

I. SCHOOL INFORMATION AND COVER PAGE

Created Thursday, August 01, 2013

Page 1

1. SCHOOL NAME

(Select School name from dropdown menu; BEDS # appears first)

342700860990 CHALLENGE PREPARATORY CS

2. CHARTER AUTHORIZER

NYCDOE-Authorized Charter School

3. DISTRICT / CSD OF LOCATION

NYC CSD 27

4. SCHOOL INFORMATION

PRIMARY ADDRESS	PHONE NUMBER	FAX NUMBER	EMAIL ADDRESS
710 Hartman Lane Far Rockaway, NY 11691	718-327-1352	866-419-0945	irevell@challengeprepcharter.org

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES

4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Contact Name	LaToiya Tolliver-Revell
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Title	School Leader
4a. PHONE CONTACT NUMBER FOR AFTER HOURS EMERGENCIES Emergency Phone Number (###-###-####)	

5. SCHOOL WEB ADDRESS (URL)

www.challengeprepcharter.org

6. DATE OF INITIAL CHARTER

2010-08-01 00:00:00

7. DATE FIRST OPENED FOR INSTRUCTION

2010-08-01 00:00:00

8. TOTAL NUMBER OF STUDENTS ENROLLED IN 2012-13 (as reported on BEDS Day)

(as reported on BEDS Day)

9. GRADES SERVED IN SCHOOL YEAR 2012-13

Check all that apply

 K

 1

 2

 3**10. DOES THE SCHOOL CONTRACT WITH A CHARTER OR EDUCATIONAL MANAGEMENT ORGANIZATION?**

	Yes/No	Name of CMO/EMO
	No	

11. FACILITIES

Will the School maintain or operate multiple sites?

No, just one site.

12. SCHOOL SITES

Please list the sites where the school will operate in 2013-14.

	Physical Address	Phone Number	District/C SD	Grades Served at Site	School at Full Capacity at Site	Facilities Agreement
Site 1 (same as primary site)	710 Hartman Lane Far Rockaway, NY 11691	718-327-1352	CSD 27	K-4	No	Rent/Lease
Site 2						
Site 3						

12a. Please provide the contact information for Site 1 (same as the primary site).

	Name	Work Phone	Alternate Phone	Email Address
School Leader	LaToiya Tolliver-Revell	[REDACTED]	[REDACTED]	[REDACTED]
Operational Leader	Tameeka Richards	[REDACTED]	[REDACTED]	[REDACTED]
Compliance Contact	LaToiya Tolliver-Revell	[REDACTED]	[REDACTED]	[REDACTED]
Complaint Contact	Dr. Les Mullings	[REDACTED]	[REDACTED]	[REDACTED]

13. Are the School sites co-located?

No

14. Were there any revisions to the school's charter during the 2012-2013 school year? (Please include both those that required authorizer approval and those that did not require authorizer approval).

No

16. 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 use the mouse on your PC or the stylus on your mobile device to sign your name).

(No response)

Signature, Head of Charter School

Signature, President of the Board of Trustees

Thank you.

Signature Page for President of Board of Trustees

Created Thursday, August 01, 2013

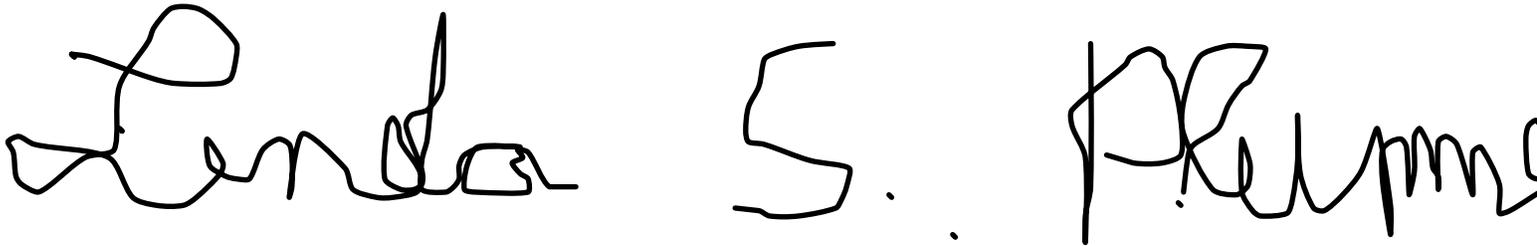
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342700860990 CHALLENGE PREPARATORY CS

16. My signature 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 use the mouse on your PC or the stylus on your mobile device to sign your name).

