respectively	187,198	172,934
Restricted cash	25,067	25,012
TOTAL ASSETS	$ 368,510	$ 263,317
LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 80,360	$ 65,376
Accrued payroll and payroll taxes	119,241	83,522
Refundable advances	-	169,454
Due to related parties	208,942	-
Total current liabilities	408,543	318,352
Contingency	-	-
Unrestricted net assets	(40,033)	(55,035)
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	$ 368,510	$ 263,317

The accompanying notes are an integral part of the financial statements.

SOUTH BRONX CLASSICAL CHARTER SCHOOL II
STATEMENTS OF ACTIVITIES

	For the year ended June 30, 2015	For the period from June 19, 2012 (inception) to June 30, 2014
Revenue and support:		
State and local per pupil operating revenue	$ 2,260,652	$ 1,338,145
Federal grants	294,230	314,930
State and city grants	12,517	98,375
Contributions	8,475	108,895
Interest and other income	1,295	57
Total revenue and support	2,577,169	1,860,402
Expenses:		
Program services:		
Regular education	1,716,802	1,359,437
Special education	251,843	126,192
Total program services	1,968,645	1,485,629
Supporting service:		
Management and general	593,522	429,808
Total expenses	2,562,167	1,915,437
Changes in unrestricted net assets	15,002	(55,035)
Unrestricted net assets - beginning of period	(55,035)	-
Unrestricted net assets - end of period	$ (40,033)	$ (55,035)

The accompanying notes are an integral part of the financial statements.

SOUTH BRONX CLASSICAL CHARTER SCHOOL II
STATEMENTS OF CASH FLOWS

	For the year ended June 30, 2015	For the period from June 19, 2012 (inception) to June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in unrestricted net assets	$ 15,002	$ (55,035)
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation and amortization	46,470	29,402
Changes in assets and liabilities:		
(Increase) in grants and contracts receivable	(41,839)	(9,633)
(Increase) in prepaid expenses and other current assets	(50,543)	(11,406)
Increase in accounts payable and accrued expenses	14,984	65,376
Increase in accrued payroll and payroll taxes	35,719	83,522
(Decrease) Increase in refundable advances	(169,454)	169,454
Increase in due to related parties	208,942	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	59,281	271,680
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(60,734)	(202,336)
(Increase) in restricted cash	(55)	(25,012)
NET CASH (USED IN) INVESTING ACTIVITIES	(60,789)	(227,348)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,508)	44,332
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	44,332	-
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 42,824	$ 44,332

The accompanying notes are an integral part of the financial statements.

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

South Bronx Classical Charter School II (the "School") is a New York State, not-for-profit educational corporation that was incorporated on June 19, 2012 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 June 19, 2012, valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. The School's mission is to provide its students with a solid foundation for academic success, through achievement that exceeds citywide averages and meets or exceeds New York State standards and national norms in all curriculum areas tested, especially in mathematics and language arts. The School provided education to approximately 158 students in grades kindergarten through second in the 2014-2015 academic year.

The School shares space with a New York City public school beginning in August 2013. The School occupies approximately 7,000 square feet on one floor of a public school building. The School also shares the gymnasium, auditorium and cafeteria with the public school which approximate 6,726 square feet. The School is not responsible for rent, utilities, custodial services, maintenance and school safety services other than security related to the School's programs that take place outside the district's school day.

Food and Transportation

The New York City Department of Education provides free lunches directly to some of the School's students. Such costs are not included in these financial statements. The School covers the unreimbursed cost of lunches for children not entitled to the free lunches. The Office of Pupil Transportation provides free transportation to the majority of the students during the district's school days.

Tax Status

The School is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as a School described in Section 501(c)(3) and a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in section 170(b)(l)(A)(ii). The School is subject to income taxes only on net unrelated business income. The School did not have net unrelated business income for the year ended June 30, 2015 and for the period from June 19, 2012 (inception) to June 30, 2014.

The School's accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The School has no uncertain tax position resulting in an accrual of tax expense or benefit.

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Status (Continued)
IRS forms 990 filed by the School are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. All Forms 990 filed by the School are subject to examination.

Basis of Presentation
The financial statement presentation follows the requirements of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") 958-205 which provides guidance for the classification of net assets. The amounts for each of the three classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

Unrestricted
Net assets of the School whose use has not been restricted by an outside donor or by law. They are available for any use in carrying out the operations of the School.

Temporarily Restricted
Temporarily restricted net assets of the School represent those amounts that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the School. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets, as net assets released from restrictions.

Permanently Restricted
Permanently restricted net assets of the School result from contributions whose use has been permanently limited by donor-imposed restrictions. Such assets include contributions required to be invested in perpetuity, the income from which is available to support charitable purposes designated by the donors.

The School had no temporarily or permanently restricted net assets at June 30, 2015.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support

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 temporarily restricted support 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 unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value.

