

**COMMUNITY PARTNERSHIP CHARTER SCHOOL
EDUCATION CORPORATION**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2025 AND 2024

**COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Community Partnership Charter School Education Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Partnership Charter School Education Corporation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Partnership Charter School Education Corporation as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Partnership Charter School Education Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Partnership Charter School Education Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Partnership Charter School Education Corporation's ability to continue as a going concern for a reasonable period of time.

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

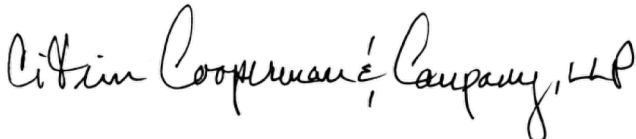
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Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the schedules on pages 18 - 27 is presented for purpose of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on pages 28 - 30, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information contained in the schedules on pages 18 - 30 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of Community Partnership Charter School Education Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Partnership Charter School Education Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Partnership Charter School Education Corporation's internal control over financial reporting and compliance.



New York, New York
December 15, 2025

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,047,880	\$ 1,927,453
Certificates of deposit	2,245,100	2,865,499
Grants receivable	700,146	1,627,177
Accounts and other receivables	54,430	12,639
Prepaid expenses	203,240	36,281
Other assets	263,909	263,910
Due from NYC Department of Education	286,947	-
Property and equipment, net	80,684	112,958
Restricted cash	150,000	150,000
Operating lease right-of-use assets	<u>49,588,137</u>	<u>52,548,549</u>
TOTAL ASSETS	<u>\$ 55,620,473</u>	<u>\$ 59,544,466</u>
<u>LIABILITIES AND NET ASSETS (DEFICIT)</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,151,086	\$ 2,068,642
Refundable advances	-	62,996
Due to Beginning with Children Foundation, Inc.	184,883	701,649
Operating lease liabilities	<u>54,405,344</u>	<u>56,478,531</u>
Total liabilities	<u>56,741,313</u>	<u>59,311,818</u>
Commitments and contingencies (Notes 4, 7, 9 and 10)		
Net assets (deficit) without donor restrictions:		
Board-designated for facility and personnel costs	1,200,000	1,200,000
Undesignated	<u>(2,320,840)</u>	<u>(967,352)</u>
Total net assets (deficit) without donor restrictions	(1,120,840)	232,648
Net assets with donor restrictions		
	<u>-</u>	<u>-</u>
Total net assets (deficit)	<u>(1,120,840)</u>	<u>232,648</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 55,620,473</u>	<u>\$ 59,544,466</u>

See accompanying notes to financial statements.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:						
State and local per pupil operating revenue	\$ 27,173,085	\$ -	\$ 27,173,085	\$ 24,170,002	\$ -	\$ 24,170,002
Government grants	1,158,333	-	1,158,333	2,032,867	-	2,032,867
Federal IDEA revenue	<u>320,472</u>	<u>-</u>	<u>320,472</u>	<u>288,046</u>	<u>-</u>	<u>288,046</u>
Total operating revenue	<u>28,651,890</u>	<u>-</u>	<u>28,651,890</u>	<u>26,490,915</u>	<u>-</u>	<u>26,490,915</u>
Operating expenses:						
Program services:						
Regular education	20,950,759	-	20,950,759	19,947,402	-	19,947,402
Special education	<u>10,541,875</u>	<u>-</u>	<u>10,541,875</u>	<u>9,446,635</u>	<u>-</u>	<u>9,446,635</u>
Total program services	<u>31,492,634</u>	<u>-</u>	<u>31,492,634</u>	<u>29,394,037</u>	<u>-</u>	<u>29,394,037</u>
Supporting services:						
Management and general	2,544,419	-	2,544,419	2,292,328	-	2,292,328
Fundraising	<u>298,418</u>	<u>-</u>	<u>298,418</u>	<u>273,086</u>	<u>-</u>	<u>273,086</u>
Total supporting services	<u>2,842,837</u>	<u>-</u>	<u>2,842,837</u>	<u>2,565,414</u>	<u>-</u>	<u>2,565,414</u>
Total operating expenses	<u>34,335,471</u>	<u>-</u>	<u>34,335,471</u>	<u>31,959,451</u>	<u>-</u>	<u>31,959,451</u>
Loss from government-funded school operations	<u>(5,683,581)</u>	<u>-</u>	<u>(5,683,581)</u>	<u>(5,468,536)</u>	<u>-</u>	<u>(5,468,536)</u>
Other income:						
Contributions and grants - private	1,058,532	-	1,058,532	708,018	-	708,018
Interest income and realized gains, net	181,938	-	181,938	185,429	-	185,429
Donated space and rental assistance	3,089,623	-	3,089,623	2,414,687	-	2,414,687
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,580</u>	<u>(3,580)</u>	<u>-</u>
Total other income	<u>4,330,093</u>	<u>-</u>	<u>4,330,093</u>	<u>3,311,714</u>	<u>(3,580)</u>	<u>3,308,134</u>
Change in net assets	(1,353,488)	-	(1,353,488)	(2,156,822)	(3,580)	(2,160,402)
Net assets - beginning	<u>232,648</u>	<u>-</u>	<u>232,648</u>	<u>2,389,470</u>	<u>3,580</u>	<u>2,393,050</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$ (1,120,840)</u>	<u>\$ -</u>	<u>\$ (1,120,840)</u>	<u>\$ 232,648</u>	<u>\$ -</u>	<u>\$ 232,648</u>

