COMMUNITY ARTNERSHI CHARTER SCHOOL
EDUCATION COR ORATION

FINANCIAL STATEMENTS
AND SU P LEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2020 AND 2019

COMMUNITY nARTNERSHI CHARTER SCHOOL EDUCATION CO2R ORATIONn
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Table of Co te ts n

	age n
I depe de t Auditor's Report	1 - 3
Fi a cial Stateme ts n	
Statements of financial position n	4
Statements of activities	5
Statements of functional expenses n	6 - 7
Statements of cash flows	8
Notes to financial statements	9 - 20 n
Suppleme tary I formatio	
Statement of activities by charter for the year ended June 30, 2020	21
Statement of activities by charter for the year ended June 30, 2019	22
Statement of functional expenses by charter for the year ended June 30, 2020 n	
Community Partnership Charter School Pre-Kindergarten	23 n
Beginning with Children Charter School 2	24
Community Partnership Charter School	25
Statement of functional expenses by charter for the year ended June 30, 2019 n	
Community Partnership Charter School Pre-Kindergarten	26
Beginning with Children Charter School 2	27 n
Community Partnership Charter School	28
I depe de t Auditor's Report o I ter al Co trol Over Fi a cial Reporti g a d o Complia ce a d Other Matters Based o a Audit of Fi a cial Stateme ts erformed i Accorda ce with *Gover me t Auditi g Sta dards*	29 - 30 n

CITRINCOOPERMAN®
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Community Partnership Charter School Education Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Community Partnership Charter School Education Corporation ("CPCSEC") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

CITRINCOOPERMAN®
Accountants and Advisors

Emphasis Matter

As discussed in Note 12 to the financial statements, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Furthermore, CPCSEC received a paycheck protection program government loan proceed in conjunction with this event. Our conclusion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Partnership Charter School Education Corporation as of June 30, 2020 and 2019, and the change in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Adoption New Accounting Pronouncements

As discussed in Note 2 to the financial statements, Community Partnership Charter School Education Corporation adopted Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, and ASU 2016-18 and *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the statements of activities and functional expenses by charter for the years ended June 30, 2020 and 2019, on pages 21 - 28, 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 audits 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.

CITRINCOOPERMAN®
Accountants and Advisors

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020, on our consideration of CPCSEC'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 CPCSEC's internal control over financial reporting and compliance.

Melville, New York
October 30, 2020

COMMUNITY cARTNERSHI CHARTER SCHOOL EDUCATIOn COR ORATIONc
STATEMENTS OF FINANCIAL OSITIONc
JUNE 30, 2020 AND 2019

	2020 c	2019 c
ASSETS		
Cash and ash equivalents œc	$ 3,724,007	$ 694,146 c
Investments, at fair value	2,521,413c	3,367,892 c
Grants re eivable c	11,738	309,665 c
A ou s i eres a d o her re eivables	1,373	16,810
Prepaid expenses c	15,693	12,403 c
Deferred rental osts, net c	75,320	150,639 c
Property and equipment, net	36,953	55,855 c
Other non- urrent assets - dissolution funds c	150,000 c	150,000 c
TOTAL ASSETS c	$ 7,056,497	$ 4,757,410 c
LIABILITIES AND NET ASSETS		
Liabilities:		
A ou s ayable a d a rued ex e ses	$ 1,211,449	$ 1,122,075
Due to NYC Department of Edu ation	13,969	58,300
Due to Beginning with Children Foundation c	324,780	568,225 c
Government loan pro eeds	2,315,000 c	-
Total liabilities c	3,865,198	1,748,600 c
Commitments and ontingen ies (Notes 4, 5, 8, 9 and 12) c		
Net assets without donor restri tions:		
Board-designated for fa ility and personnel osts c	1,200,000 c	1,200,000
Undesignated	1,991,299	1,808,810 c
Total net assets without donor restri tions c	3,191,299	3,008,810
TOTAL LIABILITIES AND NET ASSETS	$ 7,056,497	$ 4,757,410 c

See a ompanying notes to finan ial statements. c

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Operating revenue:		
State and local per pupil operating revenue	$ 15,719,103	$ 14,293,950
Government grants	762,292	679,242
Federal IDEA revenue	112,945	100,631
Total operating revenue	16,594,340	15,073,823
Operating expenses:		
Program services:		
Regular education	10,870,473	10,912,864
Special education	5,368,350	4,405,673
Total program services	16,238,823	15,318,537
Supporting services:		
Management and general	1,197,449	1,261,005
Fundraising	169,308	154,425
Total supporting services	1,366,757	1,415,430
Total operating expenses	17,605,580	16,733,967
Deficit from government-funded school operations	(1,011,240)	(1,660,144)
Other revenue:		
Contributions and grants - private	54,566	28,485
Investment earnings	125,163	125,022
Donated space and rental assistance	1,014,000	910,000
Total other revenue	1,193,729	1,063,507
Change in net assets without donor restrictions	182,489	(596,637)
Net assets without donor restrictions - beginning	3,008,810	3,605,447
NET ASSETS WITHOUT DONOR RESTRICTIONS - ENDING	$ 3,191,299	$ 3,008,810

See accompanying notes to financial statements.