- Yes
-

Signature, Board President

A handwritten signature in black ink, appearing to read "Linda S. Krumm". The signature is written in a cursive style with a large initial "L" and "K".

Thank you.

**Challenge Prep Charter School
Per Pupil Expenditures**

Total Per Pupil FTE	351.80	Per Pupil Expense Per Pupil Administrative Expense	16,318.92
Total Expenses	5,740,997		1,378.85
Total Administrative Expense	485,081		

Audited Financial Statement Checklist

Created Wednesday, October 30, 2013

Page 1

Charter School Name

1. Please check each item that is included in the 2012-13 Audited Financial Statement submitted for your charter school.

	Yes	No	NA
Audited Financial Statements (including report on compliance and report on internal control over financial reporting)	True	False	False
Single Audit (if applicable)	False	False	True
CSP Agreed Upon Procedures (if applicable)	True	False	False
Management Letter	True	False	False
Report on Extracurricular Student Activity Accounts (if applicable)	False	False	True
Corrective Action Plans for any Findings	False	False	True

2. Please indicated if there is a finding(s) noted in any of the following sections of your charter school's 2012-13 Audited Financial Statement.

	Yes	No
Report on Compliance	False	True
Report on Internal Control over Financial Reporting	False	True
Single Audit	False	True
CSP Agreed Upon Procedures Report	False	True
Management Letter	False	True

Thank you Michael .

CHALLENGE PREPARATORY CHARTER SCHOOL

MANAGEMENT LETTER

JUNE 30, 2013

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

August 20, 2013

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

In planning and performing our audit of the financial statements of Challenge Preparatory Charter School (the "School") as of and for the year ended June 30, 2013, 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.

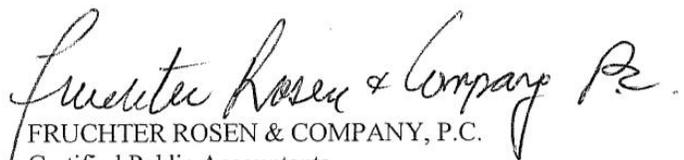
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

Exhibit I accompanying this letter summarizes an observation for the year ended June 30, 2013 that we determined did not constitute a significant deficiency or material weakness. Exhibit II summarizes a corrective action taken by the School during the year ended June 30, 2013 on prior year's observation. Management's response to the observation has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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.
Certified Public Accountants

New York, New York
August 20, 2013

CHALLENGE PREPARATORY CHARTER SCHOOL
MANAGEMENT LETTER
JUNE 30, 2013

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- A. Conflict of Interest 2

CHALLENGE PREPARATORY CHARTER SCHOOL
MANAGEMENT LETTER

EXHIBIT I – CURRENT YEAR OBSERVATION

A. ESCROW ACCOUNT FOR DISSOLUTION

Observation

Under the provision of its charter, the School should set aside as a dissolution reserve and earmark the funds in the books and records to pay for legal and audit expenses that would be associated with a dissolution should it occur. This account can be a regular savings, checking, and/or money market account. New York City Department of Education authorized schools are required to set aside \$70,000 by the end of the third year of operations. As of June 30, 2013, the School had \$45,000 in the escrow account.

Recommendation

The School should immediately fund the dissolution reserve account up to a minimum of \$70,000. The School may withdraw the interest earned on the saving account.

Management's Response

The School funded the escrow account up to the required \$70,000 on July 30, 2013.

