

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
ELYSIAN CHARTER SCHOOL
OF HOBOKEN, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

ELYSIAN CHARTER SCHOOL
JUNE 30, 2009
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The Elysian Charter School of Hoboken

301 Garden Street
Hoboken, NJ 07030
(201) 876-0102
(201) 876-9576 – FAX

September 10, 2010

Commissioner
New Jersey Department of Education
100 Riverview Executive Plaza
CN 500
Trenton, NJ 08625

Dear Commissioner:

The Comprehensive Annual Financial Report of the Elysian Charter School of Hoboken for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the school. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the school. All disclosures necessary to enable the reader to gain an understanding of the school's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report. The statistical section includes audited data from the school's first six fiscal years. The school is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U. S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations is included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES** The Elysian Charter School of Hoboken constitutes an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the entity are included in this report.

The Elysian Charter School of Hoboken was chartered by The New Jersey Department of Education as one of the state's very first charter schools in January 1997.

In September 1997, the school opened with 72 students, the following represents the progression:

<u>School Year</u>	<u>Grades</u>	<u>Enrollment</u>
1998-1999	K-3	120
1999-2000	K-4	150
2000-2001	K-5	180
2001-2002	K-6	210
2002-2003	K-7	240
2003-2004	K-8	270
2004-2005	K-8	270
2005-2006	K-8	270
2006-2007	K-8	274
2007-2008	K-8	266
2008-2009	K-8	273
2009-2010	K-8	286

The Elysian Charter School of Hoboken operates a comprehensive tenth-month school (September – June). Students attend classes from 8:15 to 2:45. In addition, programs are available from 7:30 a.m. to 6:00 p.m. There are on average, 16 students in a class. Parents are heavily involved in school activities and governance. They learn to use computers in a state-of-the-art technology lab.

- 2) **ENROLLMENT OUTLOOK:** The Elysian Charter School of Hoboken enrolled 286 students, kindergarten through 8th grade, for the 2009 – 2010 school year. The Elysian Charter reached its maximum enrollment capacity in the 2004-2005 school year. During the charter renewal process The Elysian Charter was granted the ability to increase its enrollment to 288 students beginning with the 2009-2010 school year.
- 3) **MAJOR ACCOMPLISHMENTS** –In 2009-2010 the Elysian Charter School of Hoboken Students maintained a 95% attendance rate. The mobility rate was 3%. Parents and students reported a high level of satisfaction in all areas. Students participated in scientifically researched based assessment (DRA, CMAT, EMDA, SIRI) with positive results. Elysian graduated its fourth 8th grade class in June 2009. The school has 239 students on the waiting list.
- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the Charter School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the school are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits like to be derived: and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the school also is responsible for ensuring that an adequate control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the school management.

As part of the school’s single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the school has complied with applicable laws and regulations.

- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the school maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the school and the State of New Jersey. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2010.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The Charter Schools’ accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the school is organized on the basis of funds and account groups. These funds and account groups are explained in –Notes to the Financial Statements,” Note 1.

- 7) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of report, the school continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund for the fiscal year ended June 30, 2010.

Revenue	Amount	Percent of Total
Local	3,189,583	72%
State	735,510	16%
Special Revenue	179,985	4%
Misc.	171,881	4%
Enterprise Fund	<u>160,655</u>	<u>4%</u>
Total	<u>\$4,437,614</u>	<u>100%</u>

The following schedule presents a summary of the general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2010.

Expenditures	Amount	Percent of Total
Current - General Fund	4,152,442	92%
Capital Outlay	5,435	1%
Special Revenue	179,685	4%
Enterprise Fund	<u>160,655</u>	<u>3%</u>
Total	<u>\$4,498,217</u>	<u>100%</u>

8) **CASH MANAGEMENT:** The investment policy of the school is guided in large by the state Statute as detailed in –Notes to the Financial Statements,” Note 2. The school had adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) **RISK MANAGEMENT:** The school carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, and hazard and theft insurance on property and Contents.

10) **OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent Certified Public Accountants (CPA) or Registered Municipal Accountant. The Accounting firm of Scott J. Loeffler, CPA was selected by the Charter School. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133 and the state Treasury Circular letter 04-04 OMB. The auditor’s report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial statement of this report. The auditor’s reports related specifically to the single audit act are included in the single audit section of this report.

Respectfully submitted,



Carol Stock
Director

ELYSIAN CHARTER SCHOOL OF HOBOKEN

**ROSTER OF TRUSTEES AND OFFICERS
JUNE 30, 2010**

<u>BOARD OF TRUSTEES</u>	<u>TERM EXPIRES</u>
Kenneth Nilsen, Chairman	3/11
Patricia Kelly, Vice Chair	3/11
Laurent Lismachio	3/12
Kim Demopoulos	3/12
Kathleen Mone, Secretary, Non-Voting	
Pamela Cushing	3/11
Leigh Higgins	3/11
Brian Neville	3/11
Kristen Jordan	3/11
Alison Borelli	3/12
Kathryn Stima, Non-Voting Staff Rep.	
Carol Stock, Director Non Voting	

CONSULTANTS AND ADVISORS

AUDIT FIRM

Scott J. Loeffler, CPA
7 Cleveland Street
Caldwell, NJ 07006

ATTORNEYS

Thomas Johnston, Esq.
Porzio, Bromberg, Newman, P.C.
100 Southgate Parkway
Morristown, NJ 07962-1997