COMMUNITY ARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services			
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel services:							
Administrative staff personnel	$ 661,656	$ 177,954	$ 839,610	$ 588,682	$ -	$ 588,682	$ 1,428,292
Instructional personnel	,030,95	3,747,083	8,778,03				8,778,033
Non-instructional personnel	78,627	46,517	225,144	-	-	-	225,144
Total personnel services	,871,23	3,971,554	9,842,78	88,68		88,682	10,431,469
Fringe benefits and payroll taxes	,686,67	71,390	2,158,06	18,63		18,632	2,276,699
Retirement	09,85	0,36	40,21	,48		,483	147,696
Central service fees	38,64	46,508	1,185,15	38,615	169,30	07,923	1,693,074
Legal services				1,67		1,675	11,675
Accounting and audit services				5,12		5,124	55,124
Consulting service	10,01	8,85	78,87	6,33		6,331	295,207
Rent and leasing cost	38,45	50,870	1,089,32				1,089,320
Repairs and maintenance	17,52	4,58	52,11			3	152,194
Insurance	83,35	3,58	06,94	7,97		7,976	124,916
Utilities	55,12	6,49	1,621	21		10	71,831
Supplies and material	63,80	0,56	34,37			6	334,468
Equipment and furnishing	6,40	6,31	2,72				62,724
Staff development	9,77	9,16	8,94				98,940
Marketing and recruitment	1,94	2,64	04,58				104,587
Technology	73,07	0,40	43,47	,66		,669	345,144
Student service	70,32	2,98	13,30				213,305
Office expenses	6,57	,66	0,24	0,87		0,873	61,114
Depreciation	2,60	,80	9,40				29,406
Other expenses	,078	1,609	6,687	-	-	-	6,687
TOTAL	$10,870,473	$ 5,368,350	$16,238,823	$ 1,197,449	$ 169,308	$ 1,366,757	$17,605,580

See accompanying notes to financial statements.

COMMUNITY ARTNERSHI CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Progra Services			Supporting Services			
	Regular Education	Special Education	Total Progra Services	Manage nt and General	m e Fundraising	Total Supporting Services	Total
Personnel services:							
Ad istrativ staff p rso l	$ 767,694	$ 187,017	$ 954,711	$ 653,111	$ -	$ 653,111	$ 1,607,822
Instructional personne	,870,47	3,040,780	7,911,25				7,911,259
Non-instructional personne	63,991	37,672	201,663	-	-	-	201,663
Total personnel service	,802,16	3,265,469	9,067,63	653,11		53,111	9,720,744
Fringe benefits and payroll taxe	,623,05	35,860	1,958,91	132,61		32,611	2,091,524
Retire n m e	25,53	7,18	42,71				142,717
Central service fee	89,74	91,225	1,080,97	308,849	154,42	63,274	1,544,246
Legal servic				5,91		5,916	25,916
Acco ti a d a dit s rvic s				6,36		6,368	56,368
Consulting service	08,23	14,09	22,33	3,26		3,265	435,596
Rent and leasing cost	08,25	77,06	85,32				985,320
Repairs and intenanc ma	36,07	0,93	67,00	7		71	167,175
Insurance	69,33	5,89	5,22	8,56		8,563	113,787
Utilities	64,09	4,04	8,13	2		20	78,553
Supplies and terial m a	33,56	6,48	10,04				410,043
Equip nt and furnishing	7,14	,42	6,56				46,569
Staff develop n m e	13,89	5,32	39,21				139,213
Marketing and recruit n m m e	00,61	2,94	23,55				123,558
Technolog	14,71	5,21	39,93	,91		,915	142,847
Student service	28,96	0,62	99,58				399,584
Office expens	3,96	,16	8,13	8,81		8,816	66,947
Depreciatio	0,00	,01	7,01				37,017
Other expens	,521	2,722	6,243	-	-	-	6,243
TOTAL	$ 10,912,864	$ 4,405,673	$ 15,318,537	$ 1,261,005	$ 154,425	$ 1,415,430	$ 16,733,967

See acco anying notes to financial state nts. m m e

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ 182,489	$ (596,637)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized gain on investments	(53,523)	(54,993)
Amortization - rent reimbursement	75,320	75,320
Depreciation	29,406	37,017
Bad debt expense	-	5,540
Changes in assets and liabilities:		
Grants receivable	(202,073)	170,376
Accounts, interest and other receivables	(4,563)	270,832
Prepaid expenses	(3,290)	(12,403)
Accounts payable and accrued expenses	89,375	46,929
Due to (from) Beginning with Children Foundation	(243,445)	76,941
Due to (from) NYC Department of Education	(44,331)	50,646
Net cash provided by (used in) operating activities	(174,635)	69,568
Cash flows from investing activities:		
Purchase of property and equipment	(10,504)	(11,266)
Proceeds from sale of investments	1,100,000	225,000
Purchase of investments	(200,000)	(225,000)
Net cash provided by (used in) investing activities	889,496	(11,266)
Cash flows from financing activities:		
Government loan proceeds	2,315,000	-
Net increase in cash, cash equivalents and restricted cash	3,029,861	58,302
Cash, cash equivalents and restricted cash - beginning	844,146	785,844
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - ENDING	$ 3,874,007	$ 844,146
Cash, cash equivalents and restricted cash consist of the following:		
Cash and cash equivalents	$ 3,724,007	$ 694,146
Dissolution funds	150,000	150,000
Cash, cash equivalents and restricted cash shown in the statements of cash flows	$ 3,874,007	$ 844,146

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Principal Business Activity

Community Partnership Charter School Education Corporation is a education corporation that operates two charter schools in the borough of Brooklyn, New York.