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.

Refundable Advances

The School records grant revenue as refundable advances until it is expended for the purpose of the grant, at which time it is recognized as revenue.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments which potentially subject the School to concentrations of credit risk are cash and cash equivalents. The School places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of $250,000 per institution at various times during the year. The School believes that there is little risk in any losses and has not experienced any losses in such accounts.

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.

Property and Equipment

Purchased property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding, whereas the government agency retains legal title to the long lived asset is expensed as incurred. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Furniture and fixtures	7 years
Computers and other equipment	3 and 5 years
Leasehold improvements	Useful life or related lease

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The accompanying statements of activities and schedule of functional expenses are presented with summarized comparative information. Such prior year information is not presented by net asset class in the statements of activities or by functional category in the schedule of functional expenses. Accordingly, such information should be read in conjunction with the School's 2014 financial statements from which the summarized information was derived.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of federal grants. The School expects to collect these receivables within one year.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2015	2014
Furniture and fixtures	$ 53,941	$ 42,890
Computers and other equipment	144,894	103,102
Leasehold improvements	64,234	56,344
	263,069	202,336
Less: Accumulated depreciation and amortization	75,871	29,402
	$ 187,198	$ 172,934

Depreciation and amortization expense was $46,470 and $29,402 for the year ended June 30, 2015 and for the period from June 19, 2012 (inception) to June 30, 2014.

NOTE 4 - CONTINGENCY

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

NOTE 5 - REVENUE CONCENTRATION

The School receives a substantial portion of its support and revenue 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.

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSE

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expense includes those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

NOTE 7 - RELATED PARTY TRANSACTIONS

The School is affiliated with two charter schools: South Bronx Classical Charter School ("SBCCS"), organized on October 7, 2005, and South Bronx Classical Charter School III ("SBCCS III"), organized on November 18, 2014, (collectively "the related charter schools"). The related charter schools are New York State not-for-profit education corporations that share common management and Board members with SBCCS II.

For operational efficiency and purchasing power, the School shares operating expenses with the related charter schools. These operating expenses include, but not limited to salaries, benefits and start-up expenses. SBCCS billed the School $297, 577 and $227,383 for the year ended June 30, 2015 and for the period from June 19, 2012 (inception) to June 30, 2014, respectively. The School billed SBCCS III $10,009 for the period from November 18, 2014 (inception) to June 30, 2015.

The net balance due (from) to the related charter schools consists of the following at June 30,:

	2015	2014
SBCCS	$ 218,951	$ -
SBCCS III	(10,009)	-
	$ 208,942	$ -

NOTE 8 - PENSION PLAN

The School maintains a pension plan qualified under Internal Revenue Code 401(k) for the benefit of its eligible employees. Under the plan, the School provided matching contributions of 4% to the plan. The amount charged for matching contributions to this plan amounted to $59,641 and $34,322 for the year ended June 30, 2015 and for the period from June 19, 2012 (inception) to June 30, 2014.

NOTE 9 - SUBSEQUENT EVENTS

The School has evaluated its subsequent events through September 4, 2015, the date the accompanying financial statements were issued. The School has no material events requiring disclosure.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
SOUTH BRONX CLASSICAL CHARTER SCHOOL II

We have audited the financial statements of South Bronx Classical Charter School II as of and for the year ended June 30, 2015 and have issued our report thereon dated September 4, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses 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.

Fruchter Rosen & Company P.C.
FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 4, 2015

SOUTH BRONX CLASSICAL CHARTER SCHOOL II
SCHEDULE OF FUNCTIONAL EXPENSES

	For the year ended June 30, 2015					
	Program Services			Management and General	Total	For the period from June 19, 2012 (inception) to June 30, 2014
	Regular Education	Special Education	Total			
Salaries	$ 1,058,549	$ 175,172	$ 1,233,721	$ 305,512	$ 1,539,233	$ 1,109,443
Benefits and taxes	242,309	40,098	282,407	70,309	352,716	254,496
Staff development	29,801	-	29,801	-	29,801	1,925
Consultants - Education	32,357	-	32,357	-	32,357	60,566
Consultants - Professional	80,102	-	80,102	141,957	222,059	191,262
Accounting/Auditing fees	-	-	-	22,750	22,750	27,500
Legal fees	-	-	-	7,092	7,092	13,051
Textbooks/Curriculum	32,088	5,222	37,310	-	37,310	29,600
Student services	8,739	1,016	9,755	-	9,755	3,291
Food	8,931	-	8,931	-	8,931	8,309
Communication/Technology	31,154	5,155	36,309	8,992	45,301	27,625
Equipment rental/Lease	26,779	4,431	31,210	7,729	38,939	27,584
Marketing/Recruiting	16,106	2,665	18,771	4,648	23,419	12,330
Supplies and materials	100,725	9,949	110,674	10,346	121,020	89,627
Travel	887	147	1,034	256	1,290	4,527
Insurance	12,963	2,145	15,108	3,741	18,849	15,376
Maintenance and repairs	298	49	347	85	432	-
Facility	-	-	-	-	-	6,579
Non-capitalized furniture and equipment	3,056	506	3,562	881	4,443	2,944
Depreciation and amortization	31,958	5,288	37,246	9,224	46,470	29,402
Totals	$ 1,716,802	$ 251,843	$ 1,968,645	$ 593,522	$ 2,562,167	$ 1,915,437