CHALLENGE PREPARATORY CHARTER SCHOOL
MANAGEMENT LETTER

EXHIBIT II – CORRECTIVE ACTION TAKEN ON PRIOR YEAR OBSERVATION

A. CONFLICT OF INTEREST

Observation

Effective July 1, 2012, we noted that the Chair of the Board of Trustees is also serving as the Chief Executive Officer (“CEO”) of the School. Serving as the Chair while being responsible for the daily management of the School often places the CEO in a complicated situation, which may include a potential or perception for a conflict of interest, along with the following:

- Blurring of the distinction between the Boards responsibilities and the CEO’s responsibilities.
- CEO’s for-pay status versus the Board’s volunteer status
- Board assessment of the CEO’s performance and determination of compensation

Recommendation

We recommend that the CEO continues to serve on the Board of Trustees, as a nonvoting Board member. Most nonprofits and charter schools have a CEO or similar position serve as an ex officio member of the Board. This will clarify the roll of management and governance within the School. In addition, new charter school laws within the New York State education law, states that no trustee shall receive compensation.

Corrective Action Taken

We noted that the CEO had resigned as the Chair of the Board of Trustees effective November 26, 2012.

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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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

TO THE BOARD OF TRUSTEES OF
CHALLENGE PREPARATORY CHARTER SCHOOL

Report on the Financial Statements

We have audited the accompanying financial statements of Challenge Preparatory Charter School (the "School") (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2013, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2013, 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 2012 financial statements, and our report dated September 26, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, 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 August 20, 2013, 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.
Certified Public Accountants

New York, New York
August 20, 2013

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 67,550	\$ 16,284
Grants and contracts receivable	43,531	151,891
Prepaid expenses	94,221	3,831
Total current assets	205,302	172,006
Other assets:		
Property and equipment, net of accumulated depreciation and amortization of \$100,715 and \$38,356	570,641	439,893
Other asset	-	15,000
Restricted cash	45,000	30,000
Security deposit	155,167	155,167
Total other assets	770,808	640,060
TOTAL ASSETS	\$ 976,110	\$ 812,066
 LIABILITIES AND UNRESTRICTED NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 215,159	\$ 68,274
Accrued payroll and payroll taxes	275,719	174,652
Line of credit	-	50,000
Total current liabilities	490,878	292,926
Deferred rent	555,188	246,448
Total liabilities	1,046,066	539,374
Unrestricted net assets	(69,956)	272,692
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$ 976,110	\$ 812,066

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

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2013	2012
Revenue and support:		
State and local per pupil operating revenue	\$ 5,001,577	\$ 3,108,714
Federal grants	272,426	364,658
State and city grants	24,440	114,128
Contributions and private grants	121,945	23,503
Total revenue and support	5,420,388	3,611,003
Expenses:		
Program services:		
Regular education	4,372,224	2,560,039
Special education	824,762	448,097
Total program services	5,196,986	3,008,136
Supporting services:		
Management and general	522,616	390,952
Fundraising	43,434	19,087
Total expenses	5,763,036	3,418,175
Change in unrestricted net assets	(342,648)	192,828
Unrestricted net assets - beginning of year	272,692	79,864
Unrestricted net assets - end of year	\$ (69,956)	\$ 272,692

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

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in unrestricted net assets	\$ (342,648)	\$ 192,828
Adjustments to reconcile changes in unrestricted net assets to net cash provided by operating activities:		
Depreciation and amortization	65,956	24,953
Loss on disposition of property and equipment	12,049	-
Changes in certain assets and liabilities:		
Decrease (Increase) in grants and contracts receivable	108,360	(27,360)
(Increase) Decrease in prepaid expenses	(90,390)	12,898
Decrease (Increase) in other asset	15,000	(5,000)
(Increase) in restricted cash	(15,000)	(20,000)
(Increase) in security deposit	-	(5,167)
Increase (Decrease) in accounts payable and accrued expenses	146,885	(81,960)
Increase in accrued payroll and payroll taxes	101,067	43,269
Increase in deferred rent	308,740	246,448
(Decrease) in refundable advance	-	(1,011)
	310,019	379,898
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property and equipment	(208,753)	(370,346)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal borrowing under line of credit	-	50,000
Principal repayments under line of credit	(50,000)	(49,750)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(50,000)	250
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,266	9,802
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	16,284	6,482
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 67,550	\$ 16,284