Effective October 1, 2014, Beginning with Children Charter School 2 ("BwCCS2") merged into Community Partnership Charter School ("CPCS"), the surviving entity. Concurrent with the merger, CPCS changed its name to Community Partnership Charter School Education Corporation ("CPCSEC").

On July 1, 2014, the Board of Regents of the University of the State of New York ("SUNY") granted a fourth provisional charter to CPCS for the merger of BwCCS2 and CPCS to form CPCSEC, expiring on July 31, 2017.

On March 8, 2017, the Board of Regents of SUNY renewed the CPCSEC charter for a period of five years, expiring July 31, 2022.

CPCSEC'S mission is to provide personalized education for each student, addressing weaknesses and reinforcing strengths through individualized instruction, dynamic curriculum, ongoing assessment and parental/community engagement. CPCSEC puts the needs of the whole student first, transcending the academic rigor of the classroom and nurturing the development of children from their formative years through college.

The New York City Department of Education ("NYCDOE") provides free and reduced-price lunches and transportation directly to a majority of CPCSEC's students.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statements Presentation

The accompanying financial statements have been prepared on a accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires CPCSEC to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Board-designated net assets were established by CPCSEC's board of trustees to provide for unforeseen facility, personnel and other issues.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. CPCSEC reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. There were no net assets with donor restrictions for the years ended June 30, 2020 and 2019.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

CPCSEC maintains cash in deposit accounts which, at times, may exceed federally insured limits. CPCSEC has not experienced any losses in these accounts. CPCSEC considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash reflects $150,000 in funds maintained in separate accounts as required by the Charter School Institute to have funds available to ensure an orderly liquidation, dissolution or transition process if CPCSEC's charter were to be terminated or CPCSEC was closed for other reasons. The restricted cash is held in "Other non-current assets - dissolution funds" on the accompanying statements of financial position.

Contributions

The financial statements of CPCSEC reflect contributions received from the public and other organizations. Contributions are recognized in the accompanying statements of activities as revenue in the period in which they are received or unconditionally promised. CPCSEC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified as net assets without donor restrictions and reported in the statements of activities as "Net assets released from restrictions." Amounts received with donor stipulations that limit their use to certain purposes are reported as contributions without donor restrictions if the stipulated purpose restriction is accomplished in the same year.

Per-Pupil Revenue, Grants and Refundable Advances

Revenue from the state and local governments resulting from CPCSEC's charter status, which is based on the number of students enrolled, is recorded when services are performed in accordance with the charter agreement. Amounts received prior to services being rendered on behalf of students are recognized as amounts due to NYCDOE. Revenue from federal, state and local government cost reimbursement grants and contracts is recognized as revenue when qualifying expenditures are incurred. Amounts received in excess of expenditures incurred are recognized as refundable advances.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants, Accounts and Other Receivables

Grants, accounts and other receivables are stated at the amount management expects to collect. Management evaluates such receivables and establishes an allowance for doubtful accounts based on history of write-offs and collections and current credit conditions. At June 30, 2020 and 2019, management determined that no allowance was required.

Contributed Services and Space

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets, would have been purchased if not provided by a donation, require specialized skills, and are provided by individuals possessing such skills.

A number of volunteers have made a contribution of their time to CPCSEC to develop academic and other programs and to serve on the board of trustees. The value of this contributed time is not reflected in the accompanying financial statements in as much as those services would not typically be purchased had they not been provided by a donation.

CPCSEC was the recipient of donated space which was used for the BwCCS2 middle school campus. For the years ended June 30, 2020 and 2019, the value of the donated space amounted to $348,209 and $447,619 respectively, and is included in "Donated space and rental assistance" in the accompanying statements of activities, and "Rent and lease costs" in the accompanying statements of functional expenses.

Investments

CPCSEC records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. "Investment earnings, net" is reported in the statements of activities and consists of interest and dividend income and unrealized and realized gain/loss, less external and direct internal investment expenses. No investment expenses were incurred during the years ended June 30, 2020 and 2019. See Note 11 for discussion of fair value measurements.

Property and Equipment

CPCSEC capitalizes all purchases of property and equipment in excess of $2,500 and with useful life of greater than one year. Property and equipment are carried at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The cost of providing the programs and other activities has been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with a specific program and provide for the overall support and direction of CPCSEC.

Expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Directly charged
Payroll taxes, fringe benefits	Weighted average/headcount
Professional fees and consulting services	Directly charged
Administrative and office related expense	Directly charged
Office rent, utilities, equipment, repairs and maintenance	Weighted average/headcount

Income Taxes

CPCSEC is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC") and from state income taxes.

CPCSEC recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, CPCSEC assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Management has evaluated CPCSEC's tax positions and has concluded that CPCSEC has taken no uncertain tax positions that require adjustment to the financial statements.