See accompanying notes to financial statements.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Administrative staff personnel	\$ 1,112,513	\$ 387,833	\$ 1,500,346	\$ 1,093,290	\$ -	\$ 1,093,290	\$ 2,593,636
Instructional personnel	9,190,800	6,050,609	15,241,409	-	-	-	15,241,409
Non-instructional personnel	<u>210,196</u>	<u>68,435</u>	<u>278,631</u>	<u>111,555</u>	<u>-</u>	<u>111,555</u>	<u>390,186</u>
Total personnel services	10,513,509	6,506,877	17,020,386	1,204,845	-	1,204,845	18,225,231
Fringe benefits and payroll taxes	2,439,124	1,115,500	3,554,624	182,649	-	182,649	3,737,273
Retirement	239,100	80,149	319,249	26,607	-	26,607	345,856
Central service fees	1,558,469	530,451	2,088,920	596,836	298,418	895,254	2,984,174
Legal service	-	-	-	14,424	-	14,424	14,424
Accounting and audit services	-	-	-	74,509	-	74,509	74,509
Consulting services	720,812	260,663	981,475	204,382	-	204,382	1,185,857
Rent and leasing costs	2,969,025	1,159,240	4,128,265	-	-	-	4,128,265
Repairs and maintenance	143,918	50,431	194,349	-	-	-	194,349
Insurance	192,311	65,775	258,086	36,473	-	36,473	294,559
Utilities	181,287	69,851	251,138	-	-	-	251,138
Supplies and materials	526,512	196,811	723,323	44,213	-	44,213	767,536
Equipment and furnishings	47,737	15,987	63,724	-	-	-	63,724
Staff development	165,253	57,179	222,432	-	-	-	222,432
Marketing and recruitment	260,624	83,589	344,213	-	-	-	344,213
Technology	248,756	83,965	332,721	-	-	-	332,721
Student services	664,974	236,162	901,136	-	-	-	901,136
Office expense	48,619	17,576	66,195	146,829	-	146,829	213,024
Depreciation and amortization	16,048	6,498	22,546	9,728	-	9,728	32,274
Other expense	<u>14,681</u>	<u>5,171</u>	<u>19,852</u>	<u>2,924</u>	<u>-</u>	<u>2,924</u>	<u>22,776</u>
TOTAL	<u>\$ 20,950,759</u>	<u>\$ 10,541,875</u>	<u>\$ 31,492,634</u>	<u>\$ 2,544,419</u>	<u>\$ 298,418</u>	<u>\$ 2,842,837</u>	<u>\$ 34,335,471</u>

See accompanying notes to financial statements.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Administrative staff personnel	\$ 1,208,149	\$ 349,303	\$ 1,557,452	\$ 1,109,500	\$ -	\$ 1,109,500	\$ 2,666,952
Instructional personnel	7,895,892	5,548,552	13,444,444	-	-	-	13,444,444
Non-instructional personnel	<u>130,740</u>	<u>41,230</u>	<u>171,970</u>	<u>171,526</u>	<u>-</u>	<u>171,526</u>	<u>343,496</u>
Total personnel services	9,234,781	5,939,085	15,173,866	1,281,026	-	1,281,026	16,454,892
Fringe benefits and payroll taxes	2,284,281	839,804	3,124,085	145,601	-	145,601	3,269,686
Retirement	212,502	67,412	279,914	28,218	-	28,218	308,132
Central service fees	1,585,974	325,619	1,911,593	546,169	273,086	819,255	2,730,848
Legal service	-	-	-	23,329	-	23,329	23,329
Accounting and audit services	-	-	-	72,974	-	72,974	72,974
Consulting services	651,051	219,260	870,311	18,336	-	18,336	888,647
Rent and leasing costs	3,200,817	1,119,314	4,320,131	-	-	-	4,320,131
Repairs and maintenance	337,336	115,351	452,687	-	-	-	452,687
Insurance	158,987	50,938	209,925	32,509	-	32,509	242,434
Utilities	160,956	55,636	216,592	-	-	-	216,592
Supplies and materials	609,350	226,026	835,376	791	-	791	836,167
Equipment and furnishings	46,418	14,250	60,668	-	-	-	60,668
Staff development	100,217	30,815	131,032	-	-	-	131,032
Marketing and recruitment	185,844	59,415	245,259	-	-	-	245,259
Technology	409,187	137,113	546,300	-	-	-	546,300
Food service	67,384	24,245	91,629	-	-	-	91,629
Student services	620,721	194,745	815,466	-	-	-	815,466
Office expense	51,857	17,406	69,263	132,772	-	132,772	202,035
Depreciation and amortization	17,367	6,225	23,592	9,727	-	9,727	33,319
Other expense	<u>12,372</u>	<u>3,976</u>	<u>16,348</u>	<u>876</u>	<u>-</u>	<u>876</u>	<u>17,224</u>
TOTAL	<u>\$ 19,947,402</u>	<u>\$ 9,446,635</u>	<u>\$ 29,394,037</u>	<u>\$ 2,292,328</u>	<u>\$ 273,086</u>	<u>\$ 2,565,414</u>	<u>\$ 31,959,451</u>

See accompanying notes to financial statements.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (1,353,488)	\$ (2,160,402)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized (gains) losses on redemptions of certificates of deposit	(54,601)	(79,215)
Depreciation and amortization	32,274	33,319
Non-cash lease expense	887,226	1,744,541
Changes in operating assets and liabilities:		
Grants receivable	927,031	1,019,544
Accounts and other receivables	(41,791)	21,039
Prepaid expenses	(166,959)	15,102
Other assets	-	(7,965)
Accounts payable and accrued expenses	82,444	478,513
Refundable advances	(349,943)	20,505
Due to Beginning with Children Foundation, Inc.	<u>(516,766)</u>	<u>226,213</u>
Net cash provided by (used in) operating activities	<u>(554,573)</u>	<u>1,311,194</u>
Cash flows from investing activities:		
Proceeds from redemption of certificates of deposit	2,475,000	424,998
Purchases of certificates of deposit	<u>(1,800,000)</u>	<u>(450,000)</u>
Net cash provided by (used in) investing activities	<u>675,000</u>	<u>(25,002)</u>
Net increase in cash, cash equivalents and restricted cash	120,427	1,286,192
Cash, cash equivalents and restricted cash - beginning	<u>2,077,453</u>	<u>791,261</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - ENDING	<u>\$ 2,197,880</u>	<u>\$ 2,077,453</u>
Cash, cash equivalents and restricted cash consist of the following:		
Cash and cash equivalents	\$ 2,047,880	\$ 1,927,453
Restricted cash (as in BS & short version)	<u>150,000</u>	<u>150,000</u>
Cash, cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 2,197,880</u>	<u>\$ 2,077,453</u>

See accompanying notes to financial statements.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Principal Business Activity

Community Partnership Charter School Education Corporation is an 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.