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

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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

Nature of School

Challenge Preparatory Charter School (the "School") is a New York State, not-for-profit educational corporation that was incorporated on February 9, 2010 to operate a Charter School pursuant to Article 56 of the Education Law of the State of New York. The School was granted a provisional charter on February 9, 2010 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York. Challenge Prep's educational philosophy promotes high levels of academic achievement and tailoring instruction to ensure that academic needs of all students are met. Challenge Prep's founders believe that good instruction recognizes the interrelation of content knowledge and higher order thinking and that, accordingly, good instruction should reflect a balanced approach to learning. Classes commenced in Far Rockaway, New York, on August 23, 2011 and the School provided education to approximately 353 students in kindergarten through third grade in the 2012-2013 academic year.

The School shared space with a New York City public school for the academic year 2010-2011 and for part of the academic year 2011-2012. The School was 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. On December 10, 2010, the School signed a long term lease for a permanent facility and moved into the facility on April 16, 2012.

Food Services

The New York City Department of Education provides free lunches directly to a majority of the School's students. Such costs are not included in these financial statements.

Tax Status

The School submitted the required tax exempt forms with the Internal Revenue Service ("IRS") in a timely manner. The application for tax exempt status is pending review by the IRS. Management anticipates an IRS determination letter stating that the School is exempt from Federal income tax. The School is subject to income taxes only on net unrelated business income. The School did not have any unrelated business income for the years ended June 30, 2013 and 2012.

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 positions resulting in an accrual of tax expense or benefit.

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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") No. 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

Net assets of the School whose use has 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 and changes in net assets, as net assets released from restrictions.

Permanently Restricted

Net assets of the School 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, 2013 and 2012.

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.

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 - PRINCIPAL BUSINESS ACTIVITY 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.

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.

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.

Property and Equipment

Purchased property and equipment are recorded at cost. Property and equipment acquired with certain government funding are recorded as expenses pursuant to the terms of the contract, in which ownership of such property and equipment is retained by the funding source. Maintenance and repairs are expensed as incurred. No depreciation is recorded on construction-in-progress until property and equipment is placed into service. Depreciation and amortization is provided on the straight line method over the estimated useful lives as follows:

Computers	3 years
Furniture and fixtures	5 years
Website development	3 years
Leasehold improvements	Useful life of lease

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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

Reclassifications

Certain 2012 accounts have been reclassified to conform to the 2013 financial statement presentation. The reclassifications have no effect on the 2012 total assets, liabilities, net assets and changes in net assets.

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.

Refundable Advance

The School records certain government grants and contracts as refundable advances until related services are performed, at which time it is recognized as revenue.

Comparative Financial Information

The accompanying statements of activities and functional expenses are presented with summarized comparative information. Such prior year information is not presented by net asset class in the statement of activities or by functional category in the statement of functional expenses. Accordingly, such information should be read in conjunction with the School's 2012 financial statements from which the summarized information was derived.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of federal 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,:

	<u>2013</u>	<u>2012</u>
Computers	\$ 12,303	\$ 8,513
Furniture and fixture	155,546	102,150
Website development	20,500	11,000
Leasehold improvements	<u>483,007</u>	<u>356,586</u>
	671,356	478,249
Less: Accumulated depreciation and amortization	<u>(100,715)</u>	<u>(38,356)</u>
	<u>\$ 570,641</u>	<u>\$ 439,893</u>

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 3 - PROPERTY AND EQUIPMENT (Continued)

Depreciation and amortization expense was \$65,956 and \$24,953 for the years ended June 30, 2013 and 2012, respectively.

For the year ended June 30, 2013, the school disposed of various assets resulting in a \$12,049 loss on disposal.

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 - RETIREMENT PLAN

The School maintains a retirement plan qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, the School will match employee contributions up to 3% of annual compensation. Employer match for the years ended June 30, 2013 and 2012 amounted to \$62,145 and \$44,654 respectively.