OFFICIAL DEPOSITORY

TD Bank
Hoboken, NJ 07030

FINANCIAL SECTION

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**UNQUALIFIED OPINION ON BASIC FINANCIAL
STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY
INFORMATION AND SUPPLEMENTARY SCHEDULE OF
FEDERAL AWARDS AND OTHER SUPPLEMENTARY INFORMATION -
GOVERNMENT ENTITY**

Independent Auditor's Report

The Honorable Chairman and
Members of the Board of Trustees
Elysian Charter School of Hoboken
County of Hudson
Newark, New Jersey

I have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Trustees of the Elysian Charter School of Hoboken, County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the charter schools' basis financial statements, as listed in the table of contents. These financial statements are the responsibility of the Board of Trustee's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Elysian Charter School of Hoboken, Board of Trustees, in the County of Hudson, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 10, 2010 on my consideration of the Elysian Charter School of Hoboken, in the County of Hudson, State of New Jersey, Board of Trustee's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis and Budgetary Comparison schedules on pages 9 through 19 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Elysian Charter School of Hoboken Board of Trustees basic financial statements. The accompanying introductory section, other supplementary information including combining fund financial schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relations to the basic financial statements taken as a whole.

Licensed Public School Accountant No. 870



Scott J. Loeffler, CPA
September 10, 2010

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

This section of Elysian Charter School of Hoboken annual financial report presents our discussion and analysis of the Board's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2009-10) and the prior year (2008-09) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2009-10 fiscal year include the following:

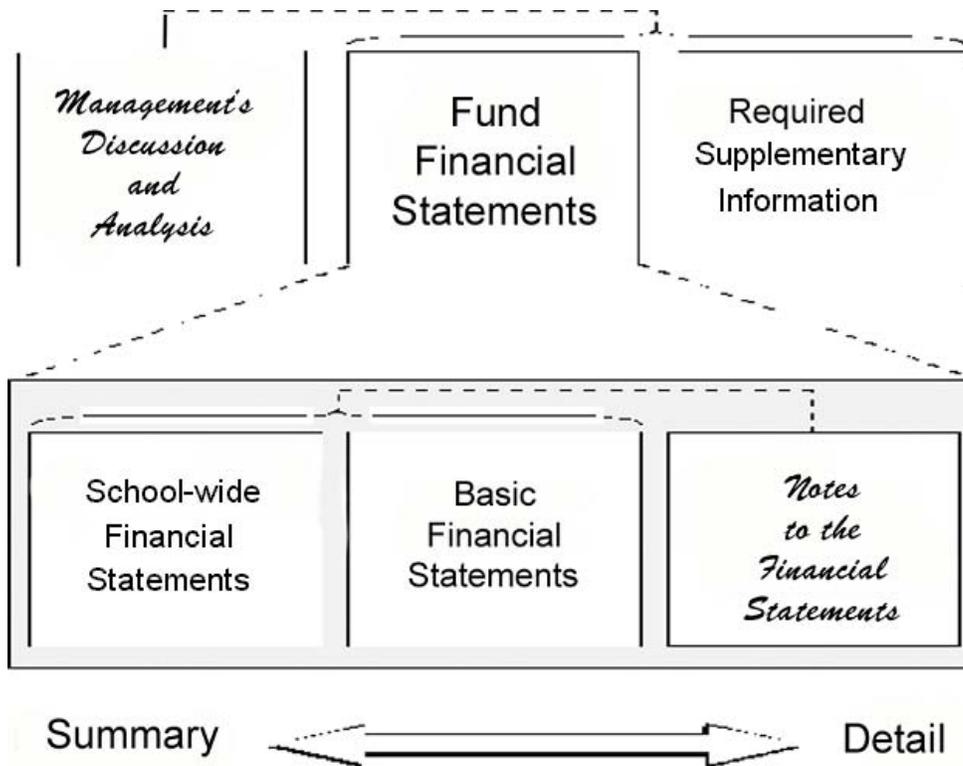
- Net assets were \$930,971.
- Net Assets decreased by \$88,552 from July 1, 2009 to June 30, 2010.
- The unrestricted General Fund balance at June 30, 2010 is \$59,814, a decrease of \$60,903 when compared with the beginning balance at July 1, 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information that includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Elysian Charter School of Hoboken.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

Figure A-1. Required Components of the Board's Annual Financial Report



- The first two statements are school-wide financial statements that provide both short-term and long-term information about the Elysian Charter School of Hoboken's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Elysian Charter School of Hoboken, reporting the Elysian Charter School of Hoboken's operation in more detail than the school-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the Food Service activities the Elysian Charter School of Hoboken operates like businesses.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management’s Discussion and Analysis
Year Ended June 30, 2010

The financial statements also include notes that explain some of the information in the statements and provide data that are more detailed. Figure A-1 summarizes the major features of the Elysian Charter School of Hoboken’s financial statements, including the portion of the Elysian Charter School of Hoboken’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 - Major Features of the School-wide and Financial Statements

	<u>School-wide Statements</u>	<u>Fund Financial Statements</u>	
		Governmental Funds	Proprietary Funds
Scope	Entire school (except fiduciary funds)	The activities of the Elysian Charter School of Hoboken that are for the school operations and not proprietary or fiduciary, such as teachers' salaries, special education and building maintenance, food service, and community education	Activities the Elysian Charter School of Hoboken operates similar to private businesses: Internal service fund
Required financial statements	Statements of net assets	Balance sheet	Statement of net assets
	Statement of activities	Statement of revenue expenditures and changes in fund balances	Statement of revenue, expenses, and changes in fund net assets
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Statement of cash flows Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

School-wide Statements

The school-wide statements report information about the Elysian Charter School of Hoboken as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Elysian Charter School of Hoboken's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two school-wide statements report the Elysian Charter School of Hoboken's net assets and how they have changed. Net assets – the difference between the Elysian Charter School of Hoboken's assets and liabilities – are one way to measure the Elysian Charter School of Hoboken's financial health or position.