On March 17, 2021, the Board of Regents of the University of the State of New York ("SUNY") granted approval of additional grades in High School as part of the Beginning with Children Charter School 2.

On June 28, 2022, the Board of Regents of SUNY renewed the CPCSEC charter for a period of five years, expiring July 31, 2027.

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.

CPCSEC fulfills its mission by focusing its efforts in the following service areas:

Regular Education

Providing educational services to students in pre-kindergarten, lower, middle and high schools tailored to suit the needs of the individual students.

Special Education

Providing specialized educational services to students in pre-kindergarten, lower, middle and high schools tailored to suit the needs of the students with a focus on developmental learning.

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

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on an 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. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

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 considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2025 and 2024, CPCSEC's cash equivalents consisted of money market funds, sweep accounts, and time deposits.

Grants Receivable

CPCSEC records grants receivable at cost less an allowance for doubtful accounts. On a periodic basis, CPCSEC evaluates its grants receivable and establishes an allowance for doubtful accounts, if necessary, based on the history of collections. No allowance for doubtful accounts was deemed necessary as of both June 30, 2025 and 2024.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

CPCSEC capitalizes all purchases of property and equipment in excess of \$2,500 and with a 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. The useful lives range from three to seven years. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the estimated useful life of the asset or the remaining life of the lease. Maintenance and repairs are charged to expense and major renewals and betterments are capitalized.

Impairment of Long-lived Assets

CPCSEC evaluates its long-lived assets, including CPCSEC's right-of-use assets, for impairment in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360, *Property, Plant and Equipment*. If this evaluation indicates that an impairment loss should be recognized, CPCSEC records the charge to operations for the estimated impairment loss in the period determined. No impairment charges were required for the years ended June 30, 2025 and 2024.

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.

Leases

CPCSEC has operating lease agreements for certain buildings under terms ranging up to 31 years. CPCSEC determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the accompanying statements of financial position.

Lease terms include the noncancelable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. CPCSEC has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. CPCSEC uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

Certain leases contain fixed and determinable escalation clauses for which CPCSEC recognizes rental expense under these leases on the straight-line basis over the lease terms. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Operating Revenue

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 "Refundable advances" in the accompanying statements of financial position.

A portion of CPCSEC's operating revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when CPCSEC has incurred expenditures or provided the related services in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or providing the related services are reported as "Refundable advances" in the accompanying statements of financial position.

Contributions and Grants - Private

Contributions and grants from private donors, including unconditional promises to give, are recognized at fair value as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate that is commensurate with the risks involved, if any.

Private grants that are for cost reimbursement are conditioned upon the incurrence of allowable, qualifying expenses. Amounts received are recognized as revenue when CPCSEC has incurred expenditures in compliance with the specific grant. Amounts received prior to incurring qualifying expenditures are reported as "Refundable advances" in the accompanying statements of financial position.

Donations of noncash assets are recorded at their fair values at the date received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and are provided by individuals possessing those skills, are recorded at their fair values in the period received.

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 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 donation.

**COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Donated Space and Rental Assistance

CPCSEC was the recipient of donated space which was used for the BwCCS2 middle school and high school campuses. For the years ended June 30, 2025 and 2024, the value of the donated space amounted to \$347,824 and \$305,473, respectively, and is included in "Donated space and rental assistance" in the accompanying statements of activities, and "Rent and leasing costs" in the accompanying statements of functional expenses.

During the years ended June 30, 2025 and 2024, CPCSEC received \$2,741,799 and \$2,109,214, respectively, of rental assistance from the NYCDOE as a direct reimbursement of rental expenses and are included in "Donated space and rental assistance" in the accompanying statements of activities. The fair value of the donated space is based on the rental rates provided in the underlying lease agreements.

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.

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:

<u>Expense</u>	<u>Method of Allocation</u>
Fringe benefits and payroll taxes	Weighted average/head count
Retirement	Weighted average/head count
Central service fees	Children serviced/personnel supported
Staff development	Weighted average/head count
Marketing and recruitment	Weighted average/head count

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 FASB 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.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, CPCSEC has evaluated subsequent events through December 15, 2025, the date that 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

CPCSEC 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 CPCSEC's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for use for general expenditures within one year.

	<u>2025</u>	<u>2024</u>
Financial assets as of June 30:		
Cash and cash equivalents	\$ 2,047,880	\$ 1,927,453
Certificates of deposits	2,245,100	2,865,499
Grants receivable	700,146	1,627,177
Accounts and other receivables	<u>54,430</u>	<u>12,639</u>
Total financial assets as of June 30	<u>5,047,556</u>	<u>6,432,768</u>
Less: assets unavailable for general expenditures within one year:		
Board-designated for facility and personnel costs	<u>1,200,000</u>	<u>1,200,000</u>
Total assets unavailable for general expenditures within one year	<u>1,200,000</u>	<u>1,200,000</u>
Total financial assets as of June 30	<u>\$ 3,847,556</u>	<u>\$ 5,232,768</u>

NOTE 4. RELATED-PARTY TRANSACTIONS

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

Central Service Fees

As an educational manager to charter schools, the Foundation entered into a Memorandum of Understanding ("MOU") agreement with CPCSEC for each of the years ended June 30, 2025 and 2024. Pursuant to the terms of the MOUs, CPCSEC agreed to pay service fees to the Foundation in the amount of \$2,994,505 and \$2,730,848 for the years ended June 30, 2025 and 2024, respectively. The Foundation supported CPCSEC in the areas of leadership and strategy, curriculum and assessment,

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4. RELATED-PARTY TRANSACTIONS (CONTINUED)

Central Service Fees (Continued)

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, 2025 and 2024, \$184,883 and \$701,649, respectively, were due to the Foundation. These amounts were comprised of the remaining cost advances net of pass-through contributions made directly to the Foundation for CPCSEC.