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INDEPENDENT AUDITORS' 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*

TO THE BOARD OF TRUSTEES OF
SOUTH BRONX CLASSICAL CHARTER SCHOOL II

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 South Bronx Classical Charter School II (the "School"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 4, 2015.

Internal Control Over Financial Reporting

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

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

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

TO THE BOARD OF TRUSTEES OF
SOUTH BRONX CLASSICAL CHARTER SCHOOL II

Compliance and Other Matters

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

Purpose of this Report

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

Fruchter Rosen & Company P.C.
FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
September 4, 2015

SOUTH BRONX CLASSICAL CHARTER SCHOOL

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

November 17, 2015

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Ms. Brown, Prof. Kathryn Heleniak, Mr. Hirsch, Mr. Bill Higgins, , Mr. J. Kevin Murphy, Ms. Smaylovsky,

Trustees Absent: Mr. James Maher

Trustees Phoning in: None

Guests: Mr. Lester Long

I. Call to Order

There being a quorum, the Chair called the Meeting to order at 1192 Park Avenue N.Y., N.Y. immediately following the SBCCS II meeting.

II. Review of Minutes

The Trustees

VOTED to approve the minutes from the 10/25/2015 Board Meeting.

III. Report of the Chair

The Chair entered into Executive Session to discuss matters relating to personnel and compensation. Please refer to minutes of the Executive Session appended to the minutes of SBCCS I as that compensation will be applied to the expenses of SBCCS III as per the burden rate recommended by our accountants.

The Trustees

VOTED to elect Mrs. Ingrid Bateman Deputy Secretary/Treasurer of South Bronx Classical School.

The Trustees tabled for further consideration and discussion a review of amendments to the Board's expectations of Trustees. Nevertheless, trustees may designate their annual gifts for the year to any of the three schools and receive a tax deduction.

IV. Executive Director's Report

With Ms. Brown's departure, all of us are encouraged to review our contacts for possible trustees who may be able to serve as trustees on the Board.

The ED is proceeding with the exploration of another charter school network as a means of expansion. In a similar vein he has visited Success Academies and met with their leader, Mrs. Eva Moskowitz.

He announced that further initiatives were underway to further improve curriculum and instruction:

- K-4 Literacy:
  - Revamping K-1 phonics instruction
  - Supplying 15 new books/week for each K-1 scholar
  - Providing private tutoring to at-risk scholars
  - Using and "LLI" curriculum for at-risk scholars from K-4
- Assessment Dissection:
  - Conducting a depth of Knowledge Analysis of the NYS exams for grades 3-8.
- Parent Academic Engagement
  - Grade level autonomous programs to academically engage parents through Actionable report card comments, Parent/Scholar tutoring sessions, and parent support sheets.
- Special Services
  - Rebuild Scholar referral process

- Prioritize Academic Performance over regulatory oversight

❖ Faculty
  - Prioritize preparation over planning
  - Videographer helping to create a library of "best practices" and add a background video to the website
  - Special Services Team (SETTS, speech, counseling, occupational and physical therapies) is working to improve their efficacy and refine their efficiency.

❖ Growth
  - Create sustainable processes in Financial Resources, Facilities, Human Capital, and Leadership Development.

V. Calendar of Meetings for SBCCS II 2015-2016

Calendar for SBCCS Board Meetings 2015-2016	
August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

All meetings begin immediately following the SBCCS II meeting at the designated venue.

VI. Other Business and Adjournment

There being no further business for SBCCS the Trustees adjourned.

The next meeting for SBCCS will take place on Tuesday, December 15, 2015 at 6:00 p.m. at 1192 Park Avenue.

Respectfully submitted,

J. Kevin Murphy

J. Kevin Murphy, Secretary

SOUTH BRONX CLASSICAL
CHARTER SCHOOL

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

December 14, 2015

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Ms. Brown, Prof. Kathryn Heleniak, Mr. Hirsch, Mr. Bill Higgins, Mr. James Maher, Mr. J. Kevin Murphy, Ms. Smaylovsky,

Trustees Absent: None

Trustees Phoning in: None

Guests: Mr. Lester Long, E.D., Ms. Susan Briggs, Attorney, Mr. Michael Senz, Notary Public

I. Call to Order

There being a quorum, the Chair called the Special Meeting to order at 1192 Park Avenue N.Y., N.Y. immediately after the meeting of South Bronx Classical Charter School II.