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 8 - LINE OF CREDIT

On December 6, 2010, the School established a \$50,000 line of credit with a local financial institution. The line of credit is payable on demand and bears interest at prime rate plus 2.75%. The line of credit is secured by substantially all assets of the School. The balance due under the line of credit amounted to \$-0- and \$50,000 at June 30, 2013 and 2012 respectively.

NOTE 9 - COMMITMENTS

On December 10, 2010, the School signed a lease for its classrooms and office space under a non-cancelable lease expiring May 31, 2032. The lease includes a yearly rent escalation of 3%, and requires the School to pay for utilities and other office costs. The School moved into the new facility on April 16, 2012.

Future minimum lease payments are as follows:

Year ending June 30,	2014	\$	989,847
	2015		1,019,542
	2016		1,050,129
	2017		1,081,633
	2018		1,114,082
	Thereafter		<u>19,462,344</u>
		\$	<u>24,717,577</u>

The School recognizes rent expense on a straight-line basis over the term of the lease. Rent expense in excess of payments is recorded as deferred rent in the accompanying statements of financial position. Rent expense under the lease for the years ended June 30, 2013 and 2012 amounted to \$1,386,480 and 713,071, respectively.

NOTE 10 - SUBSEQUENT EVENTS

The School has evaluated subsequent events through August 20, 2013, the date which the financial statements were ready to be issued.

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 SUPPLEMENTARY INFORMATION

TO THE BOARD OF TRUSTEES OF
CHALLENGE PREPARATORY CHARTER SCHOOL

We have audited the financial statements of CHALLENGE PREPARATORY CHARTER SCHOOL as of and for the year ended June 30, 2013, and have issued our report thereon dated August 20, 2013, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the 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.
Certified Public Accountants

New York, New York
August 20, 2013

CHALLENGE PREPARATORY CHARTER SCHOOL
(A Not-For-Profit Corporation)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

	2013						2012
	Regular Education	Special Education	Total Program Service	Management and General	Fundraising	Total	
Salaries	\$ 2,080,795	\$ 410,416	\$ 2,491,211	\$ 200,227	\$ 13,059	\$ 2,704,497	\$ 1,650,916
Payroll taxes and employee benefits	529,037	104,347	633,384	50,908	3,320	687,612	408,559
Professional development	27,880	2,424	30,304	2,820	-	33,124	41,930
Audit and accounting fees	-	-	-	20,250	-	20,250	18,350
Financial management fees	-	-	-	90,000	-	90,000	72,389
Consulting fees	156,874	30,942	187,816	21,863	985	210,664	108,043
Contractual services	-	-	-	-	-	-	10,775
Teacher and student recruitment	-	-	-	-	-	-	3,893
Student meals	14,322	1,246	15,568	358	-	15,926	6,648
Curriculum and classroom materials	194,190	16,887	211,077	-	-	211,077	136,943
Occupancy	1,066,733	210,402	1,277,135	102,650	6,695	1,386,480	713,071
Utilities	63,181	12,462	75,643	6,080	397	82,120	18,353
Student travel	10,096	878	10,974	-	-	10,974	2,540
Office supplies	32,891	6,488	39,379	3,915	206	43,500	22,461
Postage and delivery	1,007	199	1,206	97	6	1,309	936
Telephone and internet services	18,905	2,363	21,268	1,891	473	23,632	13,169
Information technology	59,228	7,404	66,632	5,923	1,481	74,036	123,124
Insurance	17,903	3,531	21,434	1,723	112	23,269	17,479
Special events	-	-	-	-	16,480	16,480	666
Dues and subscriptions	770	67	837	-	-	837	2,900
Depreciation and amortization	52,765	6,596	59,361	6,595	-	65,956	24,953
Loss on asset disposal	9,640	1,205	10,845	1,204	-	12,049	-
Maintenance and repairs	35,007	6,905	41,912	3,368	220	45,500	19,053
Miscellaneous	1,000	-	1,000	2,744	-	3,744	1,024
Total	\$ 4,372,224	\$ 824,762	\$ 5,196,986	\$ 522,616	\$ 43,434	\$ 5,763,036	\$ 3,418,175

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CERTIFIED PUBLIC ACCOUNTANTS

156 WEST 56TH STREET

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INDEPENDENT AUDITOR'S 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
CHALLENGE PREPARATORY CHARTER SCHOOL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Challenge Preparatory Charter School (the "School"), which comprise the statement of financial position as of June 30, 2013, 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 August 20, 2013.