Donated Space

The donated space in the amounts of \$347,824 and \$305,473, for the years ended June 30, 2025 and 2024, respectively, was received from the Foundation.

NOTE 5. CERTIFICATES OF DEPOSIT

CPCSEC had certificates of deposit totaling \$2,245,100 and \$2,865,499 at June 30, 2025 and 2024, with fixed interest rates of ranging from 3.997% to 7.232% and maturity dates ranging from December 2025 to November 2029. Certificates of deposit are recorded at cost plus accrued interest, which approximates fair value.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Estimated Useful Life</u>
Computer equipment	\$ 391,829	\$ 391,829	3 years
Furniture and fixtures	294,970	294,970	7 years
Leasehold improvements	<u>85,087</u>	<u>85,087</u>	5 years
	771,886	771,886	
Less: accumulated depreciation and amortization	<u>691,202</u>	<u>658,928</u>	
Property and equipment, net	<u>\$ 80,684</u>	<u>\$ 112,958</u>	

Depreciation and amortization expense was \$32,274 and \$33,319 for the years ended June 30, 2025 and 2024, respectively.

NOTE 7. COMMITMENTS

CPCSEC is obligated under a five-year lease agreement with the Foundation, commencing July 1, 2016 and originally ending on June 30, 2021. The lease was for the use of school facility space for the BwCCS2 Middle School. In June 2021, CPCSEC extended the lease agreement through June 30, 2026.

CPCSEC is obligated under a 31-year lease with the Foundation, commencing July 1, 2022 and expiring June 30, 2053. The lease is for the use of school facility space for the BwCCS2 High School.

CPCSEC is obligated under a 4.9-year lease with the Foundation, commencing August 14, 2023 and expiring June 29, 2028. The lease is for the use of administrative and office space.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7. COMMITMENTS (CONTINUED)

Minimum annual rent amounts required under the lease at June 30, 2025, are as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2026	\$ 4,049,033
2027	2,679,922
2028	2,769,540
2029	2,593,094
2030	2,644,676
Thereafter	<u>67,036,468</u>
Net minimum lease payments	81,772,733
Less: present value discount	<u>(27,367,389)</u>
Present value of lease liabilities	<u>\$ 54,405,344</u>

Supplemental cash flow information related to the lease commitments was as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ <u>3,241,040</u>	\$ <u>2,575,590</u>
Operating lease liability resulting from obtaining an operating lease right-of-use asset	\$ <u>735,885</u>	\$ <u>1,259,082</u>
Weighted-average remaining lease term (in years):		
Operating leases	<u>27.03</u>	<u>27.14</u>
Weighted-average discount rate (%):		
Operating leases	<u>3.12</u>	<u>3.13</u>

NOTE 8. EMPLOYEE BENEFIT PLAN

CPCSEC maintains a defined contribution plan under Section 401(k) of the IRC covering all 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 the profit-sharing component of the plan. The amount charged to operations for contributions to the defined contribution plan was \$345,856 and \$308,132 for the years ended June 30, 2025 and 2024, respectively.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9. CONTINGENCIES

Grants and Contracts

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in the disallowance of costs submitted for reimbursement. Management is of the opinion that such cost disallowance, 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.

Litigation

CPCSEC is, from time to time, subject to ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on CPCSEC's financial condition, results of operations or cash flows. Nevertheless, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on CPCSEC's financial condition, results of operations or cash flows for the period in which the ruling occurs.

NOTE 10. CONCENTRATIONS

Concentration of Credit Risk

Financial instruments that potentially subject CPCSEC to concentration of credit risk consist primarily of cash and cash equivalents, restricted cash, and certificates of deposit in excess of insured amounts. At times, CPCSEC's cash and cash equivalents, restricted cash, and certificates of deposit, which are placed with major financial institutions, exceed the insurance coverage provided by the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC"). The amount in excess of FDIC or SIPC insurance was \$1,806,176 and \$2,126,540 at June 30, 2025 and 2024, respectively.

Grants Receivable

As of June 30, 2025 and 2024, one grantor accounted for 98% of CPCSEC's grants receivable balance in both years.

Revenue

State and local per pupil operating revenue from the New York State Education Department accounted for 82% and 81% of total revenue for the years ended June 30, 2025 and June 30, 2024, respectively.

SUPPLEMENTARY INFORMATION

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF ACTIVITIES BY CHARTER
FOR THE YEAR ENDED JUNE 30, 2025

	Beginning with Children Charter School 2	Beginning with Children Charter School 2 - High School	Community Partnership Charter School Pre- Kindergarten	Community Partnership Charter School	Total
Operating revenue:					
State and local per pupil operating revenue	\$ 12,029,639	\$ 6,349,869	\$ 257,758	\$ 8,535,819	\$ 27,173,085
Government grants	484,312	134,077	-	539,944	1,158,333
Federal IDEA revenue	<u>150,006</u>	<u>80,453</u>	<u>-</u>	<u>90,013</u>	<u>320,472</u>
Total operating revenue	<u>12,663,957</u>	<u>6,564,399</u>	<u>257,758</u>	<u>9,165,776</u>	<u>28,651,890</u>
Operating expenses:					
Program services:					
Regular education	8,480,853	5,493,546	308,495	6,667,865	20,950,759
Special education	<u>4,766,713</u>	<u>2,666,921</u>	<u>-</u>	<u>3,108,241</u>	<u>10,541,875</u>
Total program services	<u>13,247,566</u>	<u>8,160,467</u>	<u>308,495</u>	<u>9,776,106</u>	<u>31,492,634</u>
Supporting services:					
Management and general	1,060,790	709,421	420	773,788	2,544,419
Fundraising	<u>125,789</u>	<u>63,312</u>	<u>-</u>	<u>109,317</u>	<u>298,418</u>
Total supporting services	<u>1,186,579</u>	<u>772,733</u>	<u>420</u>	<u>883,105</u>	<u>2,842,837</u>
Total operating expenses	<u>14,434,145</u>	<u>8,933,200</u>	<u>308,915</u>	<u>10,659,211</u>	<u>34,335,471</u>
Loss from government-funded school operations	<u>(1,770,188)</u>	<u>(2,368,801)</u>	<u>(51,157)</u>	<u>(1,493,435)</u>	<u>(5,683,581)</u>
Other income:					
Contributions and grants - private	304,317	473,744	-	280,471	1,058,532
Interest income and realized gains, net	72,686	36,342	-	72,910	181,938
Donated space and rental assistance	<u>1,772,089</u>	<u>1,317,534</u>	<u>-</u>	<u>-</u>	<u>3,089,623</u>
Total other income	<u>2,149,092</u>	<u>1,827,620</u>	<u>-</u>	<u>353,381</u>	<u>4,330,093</u>
Change in net assets	378,904	(541,181)	(51,157)	(1,140,054)	(1,353,488)
Net assets - beginning	<u>4,418,539</u>	<u>(4,918,396)</u>	<u>(388,288)</u>	<u>1,120,793</u>	<u>232,648</u>
NET ASSETS - ENDING	<u>\$ 4,797,443</u>	<u>\$ (5,459,577)</u>	<u>\$ (439,445)</u>	<u>\$ (19,261)</u>	<u>\$ (1,120,840)</u>