In the school-wide financial statements, the Elysian Charter School of Hoboken's activities are shown in two categories:

- *Governmental activities*- Most of the Elysian Charter School of Hoboken's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The Elysian Charter School of Hoboken's Food Service Fund and the after school program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Elysian Charter School of Hoboken's funds – focusing on its most significant or "major" funds – not the Elysian Charter School of Hoboken as a whole.

Funds are accounting devices the Elysian Charter School of Hoboken uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

The Elysian Charter School of Hoboken use other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is property using certain revenues (e.g., federal funds).

The Elysian Charter School of Hoboken has three kinds of funds:

- **Governmental funds-** Most of the Elysian Charter School of Hoboken's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Elysian Charter School of Hoboken's programs. Because this information does not encompass the additional long-term focus of the school-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds-** Services for which the Elysian Charter School of Hoboken charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the school-wide statements.
- **Fiduciary funds-** The Elysian Charter School of Hoboken is the trustee, or *fiduciary*, for assets that belong to others such as scholarship fund, payroll and payroll agency funds, and student activity funds. The Elysian Charter School of Hoboken is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Elysian Charter School of Hoboken's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. I exclude these activities from the Elysian Charter School of Hoboken's government-wide financial statements because the Elysian Charter School of Hoboken cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE ELYSIAN CHARTER SCHOOL OF HOBOKEN AS A WHOLE

Net assets. The Elysian Charter School of Hoboken's net assets are \$930,971 on June 30, 2010. (See Table A-1).

Governmental	\$930,971
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The Statement of Net Assets of \$866,907 reflects total capital assets at net of assumed depreciation from inception.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

The Elysian Charter School of Hoboken's financial position is the product of these factors:

- Special revenues for Governmental Activities were \$179,685.
- General fund revenues during the 2009-10 school year were \$4,096,974.
- General Fund Expenditures were \$4,157,877.

Table A-1
THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Net Assets
As of June 30, 2010

	<u>Total</u>
Current and Other Assets	668,334
Capital Assets (Including Business Activities)	866,907
Total Assets	<u>\$1,535,241</u>
Long-Term Liabilities	
Other Liabilities	604,270
Total Liabilities	<u>\$604,270</u>
Net Assets:	
Invested In Capital Assets, Net of Related Debt	866,907
Restricted	0
Unrestricted	64,064
Total Net Assets	<u><u>\$930,971</u></u>

Total Governmental and Business Activities revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net assets of \$930,971 on June 30, 2010.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

Table A-2
THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Changes in Net Assets - School Wide
For the Fiscal Year Ended June 30, 2010

Revenues	Total
Program revenues	
Charges for services	131,466
Operating grants and contributions	
General revenues	
Local Share	3,189,583
Federal and State Aid-Unrestricted	430,483
Federal and State Aid-Restricted	513,901
Other	171,881
Decrease in Capital Outlay	(27,649)
Total revenues	<u>\$ 4,409,665</u>
Expenses	
Regular Instruction	2,195,343
General Administrative	1,173,429
School Administrative	838,066
On-behalf TPAF Social Security	125,289
Capital Outlay	5,435
Enterprise Fund	160,655
Total expenses	<u>\$ 4,498,217</u>
(Decrease) in net assets	(88,552)
Net Assets, Beginning July 1	1,019,523
Net Assets, End of Year June 30	<u>\$ 930,971</u>

Changes in Net Assets. The Elysian Charter School of Hoboken's total revenues were \$4,437,314. Local shares of \$3,189,583 represented 72% of revenues. The state aid and federal aid of \$944,384 represented 21% of revenues, enterprise revenue \$131,466 represented 3% of revenue.

The smallest component of revenues is "Other Revenue." The largest source of "Other Revenue" is interest income and private grants of \$171,881 (3%).

The Elysian Charter School of Hoboken's expenditures of \$4,498,217 are predominantly related to instruction and support services and enterprise funds revenues. Instruction expenditures totaled \$2,195,343 (48%) of total expenditures. Support services and capital outlay, \$2,142,219 (48%) of total expenditures) and enterprise activities \$160,655 (4%) of expenditures. (See Figure A-2)

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

Table A-3 (See Exhibit A-2)
THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Changes in Net Assets - School Wide
For the Fiscal Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Governmental Activities			
Instruction			
Regular	B-2	2,195,343	2,195,343
Support Services			
General Administrative Services	B-2	1,173,429	1,173,425
School Administrative Services	B-2	838,066	838,066
On-behalf TPAF Social Security	B-2	125,289	125,289
Capital Outlay	B-2	5,435	5,435
Enterprise Fund	G-2	160,655	160,655
Total Governmental Activities		\$ 4,498,217	\$ 4,498,213

FINANCIAL ANALYSIS OF THE ELYSIAN CHARTER SCHOOL OF HOBOKEN'S FUNDS

The financial performance of the Elysian Charter School of Hoboken as a whole is reflected in its governmental activities Exhibit A-2. As the Elysian Charter School of Hoboken completed the year, its general funds reported a combined fund balance of \$59,814.