Recently Adopted Accounting Pronouncements

Contributions

In June 2018, FASB issued Accounting Standards Update ("ASU") No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"), which provides guidance for determining whether a transaction should be accounted for as a contribution or an exchange transaction, and whether a contribution is conditional or unconditional. This ASU is effective for years beginning after December 15, 2018. CPCSEC adopted ASU 2018-08 effective July 1, 2019, using the modified prospective method as management believes the standard improves usefulness and understandability of the CPCSEC's financial reporting.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements (Continued)

Contributions (continued)

Under the modified prospective method, the amendments are applied to agreements that are either not completed as of the effective date or entered into after the effective date. CPCSEC has determined that the application of the amendments of ASU 2018-08 did not have a material impact on the CPCSEC's financial statements and related disclosures.

Cash Flows

In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows* (Topic 230) ("ASU 2016-18"). ASU 2016-18 requires that a statement of cash flows explain the change during the period in cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents to reconcile to the beginning-of-period and end-of-period amounts shown on the statement of cash flows. CPCSEC adopted the provisions of ASU 2016-18 as of July 1, 2019, and CPCSEC included restricted cash with its cash in the accompanying statements of cash flows for all periods presented.

Recently Issued but Not Yet Effective Accounting Standards

Revenue Recognition

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended (commonly referred to as "ASC 606"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASC 606 replaces most existing revenue recognition standards in U.S. GAAP, including industry-specific standards, when it becomes effective. In June 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* ("ASU 2020-05"). ASU 2020-05 provided for an optional election to defer the effective date for ASC 606 and related amendments for an additional year.

Prior to the Coronavirus pandemic, CPCSEC was finalizing its assessment and evaluation of the impact that ASC 606 will have on CPCSEC's financial statements and related disclosures. CPCSEC was unable to complete its assessment and evaluation due to the operational disruptions caused by the pandemic. As a result, CPCSEC elected the option available under ASU 2020-05 to defer the effective date of ASC 606 for annual reporting periods beginning after December 15, 2019, and for interim periods within annual reporting periods beginning after December 15, 2020. The standard permits the use of either the retrospective or cumulative-effect transition method. CPCSEC expects at a minimum, the adoption will result in expanded disclosures that will enable users to better understand the nature, amount, timing, and uncertainty, if any, of revenues and cash flows arising from contracts.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CPCSEC has the ability to access.

Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CPCSEC assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in the circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. There were no transfers among levels during the years 2020 or 2019.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, CPCSEC has evaluated subsequent events through October 30, 2020, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. LIQUIDITY AND AVAILABILITY

CPC EC strives to maintain liquid financial assets sufficient to cover general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit.

Assets unavailable for general expenditures within one year that are limited to use include a board-designated fund for facility and personnel costs. In the event the need arises to utilize the board-designated funds, the reserves could be drawn upon through board resolution.

The following table reflects CPC EC's financial assets as of June 30, 2020, reduced by amounts not available for use for general expenditures within one year.

Financial assets as of June 30, 2020:	
Cash and cash equivalents	$ 3,724,007
Investments	2,521,413
Grants receivable	511,738
Accounts and other receivable	21,373
Total financial assets as of June 30, 2020	6,778,531
Less: assets unavailable for general expenditures within one year:	
Board-designated for facility and personnel costs	1,200,000
Total financial assets as of June 30, 2020	$ 5,578,531

NOTE 4. GOVERNMENT LOAN PROCEEDS

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities to a for profit entity. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers follows for the selection of accounting policies amongst acceptable alternatives. Based on the facts and circumstances, CPC EC has determined it most appropriate to account for the Paycheck Protection Program (the "PPP") loan proceeds under the debt model. Under the debt model, CPC EC recognizes the proceeds received as debt, recognizes periodic interest expense in the period in which the interest accrues at the stated interest rate and defers recognition of any potential forgiveness of the loan principal or interest until the period in which CPC EC has been legally released from its obligation by the lender. CPC EC deemed the debt model to be the most appropriate accounting policy for this arrangement as the underlying PPP loan is a legal form of debt and there are significant contingencies outside of the control of CPC EC, mainly related to the third-party approval process for forgiveness.

On May 6, 2020, CPC EC received loan proceeds of $2,315,000 under the PPP. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP. At least 60% of the loan proceeds must be spent on payroll costs, as defined by the PPP, for the loan to be eligible for forgiveness.

NOTE 4. GOVERNMENT LOAN PROCEEDS (CONTINUED)

The PPP loan matures two years from the date of first disbursement of proceeds to CPCSEC (the "PPP Loan Date") and accrues interest at a fixed rate of 1%. Payments are deferred for the first six months and are payable in 18 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP Loan Date.

CPCSEC currently intends to use the proceeds for purposes consistent with the PPP; however, there can be no assurances that CPCSEC will ultimately meet the conditions for forgiveness of the loan or that CPCSEC will not take actions that could cause CPCSEC to be ineligible for forgiveness of the loan, in whole or in part.

Minimum principal payment amounts required under the loan at June 30, 2020, are as follows:

Year ending June 30:	Amount
2021	$ 1,024,700
2022	1,290,300
Total	$ 2,315,000

NOTE 5. RELATED-PARTY TRANSACTIONS

The Beginning with Children Foundation (the "Foundation") is a not-for-profit organization dedicated to improving the educational opportunities of underserved children. The Foundation is a co-founder of CPCSEC.