II. Review of Minutes

The Trustees

VOTED to approve the minutes from the 11/17/2015 Board Meeting.

III. Report of the Chair

The Chair waived his commentary and proceeded directly to the business at hand regarding the merger of the Education Corporations of South Bronx Classical Charter School and South Bronx Classical Charter School III into South Bronx Classical Charter School II, and the adoption of the name "Classical Charter Schools, Inc." as the name of the combined entity.

The Trustees unanimously

VOTED to approve and submit a Petition, as per Exhibit B and executed by the Chairman and Secretary, to the Regents of the University of the State of New York to merge South Bronx Classical Charter School and South Bronx Classical Charter School III into South Bronx Classical Charter School II, which would then operate as "Classical Charter Schools, Inc.

VOTED to also approve and submit an Agreement and Plan of Merger by and between South Bronx Classical Charter School, South Bronx Classical Charter School II, and South Bronx Classical Charter School III as per Exhibit A (included in the following Resolution, Exhibit C) to the Regents of the University of the State of New York,

VOTED to approve the Resolution, as per Exhibit C (inclusive of Exhibit A, the Agreement and Plan of Merger), authorizing the merger of South Bronx Classical Charter School III into South Bronx Classical Charter School II and naming the combined entity "Classical Charter Schools, Inc." by a vote of more than three-fourths of the Trustees and to submit such Resolution to the Regents of the University of the State of New York,

VOTED to authorize the Chairman and Secretary of South Bronx Classical Charter School III to certify as per Exhibit D that the Vote of the Trustees exceeded three fourths of them and to submit such certification to the Regents of the University of the State of New York.

All documents executed in connection with these Votes were duly notarized at the meeting for submission.

Due to her move to London, U.K., Ms. Brown resigned as Treasurer of SBCCS III effective November 30, 2015.

Further, the Trustees

VOTED to authorize Mr. Higgins, in his capacity as Treasurer of South Bronx Classical Charter School III, authority to sign on the school's bank accounts in lieu of Ms. Brown and in the manner currently specified, noting that the resolution on file with the bank lists the signing authorities and amounts by office.

As Treasurer, Mr. Higgins will also serve on the Executive Committee, as will Ms. Bateman, Deputy Secretary/Treasurer.

IV. Executive Director's Report

The ED re-iterated that he was broadly exploring the possibility of combination with another charter school network as a means of expansion.

For a discussion of the various academic initiatives currently underway, please refer to the ED's report in the accompanying minutes of SBCCS I.

V. Calendar of Meetings for SBCCS 2015-2016

Calendar for SBCCS Board Meetings 2015-2016	
August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

All meetings begin at 6:00 p.m. at the designated venue.

VI. Other Business and Adjournment

There being no further business for SBCCS the Trustees

VOTED to adjourn.

The next meeting for SBCCS will take place on Tuesday, January 19, 2016 at 6:00 p.m. at SBCCS III.

Respectfully submitted,

J. Kevin Murphy

J. Kevin Murphy, Secretary

SOUTH BRONX CLASSICAL CHARTER SCHOOL

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

January 19, 2016

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Prof. Kathryn Heleniak, Mr. Bill Higgins, Mr. Lawrence Hirsch, Mr. J.Kevin Murphy

Trustees Absent: Mr. James Maher, Mrs. Louisa Smaylovsky

Trustees Phoning in: None

Guests: Mr. Lester Long, E.D.

I. Call to Order

There being a quorum, the Chair called the Meeting to order following SBCCS II at SBCCS III, 3409 Third Avenue, Bronx, N.Y.

II. Review of Minutes

The Trustees

VOTED to approve the minutes from the 12/14/2015 Board Meeting.

III. Report of the Chair

Items of general interest are covered in the SBCCS I meeting.

IV. Executive Director's Report

The videographer has initiated the taping of a library of best practices to be accessible to faculty on the website.

Given the K and 1 age of the scholars, they will not be assessed by NYS this year.

V. Finance and Audit

Revenues are running exceptionally close to budget for the year to date with 130 scholars as budgeted, but only 9 SPED scholars vs. 15 budgeted, so we have room to augment this group. Federal Title I and Title II funding came in higher than budgeted, helping to offset the higher than planned operating expenses and leaving a positive Net Operating Income. Notably, occupancy costs, a semi-fixed variable, is much higher than planned, partially due to a poor budget assumption. Much of the school's start-up costs have been financed through interschool advances from SBCCS, Deferred Revenue, and advances from SBCCS II. When amalgamated at the end of the year, the inter-school transactions will be netted out. Liquid assets are over 4 times fixed assets and many times current liabilities; and they represent about half of Total Liabilities. These obligations are supported by a positive, but very small equity base reflective of the schools start-up nature.