Revenues for the Elysian Charter School of Hoboken's governmental funds were \$4,437,314 while total expenses were \$4,498,217. (Table A-4) (Exhibit B-2)

GENERAL FUND

The General Fund includes the primary operations of the Elysian Charter School of Hoboken in providing educational services to students from grade K through grade 8.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

The following schedule presents a summary of Government Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Table A-4 (See Exhibit B-2)
THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Changes in Net Assets - School Wide
For the Years Ended June 30, 2010 and 2009

General Fund Revenues	Year Ended 06/30/2010	Year Ended 06/30/2009	Amount of Increase (Decrease) Increase
Local Sources:			
Local Share	3,189,583	2,017,123	1,172,460
Other Local Revenue	303,347	146,011	157,336
Total Local Sources	\$ 3,492,930	\$ 2,163,134	\$ 1,329,796
Intergovernmental			
State Sources	779,284	1,997,548	(1,218,264)
Federal Sources	165,100	142,161	22,939
Total Intergovernmental Sources	\$ 944,384	\$ 2,139,709	\$ (1,195,325)
Total Revenue	\$ 4,437,314	\$ 4,302,843	\$ 134,471

The following schedule presents a summary of Governmental expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Table A-5 (See Exhibit B-2)
THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Changes in Net Assets - School Wide
For the Years Ended June 30, 2010 and 2009

General Fund Revenues	Year Ended 06/30/2010	Year Ended 06/30/2009	Amount of Increase (Decrease)
Current:			
Regular Instruction	2,195,343	2,106,394	88,949
General Administrative Services	1,173,429	942,158	231,271
School Administration	838,066	834,772	3,294
On-behalf TPAF Social Security	125,289	117,391	7,898
Capital outlay	5,435	186,917	(181,482)
Food Service	160,655	165,316	(4,661)
Total Expenditures	\$ 4,498,217	\$ 4,352,948	\$ 145,269

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

Total overall expenditures increased by \$145,269.

UNRESERVED-UNDESIGNATED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES

The following table shows the General Fund unreserved-undesignated fund balance.

Table A-6
THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Changes in Net Assets - School Wide
For the Fiscal Years Ended June 30, 2010

General Fund	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Unreserved-Undesignated						
Fund Balance	59,814	120,717	173,015	399,404	567,219	396,143
Expenditures	4,498,217	4,352,948	4,351,359	3,866,571	3,749,150	2,949,112
Percentages	1%	3%	4%	10%	15%	19%

The Elysian Charter School of Hoboken values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during school year. The amount of fund balance designed to support the subsequent years budgets \$59,814 for the 2009-10 school year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2010, in the General Fund, the Elysian Charter School of Hoboken had invested \$1,057,857 in a broad range of capital assets, including building improvements, computer and audio-visual equipment, and administrative offices, etc. (More detailed information about capital assets can be found in Note 4 to the financial statements) and Total General Fund depreciation expenses for the year was \$26,210.

Table A-7
THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Changes in Net Assets - School Wide
For the Fiscal Year Ended June 30, 2010

Facilities Improvement	967,663
Equipment	90,194
Total - General Fund	<u>\$1,057,857</u>
Less: Accumulated Depreciation	(190,950)
Total - Net Capital Assets General Fund	<u><u>\$866,907</u></u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Management's Discussion and Analysis
Year Ended June 30, 2010

FACTORS BEARING ON THE SCHOOL'S FUTURE

State Aid—As part of the “time-out” decision of the Supreme Court, the NJDOE was granted permission for level spending for the 2009-10 school year. The practical implication of this ruling is that the Elysian Charter School of Hoboken 2009-10 budget can be not greater than its kindergarten through grade 8 expenditures in the 2009-10 school year. The financial position of the State of New Jersey will likely result in continued level state aid for the 2010-10 school year. The school is likely to feel financial pressures related to contractual obligations that will put pressure on the school programs, inclusive of staffing levels.

No Child Left Behind (NCLB)—The integration of the requirements of this federal legislation needs to be integrated into in a way that eliminates duplication. The challenge before the State of New Jersey is development of a single, seamless process of assessment, planning, implementation, and evaluation that satisfies both State and federal authorities.

CONTACTING THE ELYSIAN CHARTER SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Elysian Charter School of Hoboken's finances and to demonstrate the Elysian Charter School of Hoboken's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Elysian Charter School of Hoboken, 301 Garden Street, Hoboken, New Jersey 07030.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the Elysian Charter School of Hoboken's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2010.

SCHOOL-WIDE FINANCIAL STATEMENTS

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 527,594	\$ 9,125	\$ 536,719
Investments			
Receivables, net	56,361	9,004	65,365
Security Deposit	66,250		66,250
Restricted assets:			
Cash and cash equivalents			
Capital reserve account - cash			
Capital assets, net (Note 2):	866,907	-	866,907
Total Assets	<u>1,517,112</u>	<u>18,129</u>	<u>1,535,241</u>
LIABILITIES			
Cash Overdraft			
Accounts payable	396,103	13,879	409,982
Deposits payable	-		
Payable to school districts	194,288		194,288
Payable to federal government	-		
Payable to state government			
Deferred revenue			
Noncurrent liabilities (Note 3):			
Due within one year			
Due beyond one year			
Total liabilities	<u>590,391</u>	<u>13,879</u>	<u>604,270</u>
NET ASSETS			
Invested in capital assets, net of related debt	866,907	-	866,907
Restricted for:			
Debt service			
Capital reserve	-		-
Permanent endowment - nonexpendable			
Reserve for NCLB repayment	-		-
Unrestricted	59,814	4,250	64,064
Total net assets	<u>\$ 926,721</u>	<u>\$ 4,250</u>	<u>\$ 930,971</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Activities
For the Year Ended June 30, 2010