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF ACTIVITIES BY CHARTER
FOR THE YEAR ENDED JUNE 30, 2024

	Beginning with Children Charter School 2	Beginning with Children Charter School 2 - High School	Community Partnership Charter School Pre- Kindergarten	Community Partnership Charter School	Total
Operating revenue:					
State and local per pupil operating revenue	\$ 11,697,151	\$ 3,724,025	\$ 277,676	\$ 8,471,150	\$ 24,170,002
Government grants	912,795	230,860	-	889,212	2,032,867
Federal IDEA revenue	<u>154,501</u>	<u>39,999</u>	<u>-</u>	<u>93,546</u>	<u>288,046</u>
Total operating revenue	<u>12,764,447</u>	<u>3,994,884</u>	<u>277,676</u>	<u>9,453,908</u>	<u>26,490,915</u>
Operating expenses:					
Program services:					
Regular education	8,554,277	4,550,520	359,996	6,482,609	19,947,402
Special education	<u>4,150,046</u>	<u>2,433,539</u>	<u>-</u>	<u>2,863,050</u>	<u>9,446,635</u>
Total program services	<u>12,704,323</u>	<u>6,984,059</u>	<u>359,996</u>	<u>9,345,659</u>	<u>29,394,037</u>
Supporting services:					
Management and general	1,082,755	395,513	-	814,060	2,292,328
Fundraising	<u>120,994</u>	<u>42,385</u>	<u>-</u>	<u>109,707</u>	<u>273,086</u>
Total supporting services	<u>1,203,749</u>	<u>437,898</u>	<u>-</u>	<u>923,767</u>	<u>2,565,414</u>
Total operating expenses	<u>13,908,072</u>	<u>7,421,957</u>	<u>359,996</u>	<u>10,269,426</u>	<u>31,959,451</u>
Loss from government-funded school operations	<u>(1,143,625)</u>	<u>(3,427,073)</u>	<u>(82,320)</u>	<u>(815,518)</u>	<u>(5,468,536)</u>
Other income:					
Contributions and grants - private	327,312	59,356	-	321,350	708,018
Interest income and realized gains, net	75,076	39,120	-	71,233	185,429
Donated space and rental assistance	<u>1,368,636</u>	<u>1,046,051</u>	<u>-</u>	<u>-</u>	<u>2,414,687</u>
Total other income	<u>1,771,024</u>	<u>1,144,527</u>	<u>-</u>	<u>392,583</u>	<u>3,308,134</u>
Change in net assets	627,399	(2,282,546)	(82,320)	(422,935)	(2,160,402)
Net assets - beginning	<u>3,791,140</u>	<u>(2,635,850)</u>	<u>(305,968)</u>	<u>1,543,728</u>	<u>2,393,050</u>
NET ASSETS - ENDING	<u>\$ 4,418,539</u>	<u>\$ (4,918,396)</u>	<u>\$ (388,288)</u>	<u>\$ 1,120,793</u>	<u>\$ 232,648</u>

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, 2025**

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Instructional personnel	\$ 263,638	\$ -	\$ 263,638	\$ -	\$ -	\$ -	\$ 263,638
Fringe benefits and payroll taxes	40,569	-	40,569	-	-	-	40,569
Retirement	-	-	-	-	-	-	-
Supplies and materials	4,288	-	4,288	-	-	-	4,288
Other expense	-	-	-	420	-	420	420
TOTAL	<u>\$ 308,495</u>	<u>\$ -</u>	<u>\$ 308,495</u>	<u>\$ 420</u>	<u>\$ -</u>	<u>\$ 420</u>	<u>\$ 308,915</u>