The Trustees:

VOTED to approve the budget and statements as submitted.

V. Calendar of Meetings for SBCCS 2015-2016

Calendar for SBCCS Board Meetings 2015-2016	
August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

All meetings begin following the SBCCS meeting at the designated venue.

VI. Other Business and Adjournment.

The next meeting for SBCCS III is scheduled for Tuesday, February 9, 2016 after SBCCS II meeting at SBCCS II at 333 East 135th Street.

Respectfully submitted,

J. Kevin Murphy, Secretary

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

February 9, 2016

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Prof. Kathryn Heleniak, Mr. James Maher, and Mr. J.Kevin Murphy

Trustees Absent: Mrs. Lawrence Hirsch

Trustees Phoning in: Mr. Bill Higgins, Mrs. Louisa Smaylovsky

Guests: Mr. Lester Long, E.D.

I. Call to Order

There already being a quorum from the prior meeting, the Chair called the Meeting to order. For general information concerning all of the schools, please review the minutes of SBCCS I for the same date.

II. Review of Minutes

The Trustees

VOTED to approve the minutes from the 1/19/2016 Board Meeting.

III. Report of the Chair

In the interest of time, the Chair waived his report.

IV. Executive Director's Report

A.Business & Operations

The E.D. presented some schematic drawings of the building proposed for the 167th and Third Avenue site. The design was prepared by our developer's architect, however it is subject to review by our architect, Mr. Brian Baer, who will also track the construction process. Space in the building will total about 42,000 square feet on 7 floors with supervisory offices located throughout the structure. Ballpark estimates of construction costs are about $250/ sq. foot, but the developer has not yet secured construction financing although he certainly has the possibility of approaching our bankers. Design and construction are on a very disciplined schedule with ground to be broken at the site on April 1, 2016.

Simultaneously, we are applying for a Charter for school IV. School IV will tentatively occupy the extra space in the School III building, enabling us to avoid high occupancy costs with too few students. It will begin simply with simply a kindergarten, while we explore a site for it on Trinity Avenue in District 7.

Key to the development of School IV is its staffing. The talent manager is honing the faculty recruitment process, but the staffing the school leader position is always challenging, although there is ample time for exploring candidates.

V. Calendar of Meetings for SBCCS 2015-2016

Calendar for SBCCS Board Meetings 2015-2016	
August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

VI. Other Business and Adjournment

The next meeting will take place on Tuesday, March 8, 2016 at 6:00 p.m. at SBCCS I at 977 Fox Street, Bronx, N.Y.

Respectfully submitted,

J. Kevin Murphy

J. Kevin Murphy, Secretary

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

March 8, 2016

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Mr. Larry Hirsch, Prof. Kathryn Heleniak, Mr. James Maher, and Mr. J. Kevin Murphy, Mrs. Louisa Smaylovsky

Trustees Phoning in: Mr. Bill Higgins,

Guests: Mr. Lester Long, E.D.

I. Call to Order

There already being a quorum from the prior meeting, the Chair called the Meeting to order. For general information concerning all of the schools, please review the minutes of SBCCS I for the same date.

II. Review of Minutes

The Trustees

VOTED to approve the minutes from the 2/9/2016 Board Meeting.

III. Report of the Chair

In the interest of time, the Chair waived his report.

IV. Executive Director's Report

A.Business & Operations

We have received approval from NYS Department of Education to formally submit a charter application for SBCCS IV that will be scheduled to open in 2017. It will occupy space in the same building as SBCCS III until space can be acquired for it. This solution will help minimize the negative carry on the school III leasehold while that school grows to its authorized capacity.

Ground is scheduled to be broken on the school site on April 1, 2016. The developer and the E.D are soliciting construction financing.

B. Curriculum & Instruction:

The testing schedules and school trip schedules do not apply to SBCCS III because of its recent inception and early grades.

V. Calendar of Meetings for SBCCS 2015-2016

Calendar for SBCCS Board Meetings 2015-2016	
August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

VI. Other Business and Adjournment

The next meeting will take place on Tuesday, April 19, 2016 following the. SBCCS II meeting at Professor Heleniak's apartment.

Respectfully submitted,

J. Kevin Murphy, Secretary

SOUTH BRONX CLASSICAL
CHARTER SCHOOL

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

April 19, 2016

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Mr. Larry Hirsch, Prof. Kathryn Heleniak, Mr. James Maher, and Mr. J. Kevin Murphy, Mrs. Louisa Smaylovsky

Absent: Mr. Bill Higgins,

Guests: Mr. Lester Long, E.D.

I. Call to Order

There already being a quorum from the prior meeting, the Chair called the Meeting to order. For general information concerning all of the schools, please review the minutes of SBCCS I for the same date.