Internal Control Over Financial Reporting

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

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

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

TO THE BOARD OF TRUSTEES OF
CHALLENGE PREPARATORY CHARTER SCHOOL

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*.

We noted certain matter that was reported to the management of the School in a separate letter dated August 20, 2013.

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.
Certified Public Accountants

New York, New York
August 20, 2013

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 ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES

To the Board of Trustees of Challenge Preparatory Charter School:

We have performed the procedures identified below, which were agreed to by the management of Challenge Preparatory Charter School (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.

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 forms included amounts on Line 4 (Cash Expenditures Anticipated During Next Month), we will select one FS-25 and determine if funds were expended within 1 month following the date of the request.

Result: We noted one exception on Form FS-25 submitted on May 18, 2012. Funds received totaling \$30,000 was not expended within one month following the request for reimbursement.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on Challenge Preparatory Charter 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 Challenge Preparatory Charter 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.
Certified Public Accountants

New York, New York
August 20, 2013

Appendix E: Disclosure of Financial Interest Form

Created Thursday, August 01, 2013

Page 1

342700860990 CHALLENGE PREPARATORY CS

An Appendix E: Disclosure of Financial Interest Form must be completed for each active Trustee who served on the charter school's Board of Trustees during the 2012-13 school year. Trustees are at times difficult to track down in the summer months. Trustees may complete and submit at their leisure (but before the deadline) their individual form at: <http://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/>.

Trustees who are technologically advanced may complete the survey using their smartphones or other mobile devices by downloading the this bar code link to the survey <http://fluidsurveys.com/account/surveys/210748/publish/qrcode/>. (Make sure you have the bar code application reader on your phone).

If a Trustee is unable to complete the form by the deadline (i.e, out of the country), the school is responsible for submitting the information required on the form for that individual trustee.

Just send the links via email today to your Trustees requesting that they each complete their form as soon as possible.

Thank you.

Yes, each member of the school's Board of Trustees has received a link to the Disclosure of Financial Interest Form.

Yes

Thank you.

Appendix F: BOT Membership Table

Created Thursday, August 01, 2013

Page 1

342700860990 CHALLENGE PREPARATORY CS

1. Current Board Member Information

	Full Name of Individual Trustees	Position on Board (Officer or Rep).	Voting Member	Area of Expertise &/or Additional Role	Terms Served & Length (include date of election and expiration)	Committee affiliations
1	Linda S. Plummer	Chair/President	Yes	Real Estate/Finance	2010-present Elected - 2010 Term Ends - June 30, 2016	Finance
2	Andrew L. Barnes, III	Vice Chair/Vice President	Yes	Business/Finance	2013-present Elected - 2013 Term Ends - June 30, 2016	Finance
3	Kimberly Lynn Ferina	Treasurer	Yes	Education	2010-present Elected - 2010 Term Ends - June 30, 2014	Finance/Academic Accountability
4	Karon K. McFarlane	Secretary	Yes	Not-for-Profit/	2013-present Elected - 2013 Term Ends - June 30, 2015	Finance
5	Ben Waxman	Member	Yes	Education	2010-present Elected - 2010 Term Ends - June 30, 2015	Academic Accountability
6	Donald Vernon	Member	Yes	Legal	2010-present Elected - 2010 Term Ends - June 30, 2014	Finance
7	Sonja Webber-Bey	Member	Yes	Education	2012-present Elected - 2012 Term Ends - June 30, 2014	Academic Accountability
8	Sandra Patterson	Parent Rep	Yes	Parent	2013-present Elected - 2013 Term Ends - June 30, 2014	Academic Accountability
9	Leslie Mullings	Member Ex-Officio	No	Education/CEO	2010-present Elected - 2010 Term Ends - Ex-Officio	Finance/Academic Accountability
10						
11						
12						
13						
14						
15						
16						
17						