Central Service Fees

As an educational manager to charter schools for the years ended June 30, 2020 and 2019, the Foundation entered into a Memorandum of Understanding ("MOU") agreement with CPCSEC. Pursuant to the terms of the MOU, CPCSEC agreed to pay service fees to the Foundation in the amount of $1,693,074 and $1,544,246 for the years ended June 30, 2020 and 2019, respectively. The Foundation supported CPCSEC in the areas of leadership and strategy, curriculum and assessment, research and evaluation, teacher development and recruitment, parent and family engagement, business services, compliance, development, technology, communications, board development and evaluation of effectiveness.

At June 30, 2020 and 2019, $324,780 and $568,225, respectively, were due to the Foundation. These amounts were comprised of the remaining cost advances and net of pass-thru contributions made directly to the Foundation for CPCSEC.

NOTE 5. RELATED-PARTY TRANSACTIONS (CONTINUED)

Deferred Rental Costs

During the year ended June 30, 2020, the Foundation incurred certain costs on behalf of CPCSEC in connection with the renovations and other site preparations made to the BwCCS2 Middle School. On June 1, 2017, CPCSEC entered into a reimbursement agreement (the "Agreement") to repay expenses totaling $376,598 (the "Cost Advance") to the Foundation. The Cost Advance will be paid back through five annual, non-interest-bearing payments coinciding with the terms of the lease (see Note 7).

Cost advance	376,598
Less: cumulative payments made through June 30, 2020	301,278
Remaining cost advance as of June 30, 2020	$ 75,320

The remaining balance of $75,320 has been included in "Deferred rental costs, net" and "Due to Beginning with Children Foundation" in the accompanying statements of financial position. Additionally, the annual repayment of $75,320 is amortized and included in "Rent and leasing costs" in the accompanying statements of functional expenses.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2020 and 2019:

	2020	2019	Estimated Useful Life
Computer equipment	$ 385,555	$ 375,051	3 years
Furniture and fixtures	182,238	182,238	7 years
Leasehold improvements	36,451	36,451	5 years or lease
	604,244	593,740	
Less: accumulated depreciation and amortization	567,291	537,885	
Property and equipment, net	$ 36,953	$ 55,855	

NOTE 7. SCHOOL FACILITIES

Donated Space

CPCSEC occupies space in three public schools owned by the NYCDOE located in Brooklyn, New York, which have been made available to CPCSEC at no charge.

School Facility Lease

CPCSEC is obligated under a five-year lease agreement with the Foundation, a related party, commencing July 1, 2016 and expiring June 30, 2021. The lease was for the use of school facility space for the BwCCS2 Middle School. The lease agreement contains provisions for future rent increases. In accordance with U.S. GAAP, CPCSEC records the monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term (straight-line basis).

NOTE 7. SCHOOL FACILITIES (CONTINUED)

Sc ool Facility Lease (Continued)

As of June 30, 2020, t e minimum annual rent payments required under t e lease is $1,014,000. T e payments are due during t e year ended June 30, 2021.

In conjunction wit t e sc ool facility lease, t e Foundation provided donated space amounting to $348,209 and $447,619 for t e years ended June 30, 2020 and 2019, respectively.

Rental Assistance

During t e years ended June 30, 2020 and 2019, CPCSEC received $665,791 and $462,381, respectively, of rental assistance reimbursement from t e NYCDOE. T ese amounts will be paid to CPCSEC and will be due to t e Foundation as rental income.

NOTE 8. EMPLOYEE BENEFIT PLAN

CPCSEC maintains a defined contribution plan under Section 401(k) of t e IRC covering eligible employees. Under the plan, CPCSEC provides matching contributions. In addition, CPCSEC may elect, on a discretionary basis, to contribute a percentage of all qualified employees' compensation to t e profit-s aring component of t e plan. T e amount c arged to operations for contributions to t e defined contribution plan was $147,696 and $142,717 for t e years ended Ju e 30, 2020 and 2019, respectively.

NOTE 9. CONTINGENCIES

Grants and Contracts

Certain grants and contracts may be subject to audit by t e funding sources. Suc audits might result in t e disallowance of costs submitted for reimbursement. Management is of t e opinion t at suc cost disallowance, if any, will not ave a material effect on t e accompanying financial statements. Accordingly, no amounts ave been provided in t e accompanying financial statements for suc potential claims.

Litigation

CPCSEC is, from time to time, subject to ordinary and routine litigation. Management presently believes t at t e ultimate outcome of t ese proceedings, individually or in t e aggregate, will not ave a material adverse effect on CPCSEC's financial condition, results of operations or cas flows. Nevert eless, litigation is subject to in erent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in suc event, could result in a material adverse impact on CPCSEC's financial condition, results of operations or cas flows for t e period in w ic t e ruling occurs.

NOTE 10. CONCENTRATIONS s

Grant Receivable

A of June 30, 2020 and 2019, New York State accounted for 92% and 90% of s CPCSEC' grant receivable balance, re pectively.

Account , Intere t and Other Receivable

For the year ended June 30, 2020 and 2019, New York State accounted for 39% and 54% of CPCSEC' account receivable, intere t and other receivable balance, s re pectively. s

Revenue s

State and local per pupil operating revenue from the New York State Education Department accounted for 93% and 94% of total operating and other revenue for the s year ended June 30, 2020 and 2019, re pectively.