Exhibit A-2

Functions/Programs	Expenses	Program Revenues		Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	\$ 2,195,343		\$ (164,379)		\$ (2,030,964)	\$ (2,030,964)
Support services:						
General administration	1,173,429		(15,306)		\$ (1,158,123)	\$ (1,158,123)
School administrative services/ operations plant serv.	838,066			(838,066)		(838,066)
On - behalf TPAF Social Security	125,289			(125,289)		(125,289)
Capital Outlay	5,435			(5,435)		(5,435)
Total governmental activities	4,337,562		(179,685)		(4,157,877)	(4,157,877)
Business-type activities:						
Food Service and After School Program		(160,655)			(160,655)	(160,655)
Total business-type activities		(160,655)			(160,655)	(160,655)
Total primary government	\$4,337,562	\$ (160,655)	\$ (179,685)		\$ (4,157,877)	\$ (4,318,532)
General revenues:						
				3,189,583		3,189,583
				430,483		430,483
				305,027	29,189	334,216
				171,881	131,466	303,347
				(27,649)		(27,649)
				4,069,325	160,655	4,229,980
				(88,552)	0	(88,552)
				1,015,273	4,250	1,019,523
				\$ 926,721	\$ 4,250	\$ 930,971

The accompanying Notes to the Basic Financial Statements are an integral part of this document.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 503,704	\$ 23,890	\$ -		\$ 527,594
Investments					
Receivables, net	56,361		-		56,361
Security Deposit	66,250				66,250
Restricted cash and cash equivalents					
Total assets	<u>\$ 626,315</u>	<u>\$ 23,890</u>	<u>\$ -</u>		<u>\$ 650,205</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash Overdraft					
Accounts payable	372,213	23,890	-		396,103
Payable to federal government					
Payable to School Districts	194,288				194,288
Payable to state government	-				0
Deferred revenue					
Total liabilities	<u>566,501</u>	<u>23,890</u>	<u>-</u>		<u>590,391</u>
Fund Balances:					
Reserved for:					
Encumbrances					
Legally restricted -- unexpended additional spending proposal					
Legally restricted -- designated for subsequent year's expenditures					
Capital reserve	-				
Excess surplus	-				
Excess surplus -- designated for subsequent year's expenditures					
Reserve for NCLB Repayment	-				0
Unreserved, reported in:					
General fund	59,814		-		59,814
Capital projects fund					
Permanent fund					
Total Fund balances	<u>59,814</u>		<u>-</u>		<u>59,814</u>
Total liabilities and fund balances	<u>\$ 626,315</u>	<u>\$ 23,890</u>	<u>\$ -</u>		<u>\$ 650,205</u>

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is	1,057,857	
and the accumulated depreciation	<u>(190,950)</u>	866,907

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3)

Net assets of governmental activities	<u>\$ 926,721</u>
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The accompanying Notes to the Basic Financial Statements are an integral part of this document.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local share	\$ 3,189,583				\$ 3,189,583
State Share	430,483				430,483
Other Restricted Miscellaneous Revenues					
Miscellaneous	171,881	14,885			186,766
Total - Local Sources	3,791,947				47
State sources	305,027	-			305,027
Federal sources		165,100			165,100
Total revenues	4,096,974	179,985			470,174
EXPENDITURES					
Current:					
Regular instruction	\$ 2,030,964	\$ 164,679			\$ 2,195,643
Support services- General Administrative	1,158,123	15,306			1,173,429
Support Services- School Admin/ operations plant se	838,066				838,066
On-behalf TPAF Social Security	125,289				125,289
Capital outlay	5,435				5,435
Total expenditures	4,157,877	179,985			4,337,862
Excess (Deficiency) of revenues over expenditures	(60,903)				(3,867,688)
OTHER FINANCING SOURCES (USES)					
Transfers in	160,000				160,000
Transfers out	(160,000)				(160,000)
Total other financing sources and uses	*				-
Net change in fund balances	(60,903)				(60,903)
Fund balance—July 1	120,717				120,717
Fund balance—June 30	\$ 59,814				\$ 59,814

The accompanying Notes to the Basic Financial Statements are an integral part of this document.

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2010**

Total net change in fund balances - governmental funds (from B-2) \$ (60,903)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(27,649)	
Capital outlays		<u>-</u>	
			\$ (27,649)

Change in net assets of governmental activities \$ (88,552)

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Net Assets
Proprietary Funds
June 30, 2010

		Business-type Activities Enterprise funds After School Program and Food Service
ASSETS		
Current assets:		
Cash and cash equivalents	\$	9,125
Investments		
Accounts receivable		2,947
Other receivables		6,057
Inventories		
Total current assets		18,129
Noncurrent assets:		
Restricted cash and cash equivalents		
Furniture, machinery & equipment		
Less accumulated depreciation		
Total noncurrent assets		_____
Total assets		_____
LIABILITIES		
Current liabilities:		
Cash overdraft		-
Accounts payable		13,879
Total current liabilities		13,879
Total liabilities		13,879
NET ASSETS		
Invested in capital assets net of related debt		
Restricted for:		
Capital projects		
Unrestricted		4,250
Total net assets	\$	4,250

The accompanying Notes to the Basic Financial Statements are an integral part of thi