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
BEGINNING WITH CHILDREN CHARTER SCHOOL 2
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Administrative staff personnel	\$ 549,214	\$ 209,677	\$ 758,891	\$ 556,245	\$ -	\$ 556,245	\$ 1,315,136
Instructional personnel	3,686,662	2,802,530	6,489,192	-	-	-	6,489,192
Non-instructional personnel	<u>47,823</u>	<u>18,787</u>	<u>66,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,610</u>
Total personnel services	4,283,699	3,030,994	7,314,693	556,245	-	556,245	7,870,938
Fringe benefits and payroll taxes	997,897	540,364	1,538,261	83,143	-	83,143	1,621,404
Retirement	95,302	36,474	131,776	11,912	-	11,912	143,688
Central service fees	634,922	245,600	880,522	251,578	125,789	377,367	1,257,889
Legal service	-	-	-	4,302	-	4,302	4,302
Accounting and audit services	-	-	-	30,066	-	30,066	30,066
Consulting services	387,954	140,077	528,031	9,488	-	9,488	537,519
Rent and leasing costs	1,018,681	364,626	1,383,307	-	-	-	1,383,307
Repairs and maintenance	49,282	18,041	67,323	-	-	-	67,323
Insurance	81,384	31,537	112,921	14,525	-	14,525	127,446
Utilities	75,697	27,095	102,792	-	-	-	102,792
Supplies and materials	215,908	87,610	303,518	20,082	-	20,082	323,600
Equipment and furnishings	13,742	5,302	19,044	-	-	-	19,044
Staff development	104,789	39,575	144,364	-	-	-	144,364
Marketing and recruitment	84,874	32,642	117,516	-	-	-	117,516
Technology	99,381	38,205	137,586	-	-	-	137,586
Student services	306,291	117,245	423,536	-	-	-	423,536
Office expense	24,545	8,834	33,379	78,447	-	78,447	111,826
Depreciation	-	-	-	-	-	-	-
Other expense	<u>6,505</u>	<u>2,492</u>	<u>8,997</u>	<u>1,002</u>	<u>-</u>	<u>1,002</u>	<u>9,999</u>
TOTAL	\$ <u>8,480,853</u>	\$ <u>4,766,713</u>	\$ <u>13,247,566</u>	\$ <u>1,060,790</u>	\$ <u>125,789</u>	\$ <u>1,186,579</u>	\$ <u>14,434,145</u>

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
BEGINNING WITH CHILDREN CHARTER SCHOOL 2 - HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Administrative staff personnel	\$ 220,899	\$ 89,449	\$ 310,348	\$ 169,250	\$ -	\$ 169,250	\$ 479,598
Instructional personnel	1,746,392	1,101,049	2,847,441	-	-	-	2,847,441
Non-instructional personnel	<u>19,560</u>	<u>7,921</u>	<u>27,481</u>	<u>111,555</u>	<u>-</u>	<u>111,555</u>	<u>139,036</u>
Total personnel services	1,986,851	1,198,419	3,185,270	280,805	-	280,805	3,466,075
Fringe benefits and payroll taxes	345,399	182,845	528,244	47,014	-	47,014	575,258
Retirement	43,963	17,802	61,765	6,738	-	6,738	68,503
Central service fees	315,446	127,733	443,179	126,624	63,312	189,936	633,115
Legal service	-	-	-	4,834	-	4,834	4,834
Accounting and audit services	-	-	-	14,377	-	14,377	14,377
Consulting services	207,018	83,827	290,845	178,131	-	178,131	468,976
Rent and leasing costs	1,950,344	794,614	2,744,958	-	-	-	2,744,958
Repairs and maintenance	61,023	24,710	85,733	-	-	-	85,733
Insurance	37,363	15,130	52,493	7,289	-	7,289	59,782
Utilities	105,590	42,756	148,346	-	-	-	148,346
Supplies and materials	135,202	55,443	190,645	17,597	-	17,597	208,242
Equipment and furnishings	6,201	2,511	8,712	-	-	-	8,712
Staff development	19,664	7,962	27,626	-	-	-	27,626
Marketing and recruitment	52,637	21,314	73,951	-	-	-	73,951
Technology	53,489	21,659	75,148	-	-	-	75,148
Student services	138,019	55,887	193,906	-	-	-	193,906
Office expense	15,539	6,292	21,831	15,784	-	15,784	37,615
Depreciation	16,048	6,498	22,546	9,728	-	9,728	32,274
Other expense	<u>3,750</u>	<u>1,519</u>	<u>5,269</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>5,769</u>
TOTAL	<u>\$ 5,493,546</u>	<u>\$ 2,666,921</u>	<u>\$ 8,160,467</u>	<u>\$ 709,421</u>	<u>\$ 63,312</u>	<u>\$ 772,733</u>	<u>\$ 8,933,200</u>

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
COMMUNITY PARTNERSHIP CHARTER SCHOOL
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Administrative staff personnel	\$ 342,400	\$ 88,707	\$ 431,107	\$ 367,795	\$ -	\$ 367,795	\$ 798,902
Instructional personnel	3,494,108	2,147,030	5,641,138	-	-	-	5,641,138
Non-instructional personnel	<u>142,813</u>	<u>41,727</u>	<u>184,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,540</u>
Total personnel services	3,979,321	2,277,464	6,256,785	367,795	-	367,795	6,624,580
Fringe benefits and payroll taxes	1,055,259	392,291	1,447,550	52,492	-	52,492	1,500,042
Retirement	99,835	25,873	125,708	7,957	-	7,957	133,665
Central service fees	608,101	157,118	765,219	218,634	109,317	327,951	1,093,170
Legal service	-	-	-	5,288	-	5,288	5,288
Accounting and audit services	-	-	-	30,066	-	30,066	30,066
Consulting services	125,840	36,759	162,599	16,763	-	16,763	179,362
Repairs and maintenance	33,613	7,680	41,293	-	-	-	41,293
Insurance	73,564	19,108	92,672	14,659	-	14,659	107,331
Supplies and materials	171,114	53,758	224,872	6,534	-	6,534	231,406
Equipment and furnishings	27,794	8,174	35,968	-	-	-	35,968
Staff development	40,800	9,642	50,442	-	-	-	50,442
Marketing and recruitment	123,113	29,633	152,746	-	-	-	152,746
Technology	95,886	24,101	119,987	-	-	-	119,987
Student services	220,664	63,030	283,694	-	-	-	283,694
Office expense	8,535	2,450	10,985	52,598	-	52,598	63,583
Other expense	<u>4,426</u>	<u>1,160</u>	<u>5,586</u>	<u>1,002</u>	<u>-</u>	<u>1,002</u>	<u>6,588</u>
TOTAL	<u>\$ 6,667,865</u>	<u>\$ 3,108,241</u>	<u>\$ 9,776,106</u>	<u>\$ 773,788</u>	<u>\$ 109,317</u>	<u>\$ 883,105</u>	<u>\$ 10,659,211</u>