Inve tment

One financial in titution held 100% of CPCSEC' inve tment at both Ju 30, 2020 s and 2019. The e certificate of depo it are in ured by the Securitie Inve tor Protection Corporation.

NOTE 11. FAIR VALUE MEASUREMENTS

A et and liabilitie mea ured at fair value are ba ed on one or more of three valuation technique identified in the table below. The valuation technique are a follow :

(a) *arket approach*. Pric M and other relevant information generated by market s tran action involving identical or comparable a et or liabilitie ;

(b) *ost approach*. A Cmount that would be required to replace the ervice capacity of an a et (replacement co t); and

(c) *ncome approach*. Tec Ihnique to convert future amount to a ingle pre ent amount ba ed on market expectation (including pre ent value technique , s option-pricing and exce earning model).

NOTE 11. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables summarize CPCSEC's assets measured at fair value on a recurring basis, categorized by U.S. GAAP's valuation hierarchy as of June 30, 2020 and 2019;

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at June 30, 2020	Valuation Technique
Certificates of deposit (included in investments)	$ -	$ 2,521,413	$ -	$ 2,521,413	(a)

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at June 30, 2019	Valuation Technique
Certificates of deposit (included in investments)	$ -	$ 3,367,892	$ -	$ 3,367,892	(a)

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2020 and 2019:

The certificates of deposit are stated at quoted market prices.

NOTE 12. COVID-19

During the 2020 calendar year, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Disruptions to operations have occurred as a result from quarantines of volunteers, donors and vendors in areas affected by the outbreak. Furthermore, economic uncertainties have arisen which are likely to negatively impact support and revenue. Given the uncertainty of the situation, the duration of the disruption and related financial impact cannot be reasonably estimated at this time. No adjustments or provisions were made in these financial statements related to COVID-19.

SUPPLEMENT Y INFORMATION

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF ACTIVITIES BY CHARTER
FOR THE YEAR ENDED JUNE 30, 2020

	Beginning with Children Charter School 2	Community Partnership Charter School re-Kindergarten	Community Partnership Charter School	Total
Operating revenue:				
State and local per pupil operating revenue	$ 7,408,784	$ 164,987	$ 7,145,332	$ 15,719,103
Government grant	252,964		509,324	762,292
Federal IDEA revenue	56,344	-	56,601	112,945
Total operating revenue	7,718,096	164,987	7,711,257	16,594,340
Operating expenses:				
Program services:				
Regular education	7,721,312	92,777	7,956,384	10,870,473
Special education	1,907,767	-	2,460,589	5,368,350
Total program service	9,629,079	192,771	7,416,973	16,238,823
Supporting services:				
Management and general	72,899	1	24,340	1,197,449
Fundraising	82,548	-	86,760	169,308
Total supporting service	155,447	210	711,100	1,366,757
Total operating expense	9,284,526	192,981	8,128,073	17,605,580
Deficit from government-funded school operation	(566,430)	(27,994)	(416,816)	(1,011,240)
Other revenue:				
Contributions and grants - private	9,777		4,791	54,566
Investment earnings, net	2,479		2,692	125,163
Donated space and rental assistance	1,014,000	-	-	1,014,000
Total other revenue	1,106,246	-	87,483	1,193,729
Change in net assets without donor restriction	539,816	27,994	(329,333)	182,489
Net assets without donor restrictions - beginning	2,493,020	(54,249)	2,570,039	3,008,810
NET ASSETS WITHOUT DONOR RESTRICTIONS - ENDING	$ 3,032,836	$ (82,243)	$ 2,240,706	$ 3,191,299

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF ACTIVITIES BY CHARTER
FOR THE YEAR ENDED JUNE 30, 2019

	Beginning with Children Charter School 2	Community Partnership Charter School Pre-Kindergarten	Community Partnership Charter School	Total
Operating revenue:				
State and local per pupil operating revenue	$ 7,176,722	$ 181,174	$ 6,936,054	$ 14,293,950
Government grant	72,26		06,975	679,242
Federal IDEA revenue	5,235	-	55,396	100,631
Total operating revenue	,394,224	181,174	7,498,425	15,073,823
Operating expenses:				
Program services:				
Regular educatio	,282,61	03,42	,426,832	10,912,864
Special educatio	,424,468	-	1,981,205	4,405,673
Total program service	,707,080	203,420	7,408,037	15,318,537
Supporting services:				
Management and genera	66,35	,73	90,918	1,261,005
Fun raising	69,456	-	84,969	154,425
Total supporting service	35,806	3,737	775,887	1,415,430
Total operating expense	,342,886	207,157	8,183,924	16,733,967
Deficit from government-funded school operation	948,662)	(25,983)	(685,499)	(1,660,144)
Other revenue:				
Contributions and grants - privat	5,99		2,495	28,485
Investment earnings, ne	2,03		2,988	125,022
Donated space and rental assistanc	10,000	-	-	910,000
Total other revenu	88,024	-	75,483	1,063,507
Change in net assets without donor restriction	9,36	25,983	610,016)	(596,637)
Net assets without donor restrictions - beginnin	53,656	(28,265)	3,180,056	3,605,447
NET ASSETS WITHOUT DONOR RESTRICTIONS - ENDING	93,018	54,248)	$ 2,570,040	$ 3,008,810