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities Enterprise Fund Food Service and After School Program
Operating revenues:	
Charges for services:	
Daily sales - Reimbursable programs and Special Lunch Program	\$ 56,527
After School Revenue	74,939
Total operating revenues	131,466
Operating expenses:	
Cost of sales	
Salaries and Benefits	45,573
Supplies, Materials and Other Expenses	115,082
Total Operating Expenses	160,655
Operating income (loss)	(29,189)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	1,661
Federal sources:	
National school breakfast program	3,683
National school lunch program	23,845
Federal Fruit Program	-
Total nonoperating revenues (expenses)	29,189
Income (loss) before contributions & transfers	-
Capital contributions	-
Transfers in (out)	
Change in net assets	-
Total net assets—beginning	4,250
Total net assets—ending	\$ 4,250

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

Exhibit B-6

Business-type
Activities
Enterprise Funds

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Participants	\$ 136,326
Payments to employees and benefits	(45,573)
Payments to suppliers	(101,203)
Net cash provided by (used for) operating activities	(10,450)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State and Federal Sources	31,820
Operating subsidies and transfers to other funds	31,820
Net cash provided by (used for) non-capital financing activities	31,820

CASH FLOWS FROM INVESTING ACTIVITIES

Increase In Fixed Assets	
Proceeds from sale/maturities of investments	21,370
Net cash provided by (used for) investing activities	21,370
Net increase (decrease) in cash and cash equivalents	(12,245)
Cash Balances—beginning of year	(12,245)
Cash Balances—end of year	\$ 9,125

**Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:**

Operating income (loss)	0
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	0
(Increase) decrease in accounts receivable, net	7,491
(Increase) decrease in inventories	
(Increase) decrease in USDA Commonities	
Increase (decrease) in accounts payable	13,879
Increase (decrease) in accrued compensated absences	
Total adjustments	21,370
Net cash provided by (used for) operating activities	\$ 21,370

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

Exhibit B-7

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010**

NOT APPLICABLE

Exhibit B-8

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2010**

NOT APPLICABLE

NOTES TO FINANICAL STATEMENTS

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Elysian Charter School of Hoboken been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Elysian Charter School of Hoboken's accounting policies are described below.

The Governmental Accounting Standards Board (GASB) unanimously approved basic Financial Statements and Management's Discussion and Analysis for State and Local governments (Statement No. 34). This statement provides for significant changes in financial reporting and was first implemented by the Elysian Charter School of Hoboken for the fiscal year ending June 30, 2003. In addition, the school has implemented GASB Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments Omnibus and Statement No. 38, Certain Financial Statement Note Disclosures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity:

The Elysian Charter School of Hoboken is an instrumentality of the State of New Jersey, established to function as an education institution. The Elysian Charter School of Hoboken Board of Trustees is responsible for the fiscal control of the Elysian Charter School of Hoboken. An Executive Director is appointed by the Elysian Charter School of Hoboken and is responsible for the administrative control of the Elysian Charter School of Hoboken. Under existing statutes, the Elysian Charter School of Hoboken's duties and powers include, but are not limited to the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Elysian Charter School of Hoboken Board of Trustees also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The accompanying financial statements present the government and its component units, entities for which the school is considered to be financially accountable. The Elysian Charter School of Hoboken has no blended or discretely presented component units. Furthermore, the Elysian Charter School of Hoboken is not includable in any other reporting entity as a component unit.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

B. Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Elysian Charter School of Hoboken and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *miscellaneous revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation:
(continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this measurement focus and basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available).

Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Elysian Charter School of Hoboken considers revenues to be available if they are collected within 90 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures, which are recorded when payment is due and compensated absences and claims and judgments which are recorded only to the extent that there are expendable financial resources available.

Other items associated with the current fiscal period are all considered to susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Elysian Charter School of Hoboken.

The Elysian Charter School of Hoboken reports the following major governmental funds:

The *general fund* is the Elysian Charter School of Hoboken's primary operating fund. It accounts for all financial resources of the Elysian Charter School of Hoboken, except those required to be accounted for in another fund.

The Elysian Charter School of Hoboken reports the following major proprietary fund which are organized to be self-supporting through user charges:

The *enterprise fund* accounts for the activities of the school cafeteria, which provides food service to students and the after school program which services the children at the Elysian School for after school activities.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation:
(continued)

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for private donations for scholarships. All resources of the fund, including any earnings on invested resources, may be used to support the intended purposes. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Elysian Charter School of Hoboken has elected not to follow FASB guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* in the Elysian Charter School of Hoboken - wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

D. Assets, Liabilities and Net Assets or Equity:

1. *Deposits and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. *Inventories and Prepaid Items*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred revenue.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Accrued Liabilities and Payables

All payables and accrued liabilities, are reported on the school-wide financial statements. In general, governmental fund payables and accrued liabilities that, once, incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the school or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The school's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

D. Assets, Liabilities and Net Assets or Equity: (continued)

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the Elysian Charter School of Hoboken as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchase or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method.

5. *Fund Equity*

Reservations/Designations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures. Specific reservations/designations of the fund balance accounts are summarized below.

Reserve for Encumbrances - This reserve is created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30. There was no reserve for encumbrances at June 30, 2010.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

D. Assets, Liabilities and Net Assets or Equity: (continued)

Reserve for Capital Reserve Account - This reserve is created by budget appropriation to fund future capital expenditures.

Reserve for Legally Restricted - Designated for Subsequent Year's Expenditures

This reserve is created to represent the portion of fund balance at June 30, 2010 restricted and utilized in the adopted subsequent year's budget. At June 30, 2010 there were no reserves.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

No difference noted.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information:

In accordance with the requirements of the New Jersey Department of Education, the Elysian Charter School of Hoboken annually prepares its operating budget for the forthcoming year. The budget, except for the special revenue fund, which is more fully explained below, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent and is voted upon by the Board of Trustees. Budget adoptions and amendments are recorded in the Elysian Charter School of Hoboken minutes.