18

19

20

2. Total Number of Members Joining Board during the 2012-13 school year

2

3. Total Number of Members Departing the Board during the 2012-13 school year

2

4. According to the School's by-laws, what is the maximum number of trustees that may comprise the governing board?

11

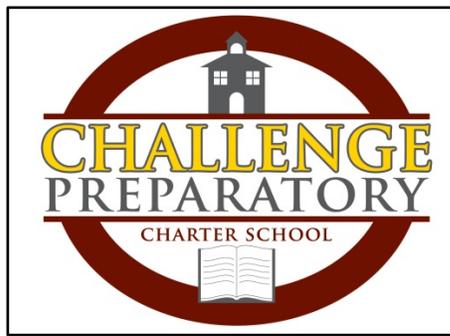
5. How many times did the Board meet during the 2012-13 school year?

10

6. How many times will the Board meet during the 2013-14 school year?

12

Thank you.



Challenge Preparatory Charter school promotes our school by giving out flyers in English and Spanish to cater to the need of the community. We have an English language learner teacher to provide additional support to our English as a second language population. We also have a Spanish translator on staff for our parents. Our staff members go out to the community daycare facilities of children with disabilities to promote our school for our lottery to ensure our school reflects the community around us. Our school also caters to the special education population by offering Collaborative Team Teaching classrooms. This setting gives children with an Individual Education Plan the opportunity to learn with the additional support of a licensed special educator. We also hold weekly open houses for the parents of our community.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Friday, July 26, 2013

<https://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/b663940329434fb551a33617e00a5>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Shawn Adams

2. Charter School Name:

Challenge Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address|

8. Select all positions you held on Board:

(check all that apply)

- Parent Representative

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

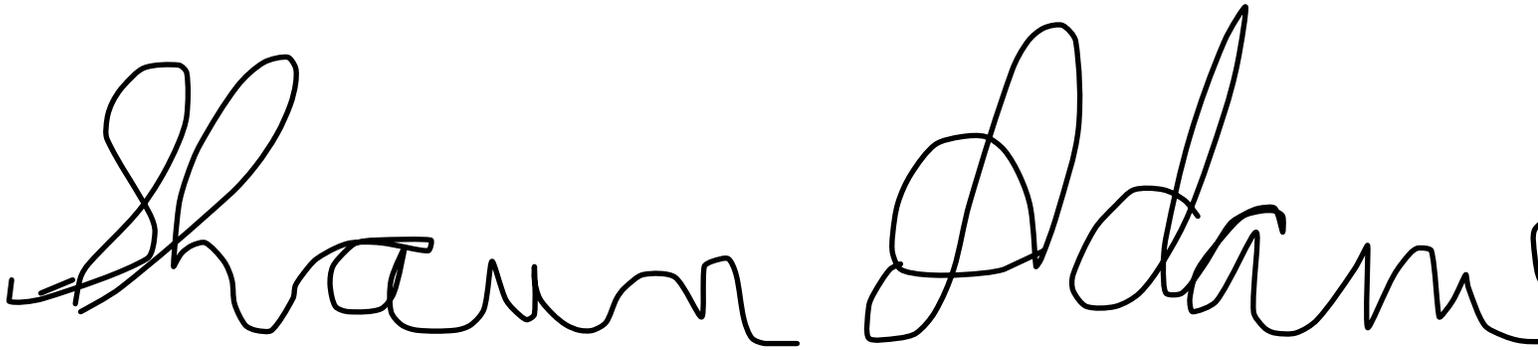
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink that reads "Shawn Adams". The signature is written in a cursive, flowing style with large loops and a prominent initial 'S'.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Thursday, July 25, 2013

<https://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/99be451610fe76aae94560e71f4cb3>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Andrew L. Barnes

2. Charter School Name:

Challenge Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Vice Chair/Vice President