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
COMMUNITY PARTNERSHIP CHARTER SCHOOL PRE-KINDERGARTEN
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services			
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel services:							
Administrative staff personnel			$ -	$ -	$ -	$ -	$ -
Instructional personnel	144,610	-	144,610	-	-	-	144,610
Total personnel service	144,610		144,610				144,610
Fringe benefits and payroll taxes	33,286		33,286				33,286
Retirement	4,726		4,726				4,726
Consulting service	1,225		1,225				1,225
Utilities	200		200	10		10	210
Supplies and material	8,874		8,874				8,874
Office expenses	50	-	50	-	-	-	50
TOTAL	$ 192,771	$ -	$ 192,771	$ 10	$ -	$ 10	$ 192,781

See independent auditor's report.

COMMUNITY ARTNERSHI CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
BEGINNING WITH CHILDREN CHARTER SCHOOL 2
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services			
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel services:							
Administrative staff personnel	$ 454,679	$ 116,731	$ 571,410	$ 277,124	$ -	$ 277,124	$ 848,534
Instructional personnel	,304,242	2,012,43	,316,67				4,316,672
Non-instructional personnel	7,277	18,773	96,050	-	-	-	96,050
Total personnel service	,836,198	2,147,93	,984,13	277,12		77,124	5,261,256
Fringe benefits and payroll taxes	35,83	80,23	16,07	1,40		1,401	967,472
Retirement	4,83	3,92	8,75				68,756
Central service fee	67,16	10,67	77,83	165,09	2,548	247,643	825,476
Legal service				,18		,181	5,181
Accounting and audit service				7,56		7,562	27,562
Consulting service	1,96	7,08	9,04	,02		,025	87,069
Rent and leasing cost	38,45	50,87	,089,32				1,089,320
Repairs and maintenance	15,38	4,16	49,54			3	149,630
Insurance	42,77	0,69	3,47	,98		,988	62,458
Utilities	55,12	6,49	1,62				71,621
Supplies and material	32,54	2,94	65,49				165,493
Equipment and furnishing	4,87	,63	8,50				18,506
Staff development	9,93	,04	8,98				48,984
Marketing and recruitment	7,80	,52	7,33				47,330
Technology	95,04	9,90	44,94	,20		,207	246,148
Student service	1,87	5,28	7,15				87,152
Office expenses	,29	,55	,85	8,23		8,233	36,087
Depreciation	5,219	3,806	19,025	-	-	-	19,025
TOTAL	$ 5,721,318	$ 2,907,761	$ 8,629,079	$ 572,899	$ 82,548	$ 655,447	$ 9,284,526

See independent auditor's report.

COMMUNITY S ARTNERSHI CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
COMMUNITY S ARTNERSHI CHARTER SCHOOL S
FOR THE YEAR ENDED JUNE 30, 2020

	Program ervices			upporting ervices			
	Regular S Education	pecial S Education	Total Program ervices	Management and General S	Fundraising S	Total S upporting S ervices	Total
Personnel services:							
A ministr ti e st ff ersonnel	$ 206,977	$ S 61,223	$ 268,200	$ 311,558	$ -	$ S 311,558	$ 579,758
Instructional personne	,582,098	1,734,65	,316,75				4,316,751
Non-instructional personne	01,350 S	27,744	129,094 S	-	-	-	129,094
Total personnel service	,890,425	1,823,62	,714,04	11,55 S		11,558	5,025,603
Fringe benefits and payroll taxe	17,55	91,15	,208,71	7,23		7,231	1,275,941
Retiremen	0,29	6,44	6,73	,48		,483	74,214
Central service fee	71,48	35,83	07,31	73,52	6,760 SS	260,280	867,598
Legal servic				,49		,494	6,494
Accounting n u it ser ices				7,56		7,562 S	27,562 S
Consulting service	46,83 S	1,77	98,60	,30		,306	206,913
Repairs and maintenanc SS	,14	2	,56				2,564
Insurance	40,58	2,88 S	3,47 S	,98 S		,988 S	62,458
upplies and material	22,38	7,61	60,00 S			6	160,101
Equipment and furnishing S	1,53 S	2,68 S	4,21				44,218 S
taff developmen	9,83	0,12	9,95				49,956
Marketing and recruitmen S	4,14 S	3,11	7,25				57,257
Technolog	8,03	0,50	8,53 S	6		62	98,996
tudent service S	8,45	7,70	26,15				126,153
Office expens	0,23	,10 S	2,33	2,64		2,640	24,976
Depreciatio	,38	,99	0,38				10,382 S
Other expens S	,078	1,609	6,687	-	-	-	6,687
TOTAL S	$ 4,956,384	$ 2,460,589	$ 7,416,973 S	$ 624,340 S	$ S 86,760 S	$ 711,100	$ 8,128,073

ee independent auditor's report. S

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
COMMUNITY PARTNERSHIP CHARTER SCHOOL PRE-KINDERGARTEN
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services			
	Regular Education	Special Education	Total Program Services	Management and General	Fund raising	Total Supporting Services	Total
Personnel services:							
Administrative staff personnel	$ 9,000	$ -	$ 9,000	$ 2,884	$ -	$ 2,884	$ 11,884
Instructional personnel	41,309	-	141,309	-	-	-	141,309
Total personnel service	50,30		50,30	,88		,884	153,193
Fringe benefits and payroll taxes	2,34		2,34	3		33	32,778
Retirement	,62		,62				4,628
Consulting service	,70		,70				3,705
Utilities				2		20	420
Supplies and material	,66		,66				5,667
Student service	,70		,70				1,700
Other expenses	,066	-	5,066	-	-	-	5,066
TOTAL	$ 203,420	$ -	$ 203,420	$ 3,737	$ -	$ 3,737	$ 207,157

See independent auditor's report.