The budget is properly amended by the Elysian Charter School of Hoboken trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. Budgetary Information: (continued)

The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The school approved several budget transfers during 2009/2010.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the special revenue fund from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Operating In</u>	<u>Transfers Out</u>
Budgetary Basis	\$179,685	\$179,685	-	-
Adjustments:	-	-	-	-
Add encumbrances at June 30, 2009	-	-	-	-
Less encumbrances at June 30, 2010	-	-	-	-
GAAP Basis	<u>\$179,685</u>	<u>\$179,685</u>	-	-

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. Budgetary Information: (continued)

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

B. Capital Reserve Account:

Funds placed in the capital reserve account are restricted to capital projects in the Elysian Charter School of Hoboken's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR).

NOTE 4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

As of June 30, 2010, Elysian Charter School of Hoboken cash and cash equivalents consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Enterprise Fund</u>	<u>Total</u>
Operating Account	\$503,704	\$23,890	(\$9,125)	\$518,469

Category 1 - Insured or collateralized with securities held by the Board or its agent in the Board's name.

Category 2 - Collateralized with securities held by the pledging financial institutions trust department or agent in the Board's name.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments (continued)

Deposits (continued)

Category 3 - Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Elysian Charter School of Hoboken's name.

	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Bank</u> <u>Balance</u>
Deposits	\$518,469	\$ 0	\$ 0	\$518,469

The Elysian Charter School of Hoboken's cash deposits as June 30, 2010 were entirely covered by the Federal Deposit Insurance Corporation (F.D.I.C.) or by the pledged collateral pool maintained by the banks as required by New Jersey statutes.

Investments

New Jersey statutes permit the Elysian Charter School of Hoboken to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligations that a federal agency or a federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- d. Bonds or other obligations of the Elysian Charter School of Hoboken or bonds or other obligations of the local unit or units which the school district is located.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local Government investment pools.
- g. Agreements or the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 18A:20-37.

The Elysian Charter School of Hoboken had no outstanding investments at June 30, 2010.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

Investments (continued)

Receivables as of year-end for the government's individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	<u>\$56,361</u>	<u>\$ -0-</u>	<u>\$9,004</u>	<u>\$65,365</u>
Gross Receivables	<u>\$56,361</u>	<u>\$ 0</u>	<u>\$9,004</u>	<u>\$65,365</u>

B. Deferred Revenue

There is no deferred revenue in the general fund or special revenue fund.

C. Capital Assets

Capital assets as of the year ended June 30, 2010 was as follows:

Primary Government:

	<u>Balance at June 30, 2010</u>
Capital assets, being depreciated:	
Building Improvements	967,663
Machinery and equipment	<u>90,194</u>
Total capital assets being depreciated	<u>\$1,057,857</u>
Less accumulated depreciation for:	
Total accumulated depreciation	<u>(\$190,950)</u>
Total capital assets, being depreciated, net all funds	<u>\$866,907</u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 4. DETAILED NOTES ON ALL FUNDS (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Total depreciation expense - governmental activities \$ 27,649

Capital assets are depreciated in the financial statements using the straight-line method over the estimated useful life of the asset.

D. Interfund Receivables, Payables, and Transfers:

As of June 30, 2010, there were no interfund transactions reflected.

NOTE 5. OTHER INFORMATION

A. Contingent Liabilities

The Elysian Charter School of Hoboken participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Elysian Charter School of Hoboken may be required to reimburse the grantor government. As of June 30, 2010, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Elysian Charter School of Hoboken believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Elysian Charter School of Hoboken.

The Elysian Charter School of Hoboken's attorney's letter advises that there are no pending litigation claims, contingent liabilities, unasserted claims for assessments or statutory violations which involved the Elysian Charter School of Hoboken and which might materially affect the Elysian Charter School of Hoboken's financial position.

B. Employee Retirement Systems and Pension Plans

Plan Description

Substantially all of the Elysian Charter School of Hoboken's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS).

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 5. OTHER INFORMATION

B. Employee Retirement Systems and Pension Plans (continued)

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible school employees.

Public Employees' Retirement System (PERS) -Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) -Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system. According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trusts.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 5. OTHER INFORMATION (continued)

B. Employee Retirement Systems and Pension Plans (continued)

Other Pension Funds (continued)

The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625- 0290.

Significant Legislation

P.L. 2007, c.92, implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform: established a Defined Contribution Retirement Program (DCRP) for elected and certain appointed officials, effective July 1, 2007; closed the Workers' Compensation Judges part of PERS to new members, effective July 1, 2007;

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 5. OTHER INFORMATION (continued)

B. Employee Retirement Systems and Pension Plans (continued)

Significant Legislation (continued)

eliminated the four percent fixed rate of interest for loans from the defined benefit plans and provided that the rate of interest will be set by the State Treasurer at a commercially reasonable rate as required by the Internal Revenue Code and permitted that an administrative processing fee may be charged for such loans.

It also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the system when excess assets are available.

P.L. 2007, c.103, certain parts effective July 1, 2007, provided for the following: changed employee contribution rates of TPAF, PERS (State employees only) and DCRP to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) and established for State employees an employee contribution of 1.5 percent of the employee's base salary.

Public Law 2009, c. 19 (S-21) was enacted on March 17, 2009 and allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS and or PFRS obligations for payments due in the State fiscal year ending June 30, 2010. These payments were due on April 1, 2010.