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

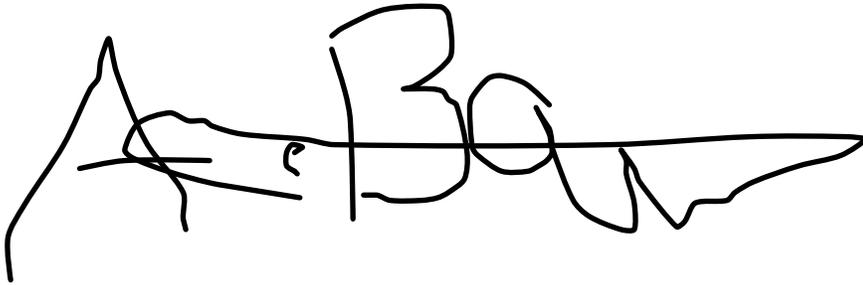
13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

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

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Saturday, July 27, 2013

<https://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/f38cb0d29179b8b786a0587f9ec8d5>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Karon K. McFarlane

2. Charter School Name:

Challenge Preparatory Charter School

3. Charter Authorizer:

Board of Regents

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Secretary

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink that reads "Karen K McFarlane". The signature is written in a cursive, somewhat stylized font. The first name "Karen" is written with a large, looped 'K' and 'a'. The middle initial "K" is also large and looped. The last name "McFarlane" is written with a large 'M' and 'F', and a long, sweeping 'l' and 'a'.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Thursday, August 01, 2013

<https://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/5098c6fbc936d9198afc3aa8a42154>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Leslie Mullings

2. Charter School Name:

Challenge Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Chair/President

9. Are you a trustee and also an employee of the school?

Yes

9a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next

[TEMP.0] 9a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Position Held	C E O
[TEMP.1] 9a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Responsibilities	Oversight and management
[TEMP.2] 9a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Salary	110,000
[TEMP.3] 9a. If YES, please provide a description of the position you hold and your responsibilities, your salary and your start date in the next Start Date	July 2012

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

Page 2

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Thursday, July 25, 2013

<https://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/497012fa86e81ed64c9b347281512>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Linda Plummer

2. Charter School Name:

Challenge Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Chair/President

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

Page 2

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Thursday, August 01, 2013

<https://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/7b9cb95392c74f50064106a8f60ac5>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Donald P. Vernon

2. Charter School Name:

Challenge Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Other, please specify...: Board member

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

Page 2

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Saturday, July 27, 2013

<https://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/8b4adb642cea482f8ce16ffeebe014e>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

Benjamin Waxman

2. Charter School Name:

Challenge Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Other, please specify...: Academic Lead

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee

A handwritten signature in black ink that reads "Ben Weyman". The signature is written in a cursive, slightly slanted style.

Required Form: Appendix E - Disclosure of Financial Interest Form

Created Thursday, July 25, 2013

<https://fluidsurveys.com/surveys/vickie-smith/appendix-e-disclosure-of-financial-interest-form/4a0a283cfa738fcb0c0e6472db08b>

Page 1

Please open the link to this form using **Google Chrome** as your browser. Doing so will allow you to input your signature on page 2 of the form. Thank you.

1. Trustee Name:

SONJA WEBBER-BEY

2. Charter School Name:

Challenge Preparatory Charter School

3. Charter Authorizer:

NYC Department of Education

4. *Your Home Address:

4. *Your Home Address: | Street Address

4. *Your Home Address: | City/State

4. *Your Home Address: | Zip

5. *Your Business Address

5. *Your Business Address | Street Address

5. *Your Business Address | City/State

5. *Your Business Address | Zip

6. *Daytime Phone Number:

7. *E-mail Address:

8. Select all positions you held on Board:

(check all that apply)

- Secretary

9. Are you a trustee and also an employee of the school?

No

10. Are you a trustee and an employee or agent of the management company or institutional partner of the charter school?

No

Page 2

13. Have you or any of your immediate family members or any persons who live with you in your house had an interest in or engaged in a transaction with the charter school during the time you have served on the board, and in the six-month period prior to such service?

No

14. Are you a member, director, officer or employee of an organization formally partnered with school that is doing business with the charter school and in which such entity, during your tenure as a trustee, you and/or your immediate family member or person living in your house had a financial interest or relationship?

No

Signature of Trustee