COMMUNITY ARTNERSHI CHARTER SCHOOL EDUCATION COR ORATION
STATEMENT OF FUNCTIONAL EX ENSES BY CHARTER
BEGINNING WITH CHILDREN CHARTER SCHOOL 2
FOR THE YEAR ENDED JUNE 30, 2019

	Pr gram Services			Supp rting Services			
	Regular Educati n	Special Educati n	T tal Pr gram Services	Management and General	Fundraising	T tal Supp rting Services	T tal
Pers nnel services:							
Admi str t ve st ff pers o el	$ 368,333	$ 80,368	$ 448,701	$ 262,927	$ -	$ 262,927	$ 711,628
Instructi nal pers nne	,044,892	1,715,47	,760,36				3,760,363
N on-instructi nal pers nne	3,790	20,434	114,224	-	-	-	114,224
T tal pers nnel service	,507,015	1,816,27	,323,28	62,92		62,927	4,586,215
Fringe benefits and payr ll taxe	55,39	20,33	75,72	2,10		2,102	857,827
Retiremen	4,88	1,97	6,85				66,854
Central service fee	99,27	6,91	86,18	38,91	9,456	208,367	694,556
Legal servic				,33		,332	4,332
Acc o t g od o d t serv ces				8,18		8,184	28,184
C nsulting service	5,12	7,02	12,15	,52		,520	118,673
Rent and leasing c st	08,25	77,06	85,32				985,320
Repairs and maintenanc	13,92	4,95	38,87	7		71	139,046
Insurance	34,98	,63	2,61	4,28		4,282	56,894
Utilities	64,09	4,04	8,13				78,133
Supplies and material	68,88	8,86	07,75				207,758
Equipment and furnishing	6,12	,51	9,64				19,644
Staff devel pmen	1,09	1,12	2,22				62,221
Marketing and recruitmen	6,09	2,20	8,30				68,301
Techn l g	9,19	7,28	6,48	,61		,614	98,100
Student service	82,51	9,72	22,23				222,235
Office expens	,75	,47	,23	7,30		7,307	35,540
Depreciati	8,59	,05	2,64				22,649
Other expens	9,596)	-	(9,596)	-	-	-	(9,596)
TOTAL	$ 5,282,612	$ 2,424,468	$ 7,707,080	$ 566,350	$ 69,456	$ 635,806	$ 8,342,886

See independent audit r's rep rt.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
COMMUNITY PARTNERSHIP CHARTER SCHOOL
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services			
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel services:							
Administrative staff personnel	90,361	$ 106,649	$ 497,010	$ 387,300	$ -	$ 387,300	$ 884,310
Instructional personnel	,684,278	1,325,30	,009,58				,009,587
Non-instructional personnel	0,201	17,238	87,439	-	-	-	87,439
Total personnel services	,144,840	1,449,19	,594,03	87,30		87,300	4,981,336
Fringe benefits and payroll taxes	935,31	15,52	,150,84	0,07		0,076	1,200,919
Retirement	6,02	,21	1,23				71,235
Central service fee	90,47	04,31	94,78	69,93	4,969	254,907	849,690
Legal service				1,58		1,584	21,584
Accounting and audit service				8,18		8,184	28,184
Consulting service	29,40	7,07	06,47	,74		,745	313,218
Repairs and maintenance	2,14	,98	8,12				28,129
Insurance	34,35	,26	2,61	4,28		4,281	56,893
Supplies and material	59,0	7,61	96,61				96,618
Equipment and furnishing	1,02	,90	6,92				26,925
Staff development	2,80	4,19	6,99				76,992
Marketing and recruitment	4,51	0,73	5,25				55,257
Technology	5,51	,93	3,44	,30		,301	44,747
Student service	44,75	0,89	75,64				75,649
Office expense	7,21	,68	9,89	1,50		1,509	31,407
Depreciation	1,41	,95	4,36				14,368
Other expense	,051	2,722	10,773	-	-	-	10,773
TOTAL	$ 5,426,832	$ 1,981,205	$ 7,408,037	$ 690,918	$ 84,969	$ 775,887	$ 8,183,924

See independent auditor's report.

CITRINCOOPERMAN®
Accountants and Advisors

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
Community Partnership Charter School Education Corporation

We have audited, 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, the financial statements of Community Partnership Charter School Education Corporation ("CPCSEC") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CPCSEC'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 CPCSEC's internal control. Accordingly, we do not express an opinion on the effectiveness of CPCSEC'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.

CITRINCOOPERMAN®
Accountants and Advisors

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPCSEC'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 CPCSEC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPCSEC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Melville, New York
October 30, 2020