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, 2024**

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Instructional personnel	\$ 279,796	\$ -	\$ 279,796	\$ -	\$ -	\$ -	\$ 279,796
Fringe benefits and payroll taxes	68,210	-	68,210	-	-	-	68,210
Retirement	7,665	-	7,665	-	-	-	7,665
Supplies and materials	3,940	-	3,940	-	-	-	3,940
Student services	<u>385</u>	<u>-</u>	<u>385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385</u>
TOTAL	<u>\$ 359,996</u>	<u>\$ -</u>	<u>\$ 359,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 359,996</u>

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
BEGINNING WITH CHILDREN CHARTER SCHOOL 2
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Administrative staff personnel	\$ 570,123	\$ 170,802	\$ 740,925	\$ 531,627	\$ -	\$ 531,627	\$ 1,272,552
Instructional personnel	3,518,052	2,463,879	5,981,931	-	-	-	5,981,931
Non-instructional personnel	<u>42,071</u>	<u>15,573</u>	<u>57,644</u>	<u>96,565</u>	<u>-</u>	<u>96,565</u>	<u>154,209</u>
Total personnel services	4,130,246	2,650,254	6,780,500	628,192	-	628,192	7,408,692
Fringe benefits and payroll taxes	989,904	402,532	1,392,436	66,031	-	66,031	1,458,467
Retirement	85,254	38,300	123,554	9,554	-	9,554	133,108
Central service fees	702,458	144,496	846,954	241,987	120,994	362,981	1,209,935
Legal service	-	-	-	3,680	-	3,680	3,680
Accounting and audit services	-	-	-	31,132	-	31,132	31,132
Consulting services	338,473	114,925	453,398	7,324	-	7,324	460,722
Rent and leasing costs	1,041,077	342,230	1,383,307	-	-	-	1,383,307
Repairs and maintenance	206,579	70,148	276,727	-	-	-	276,727
Insurance	72,117	26,539	98,656	13,571	-	13,571	112,227
Utilities	73,274	24,087	97,361	-	-	-	97,361
Supplies and materials	280,450	109,342	389,792	791	-	791	390,583
Equipment and furnishings	7,573	2,759	10,332	-	-	-	10,332
Staff development	47,598	17,811	65,409	-	-	-	65,409
Marketing and recruitment	103,406	37,156	140,562	-	-	-	140,562
Technology	155,455	54,386	209,841	-	-	-	209,841
Student services	283,269	102,224	385,493	-	-	-	385,493
Office expense	30,442	10,425	40,867	80,170	-	80,170	121,037
Depreciation	787	259	1,046	-	-	-	1,046
Other expense	<u>5,915</u>	<u>2,173</u>	<u>8,088</u>	<u>323</u>	<u>-</u>	<u>323</u>	<u>8,411</u>
TOTAL	\$ <u>8,554,277</u>	\$ <u>4,150,046</u>	\$ <u>12,704,323</u>	\$ <u>1,082,755</u>	\$ <u>120,994</u>	\$ <u>1,203,749</u>	\$ <u>13,908,072</u>

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
BEGINNING WITH CHILDREN CHARTER SCHOOL 2 - HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Administrative staff personnel	\$ 222,898	\$ 80,200	\$ 303,098	\$ 160,303	\$ -	\$ 160,303	\$ 463,401
Instructional personnel	613,799	1,075,319	1,689,118	-	-	-	1,689,118
Non-instructional personnel	<u>14,340</u>	<u>5,160</u>	<u>19,500</u>	<u>74,961</u>	<u>-</u>	<u>74,961</u>	<u>94,461</u>
Total personnel services	851,037	1,160,679	2,011,716	235,264	-	235,264	2,246,980
Fringe benefits and payroll taxes	299,536	107,774	407,310	14,812	-	14,812	422,122
Retirement	30,392	7,344	37,736	6,154	-	6,154	43,890
Central service fees	266,297	30,396	296,693	84,769	42,385	127,154	423,847
Legal service	-	-	-	9,152	-	9,152	9,152
Accounting and audit services	-	-	-	10,710	-	10,710	10,710
Consulting services	202,812	74,052	276,864	3,662	-	3,662	280,526
Rent and leasing costs	2,159,740	777,084	2,936,824	-	-	-	2,936,824
Repairs and maintenance	119,230	42,900	162,130	-	-	-	162,130
Insurance	24,789	8,919	33,708	5,459	-	5,459	39,167
Utilities	87,682	31,549	119,231	-	-	-	119,231
Supplies and materials	123,905	58,550	182,455	-	-	-	182,455
Equipment and furnishings	6,407	2,305	8,712	-	-	-	8,712
Staff development	13,192	4,746	17,938	-	-	-	17,938
Marketing and recruitment	23,549	8,473	32,022	-	-	-	32,022
Technology	175,073	62,992	238,065	-	-	-	238,065
Food service	67,384	24,245	91,629	-	-	-	91,629
Student services	68,090	20,231	88,321	-	-	-	88,321
Office expense	12,998	4,677	17,675	15,645	-	15,645	33,320
Depreciation and amortization	16,580	5,966	22,546	9,727	-	9,727	32,273
Other expense	<u>1,827</u>	<u>657</u>	<u>2,484</u>	<u>159</u>	<u>-</u>	<u>159</u>	<u>2,643</u>
TOTAL	\$ <u>4,550,520</u>	\$ <u>2,433,539</u>	\$ <u>6,984,059</u>	\$ <u>395,513</u>	\$ <u>42,385</u>	\$ <u>437,898</u>	\$ <u>7,421,957</u>