II. Review of Minutes

The Trustees

VOTED to approve the minutes from the 3/9/2016 Board Meeting.

III. Report of the Chair

In the interest of time, the Chair waived his report.

IV. Executive Director's Report

A.Business & Operations

The NYS Department of Education has granted our petition to merge the educational corporations of SBCCS III and SBCCS I into that of SBCCS II with effect from 7/1/16.

The groundbreaking for the 167th & Third building has been re-scheduled from April to June 2016. During construction we will continue to occupy the temporary quarters nearby that are rented from the developer. The developer and the E.D are negotiating construction financing.

V. Finance and Budget

Revenues have greatly exceeded budget largely due to CSP and DYCD grants. While overall enrollment is nearly right on forecast, SPED enrollment modestly lags our target. Although revenues exceed budget, so do some expenses, especially rent and the cost of a project manager to review construction documentation and management. Nevertheless, with the higher revenue, the program reports the highest NOI of the three schools for the period.

The current assets are liquid, but substantial security deposits have been required for operations, both with respect to the current temporary space in connection to rent and utilities for example, and with respect to the permanent space. These have been financed by a substantial advance from SBCCS I and a much smaller one from SBCCS II. With the amalgamation of the educational corporations from 7/1/16, these advances will be netted one against the other. The ongoing educational corporation, SBCCS II, will assume SBCCS III's position and responsibilities with regard the operating lease on the new construction.

The Trustees:

VOTED to accept the financial statements as presented.

VI. Calendar of Meetings for SBCCS 2015-2016

Calendar for SBCCS Board Meetings 2015-2016	
August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

VII. Other Business and Adjournment

The next meeting will take place on Tuesday, May 17, 2016 following the SBCCS II meeting at Mr. Higgins' office.

Respectfully submitted,

J. Kevin Murphy, Secretary

SOUTH BRONX CLASSICAL
CHARTER SCHOOL

SOUTH BRONX CLASSICAL CHARTER SCHOOL III

Board Meeting Minutes

May 17, 2016

South Bronx Classical Charter School prepares students for college preparatory high schools and colleges. Through a classical curriculum and highly structured setting, students become liberated scholars and citizens of impeccable character.

Trustees Attending: Mr. C. Stephen Baldwin, Ms. Ingrid Bateman, Prof. Kathryn Heleniak, Mr. Bill Higgins, Mr. James Maher, Mr. J.Kevin Murphy, and Mrs. Louisa Smaylovsky

Phoning In: Mr. Larry Hirsch,

Guests: Mr. Lester Long, E.D.

I. Call to Order

There being a quorum immediately following the SBCCS II meeting, the Chair called the Meeting to order.

II. Review of Minutes

The Trustees

VOTED to approve the minutes from the 4/19/2016 Board Meeting.

III. Report of the Chair

In the interest of proceeding with the other business at hand, the chair waived his report.

IV. Report of the Executive Director

A. Business & Operations

For general information concerning all of the schools, please refer to the more extensive minutes for SBCCS I.

The educational corporation for school III will be merged into school II at the end of June. With the merger, the ED suggested that the financial reporting for the new entity be changed from a monthly basis to a quarterly basis. The aim is to secure the information and streamline the reporting. For reference, the financial statements are also posted in a secure area of the schools' intranet.

The Trustees:

VOTED to move to a quarterly presentation of the financial statements with the merger of the educational corporations for schools III and I into school II.

Ground is scheduled to be broken for the new building that the school will lease at the site on 167th and Third about the first of June.

V. Calendar of Meetings for SBCCS 2015-2016

Calendar for SBCCS Board Meetings 2015-2016	
August 25, 2015	January 19, 2016
September 15, 2015	February 9, 2016
October 13, 2015	March 8, 2016
November 17, 2015	April 19, 2016
December 15, 2015	May 17, 2016
	June 21, 2016

All meetings begin at 6:00 p.m. at the designated venue.

VIII. Other Business and Adjournment

There being no further business for SBCCS III, the Trustees VOTED to adjourn.

The next meeting will take place on Tuesday, June 21, 2016 at 6:00 p.m. at the offices of Mr. Higgins

Respectfully submitted,

J. Kevin Murphy

J. Kevin Murphy, Secretary

CLASSICAL
CHARTER SCHOOLS

South Bronx Classical Charter School III ("SBCCS III") currently meets its target enrollment of English Language Learners; however, it does not meet its enrollment targets of Students with Disabilities. We have outlined several ways in which we have attempted to recruit and retain this population of students in 2015-2016.

1. All materials in our mass mailings of school information and student applications to nursery schools, Head Starts, and community organizations have Spanish translations and information about the special services we provide.
2. All SBCCS III information session are held with a Spanish speaking translator.
3. We have attended several student recruitment fairs. At both fairs, a bilingual staff member was present for its entirety. Information about SBCCS III Special Services was also distributed at both fairs.
4. We distributed flyers at locations all over the South Bronx. All flyers were in both Spanish and English.
5. All paper applications are in both English and Spanish.
6. We gave presentations to local community organizations that serve ELL populations, including Mott Haven Community Partnership Program and South Bronx Churches.
7. We contacted and distributed information about SBCCS III, in both English and Spanish, to seven local NYCHA housing developments.
8. We run Facebook advertisement translated into English, Spanish, and French.
9. We mailed information pamphlets and student applications, in both English and Spanish to 12,000+ residents of the South Bronx.
10. We advertised SBCCS in El Diario, a Spanish newspaper. El Diario is New York's largest and oldest Spanish-language newspaper, and the nation's oldest Spanish newspaper.

Lastly, we know that the retention of these scholars is equally important. At SBCCS III, we are committed to supporting all of our scholars to meet the high expectations of our rigorous academic program. Over the past two years, we have taken a more targeted approach to support our scholars with language and learning differences.

Beginning in Kindergarten, or when a scholar is identified as a student with a disability or an English Language Learner, we establish a close relationship with the family. This includes regular communication home via home-school logs and phone calls, as well as meetings with the team of educators who work with their scholars. During this contact, we communicate their scholar's progress, areas of growth and areas of concern. We regularly evaluate changes in service depending on scholar progress, and service providers maintain at least monthly contact with parents. We frequently send home enrichment activities for scholars in areas we have identified for growth. Parents are provided with staff members' contact information and an open door policy is strongly communicated.

When a scholar is struggling, we invite parents in to observe and work as a team to determine how to better support the scholar. We also see it as our role to educate parents about their scholar's needs.

For scholars with disabilities, we work with the CSE and the parent to determine the appropriate setting. If we do not have a setting that is identified as appropriate for the scholar, we supplement our current services to ensure the scholar continues to make progress, and we also accompany parents when looking at alternate placements, if they wish to move to a different setting. In our communication with parents, we emphasize a commitment to each scholar's growth through whatever resources we have available.

In the coming months and year, we are looking into expanding our current services to include more restrictive settings, special education focused parent groups, bilingual resources to support academics, and ongoing teacher development to support this population of students.

Beginning in 2015-2016, SBCCS III began to improve its identification of English Language Learners. Rather than administering the Home Language Questionnaire (HLQ) to parents as part of the student enrollment packet, SBCCS III began to administer the survey one-on-one to parents, in person. In previous years, parent error in filling out the HLQ has led to underreporting of scholars who don't speak English fluently, or don't speak exclusively English at home, either due to not understanding the form or fear of 'labeling' their child. During new student enrollment in 2015 – 2016 (for new students starting in 2016-2017), a series of questions were asked to ensure that parents have completed the form completely and accurately. Spanish-speaking staff clarified the purpose of this form to Spanish speaking parents. We ensured that HLQs were administered in the parent's preferred language.

In addition to this, SBCCS III began administering the NYISTELL assessment to newly registered and eligible Kindergarten students in June 2016. We believe that earlier and better identification of our English Language Learners will improve our work in attracting and retaining this population of students, as well as better serve them during their time in our school.

Entry 12 Teacher and Administrator Attrition

Last updated: 07/26/2016

Report changes in teacher and administrator staffing.

Page 1

Instructions for completing the Teacher and Administrator Attrition Tables

The following tables reflect formatting in the online portal required for Regents authorized charter schools. Schools should provide, for teachers and administrators only, the full time equivalent (FTE) of staff on June 30, 2015; the FTE for added staff from July 1, 2015 through June 30, 2016; and the FTE for any departed staff from July 1, 2015 through June 30, 2016 using the two tables provided.

2015-16 Teacher Attrition Table

	FTE Teachers on June 30, 2015	FTE Teachers Departed 7/1/15 – 6/30/16	FTE Teachers Filling Vacant Positions 7/1/15 – 6/30/16	FTE Teachers Added in New Positions 7/1/15-6/30/16	FTE of Teachers on June 30, 2016
	0	4	4	15	15

2015-16 Administrator Position Attrition Table

	FTE Administrative Positions on June 30, 2015	FTE Administrators Departed 7/1/15 – 6/30/16	FTE Administrators Filling Vacant Positions 7/1/15 – 6/30/16	FTE Administrators Added in New Positions 7/1/15-6/30/16	FTE Administrative Positions on June 30, 2016
	0	0	0	6	6

Thank you

Entry 13 Uncertified Teachers

Last updated: 07/26/2016

Page 1

The table below is reflective of the information collected through the online portal for compliance with New York State Education Law 2854(3)(a-1) for teaching staff qualifications. Enter the relevant full time equivalent (FTE) count of teachers in each column. For example, a school with 20 full time teachers and 5 half time teachers would have an FTE count of 22.5. If more than one column applies to a particular teacher, please select one column for the FTE count.