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER
COMMUNITY PARTNERSHIP CHARTER SCHOOL
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Supporting Services			Total
	Regular Education	Special Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel services:							
Administrative staff personnel	\$ 415,128	\$ 98,301	\$ 513,429	\$ 417,570	\$ -	\$ 417,570	\$ 930,999
Instructional personnel	3,484,245	2,009,354	5,493,599	-	-	-	5,493,599
Non-instructional personnel	<u>74,329</u>	<u>20,497</u>	<u>94,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,826</u>
Total personnel services	3,973,702	2,128,152	6,101,854	417,570	-	417,570	6,519,424
Fringe benefits and payroll taxes	926,631	329,498	1,256,129	64,758	-	64,758	1,320,887
Retirement	89,191	21,768	110,959	12,510	-	12,510	123,469
Central service fees	617,219	150,727	767,946	219,413	109,707	329,120	1,097,066
Legal service	-	-	-	10,497	-	10,497	10,497
Accounting and audit services	-	-	-	31,132	-	31,132	31,132
Consulting services	109,766	30,283	140,049	7,350	-	7,350	147,399
Repairs and maintenance	11,527	2,303	13,830	-	-	-	13,830
Insurance	62,081	15,480	77,561	13,479	-	13,479	91,040
Supplies and materials	201,055	58,134	259,189	-	-	-	259,189
Equipment and furnishings	32,438	9,186	41,624	-	-	-	41,624
Staff development	39,427	8,258	47,685	-	-	-	47,685
Marketing and recruitment	58,889	13,786	72,675	-	-	-	72,675
Technology	78,659	19,735	98,394	-	-	-	98,394
Student services	268,977	72,290	341,267	-	-	-	341,267
Office expense	8,417	2,304	10,721	36,957	-	36,957	47,678
Depreciation and amortization	-	-	-	-	-	-	-
Other expense	<u>4,630</u>	<u>1,146</u>	<u>5,776</u>	<u>394</u>	<u>-</u>	<u>394</u>	<u>6,170</u>
TOTAL	<u>\$ 6,482,609</u>	<u>\$ 2,863,050</u>	<u>\$ 9,345,659</u>	<u>\$ 814,060</u>	<u>\$ 109,707</u>	<u>\$ 923,767</u>	<u>\$ 10,269,426</u>

See independent auditor's report.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-through to Subrecipients	Total Federal Expenditures
<u>United States Department of Education:</u>				
Passed through New York State Education Department				
Title I Grants to Local Educational Agencies:				
Title I, Part A: Approving Academic Achievement (Beginning with Children Charter School II)	84.010	0021-24-4930	\$ -	\$ 478,588
Title I, Part A: Approving Academic Achievement (Community Partnership Charter School)	84.010	0021-24-4135	-	<u>193,122</u>
Total Title I Grants to Local Educational Agencies			-	<u>671,710</u>
Supporting Effective Instruction State Grants:				
Title II, Part A: Teachers/Principals/Training/Recruitment (Beginning with Children Charter School II)	84.367	0147-24-4930	-	55,368
Title II, Part A: Teachers/Principals/Training/Recruitment (Community Partnership Charter School)	84.367	0147-24-4135	-	<u>30,569</u>
Total Supporting Effective Instruction State Grants			-	<u>85,937</u>
Student Support and Academic Enrichment Program:				
Title IV, Part A: SSAE Allocation (Beginning with Children Charter School II)	84.424	0204-24-4930	-	31,204
Title IV, Part A: SSAE Allocation (Community Partnership Charter School)	84.424	0204-24-4135	-	<u>14,260</u>
Total Student Support and Academic Enrichment Program			-	<u>45,464</u>
Special Education Cluster (IDEA):				
Special Education Grants to States:				
Special Education - Grants to States IDEA, Part B (Beginning with Children Charter School II)	84.027	N/A	-	230,459
Special Education - Grants to States IDEA, Part B (Community Partnership Charter School)	84.027	N/A	-	<u>90,013</u>
Total Special Education Cluster (IDEA)			-	<u>320,472</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-through to Subrecipients	Total Federal Expenditures
<u>United States Department of Education:</u>				
Education Stabilization Fund:				
Total United States Department of Education			\$ -	\$ 1,123,583
<u>Federal Communications Commission:</u>				
Direct Awards:				
Universal Service Fund - Schools and Libraries:				
Universal Service Fund - Schools and Libraries: E-rate (Beginning with Children Charter School II)	32.004	N/A	-	53,230
Universal Service Fund - Schools and Libraries: E-rate (Community Partnership Charter School)	32.004	N/A	-	13,183
Total direct awards			-	66,413
Total Federal Communications Commission			-	66,413
Total expenditures of federal awards			\$ -	\$ 1,189,996

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

NOTE 1. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Community Partnership Charter School Education Corporation ("CPCSEC") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Community Partnership Charter School Education Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Partnership Charter School Education Corporation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

CPCSEC has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

**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 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 Community Partnership Charter School Education Corporation ("CPCSEC") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 December 15, 2025.

Report on 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") 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 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.

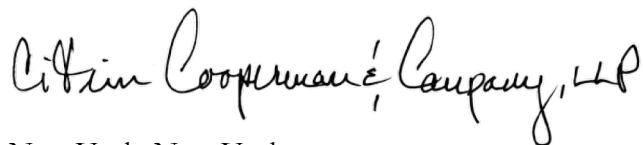
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



New York, New York
December 15, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Community Partnership Charter School Education Corporation

Report on Compliance for the Major Federal Program

Opinion on the Major Program

We have audited Community Partnership Charter School Education Corporation ("CPCSEC") (a nonprofit organization) compliance with types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on CPCSEC's major federal program for the year ended June 30, 2025. CPCSEC's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CPCSEC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNI). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

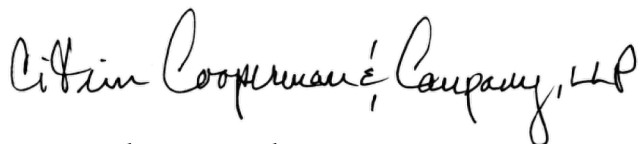
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Report on Internal Control over Compliance (Continued)

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

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

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



New York, New York
December 15, 2025

**COMMUNITY PARTNERSHIP CHARTER SCHOOL EDUCATION CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes X No

Reportable conditions identified not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes X No

Reportable conditions identified not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes X No

Identification of major federal programs:

<u>Federal Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies

Dollar threshold to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial statement audit - reported findings under *Government Auditing Standards*:

None

Section III - Federal awards findings and questioned costs:

None