Staff Qualifications (June 30, 2016)

Note: Columns should sum to the FTE count of Teachers on June 30, 2016, and each teacher should be in only one column.

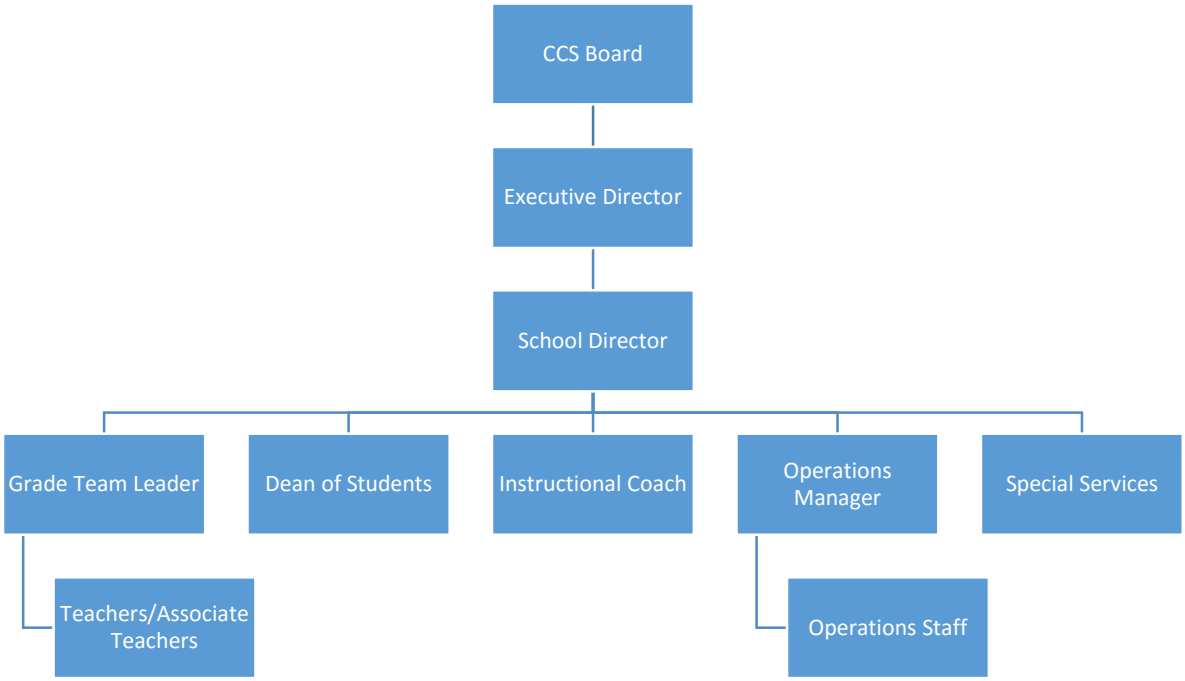
1. FTE Count of Uncertified Teachers (6-30-15)	1
2. FTE count of uncertified teacher with at least three years of elementary, middle or secondary classroom teaching experience (6-30-15)	0
3. FTE count of uncertified teachers who are tenured or tenure track college faculty (6-30-15)	0
4. FTE count of uncertified teachers with two years of Teach for America experience (6-30-15)	0
5. FTE count of uncertified teachers with exceptional business, professional, artistic, athletic, or military experience (6-30-15)	0
6. FTE count of uncertified teachers who do not fit into any of the prior four categories	0

Thank you.

CLASSICAL
CHARTER SCHOOLS

South Bronx Classical Charter School III

Organizational Chart



ANNUAL CALENDAR 2016 – 2017

CLASSICAL
CHARTER SCHOOLS

August 2016

S	M	T	W	T	F	S
	1	2	3	4	4	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 2016

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October 2016

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November 2016

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December 2016

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January 2017

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February 2017

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March 2017

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April 2017

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May 2017

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June 2017

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July 2017

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

There are 194 school days in the 2016 - 2017 academic year. Boxes indicate no school.
Diagonal lines indicate early dismissal days (at 1pm)

HOLIDAYS

August 17	First Day of School	November 8	Election Day	Apr. 10-18	Spring Recess
September 5	Labor Day	November 11	Veterans Day	May 29	Memorial Day
September 12	Eid al-Adha	Nov. 24-25	Thanksgiving	June 8	Chancellor's Day
October 3-4	Rosh Hashanah	Dec. 26 – Jan 2	Winter Recess	June 26	Eid al-Fitr
October 10	Columbus Day	January 16	MLK Jr. Day	June 28	Last Day of School
October 12	Yom Kippur	Feb 20– 24	Mid- Winter Recess		