Funding Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 76.0 percent with an unfunded actuarial accrued liability of \$28.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 5. OTHER INFORMATION (continued)

B. Employee Retirement Systems and Pension Plans (continued)

Funding Status and Funding Progress (continued)

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time.

The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 5.5% for TPAF of the employee's annual compensation. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF.

Annual Pension Costs (APC)

During the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals the annual required contribution.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 5. OTHER INFORMATION (continued)

B. Employee Retirement Systems and Pension Plans (continued)

Annual Pension Costs (APC) (continued)

TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the school to the pension system in accordance with Chapter 114, P.L. 1997.

During the years ended June 30, 2010, 2009, 2008 and 2007 the school was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension contributions (including non-contributory group life insurance (NCGI)).

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the school \$117,391 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the school-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

C. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund -State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund -Local classified as a cost-sharing multiple-employer plan in the State's CAFR.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 5. OTHER INFORMATION (continued)

C. Post-Retirement Medical Benefits (continued)

The health benefit programs had a total of 452 state and local participating employers and contributing entities for Fiscal Year 2008.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Funds. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the State had a \$50.6 billion unfunded actuarial accrued liability for other post employment benefits (OPEB) which is made up to \$18.4 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 5. OTHER INFORMATION (continued)

C. Post-Retirement Medical Benefits (continued)

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 45.0 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 80,181 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$1 16.0 million toward Chapter 126 benefits for 12,545 eligible retired members in fiscal year 2009.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 5. OTHER INFORMATION (continued)

C. Post-Retirement Medical Benefits (continued)

Post-Retirement Medical Benefits Contributions (continued)

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF and PERS retirees' post-retirement benefits on behalf of the school was not determined or made available by the State of New Jersey.

NOTE 6. RISK MANAGEMENT

The Elysian Charter School of Hoboken is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The school maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

NOTE 7. LONG-TERM LEASES

The school leases both of its premises under the terms of a non-cancelable lease. Rent expense for the year ended June 30, 2010 amounted to \$350,274. Future obligations over the primary terms of the long-term lease is as follows:

	RVE
2011	245,964
2012	253,343
2013	260,943
2014	268,771
2015-2016	<u>2,717,681</u>
	<u>3,746,702</u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Notes to Financial Statements
Year Ended June 30, 2010

NOTE 8. SUBSEQUENT EVENTS

The school has evaluated subsequent events occurring after the balance sheet through the date of October 22, 2009, which is the date the financial statements were available to be issued. Based on this evaluation, the school has determined no subsequent events require disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Budgetary Comparison Schedule
General Fund
For The Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Share	\$ 3,155,823	\$ 23,308	\$ 3,179,131	\$ 3,189,583	\$ (10,452)
State Share	424,967	(6,612)	418,355	430,483	(12,128)
Other Restricted Miscellaneous Revenues			0		
Miscellaneous	172,026	(145)	171,881	171,881	-
Total - Local Sources	<u>3,752,816</u>	<u>16,551</u>	<u>3,769,367</u>	<u>3,791,947</u>	<u>(22,580)</u>
Nonpublic Aid	-	-	-	-	-
Special Education	132,324	-	132,324	132,324	-
Security Aid	48,251	(837)	47,414	47,414	-
Early Childhood	-	-	-	-	-
Targeted At- Risk Aid	-	-	-	-	-
Bilingual Education	-	-	-	-	-
Demonstrably Effective	-	-	-	-	-
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	-	-
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	125,289	(125,289)
Total State Sources	<u>180,575</u>	<u>(837)</u>	<u>179,738</u>	<u>305,027</u>	<u>(125,289)</u>
Federal Sources:					
Impact Aid					
Medical Assistance Program					
Total - Federal Sources	<u> </u>				
Total Revenues	<u>3,933,391</u>	<u>15,714</u>	<u>3,949,105</u>	<u>4,096,974</u>	<u>(147,869)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Teachers Salary	1,712,621	23,076	1,735,697	1,735,697	\$ -
Other Salaries	232,643	(7,362)	225,281	225,281	-
Prof/Tech Services	40,085	-	40,085	40,085	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	23,068	-	23,068	23,068	-
Textbooks	6,807	-	6,807	6,807	-
Other Objects	26	-	26	26	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,015,250</u>	<u>15,714</u>	<u>2,030,964</u>	<u>2,030,964</u>	<u>-</u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Budgetary Comparison Schedule
General Fund
For The Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administrative					
Salaries of Administrative Salaries	177,629	-	177,629	177,629	-
Salaries of Secretarial and Clerical Assistants	127,438	-	127,438	127,438	-
Cost of Benefits	583,000	4,000	587,000	586,542	458
Consultants	181,405	-	181,405	181,405	-
Other Purchased Services (400-500 series)	26,676	-	26,676	26,676	-
Communications/Telephone	19,366	-	19,366	19,366	-
Supplies and Materials	29,222	-	29,222	29,222	-
Other Objects	9,845	-	9,845	9,845	-
	<u>1,154,581</u>	<u>4,000</u>	<u>1,158,581</u>	<u>1,158,123</u>	<u>458</u>
Support Services - School Admin/Operation Plant Services					
Salaries	247,369	(4,000)	243,369	210,217	33,152
Purchased Professional and Technical Services	76,718	-	76,718	76,718	-
Other Purchased Services	117,170	-	117,170	117,170	-
Rental of Land and Building- other than Lease Purchase Agreements	350,274	-	350,274	350,274	-
Insurance	45,838	-	45,838	45,838	-
General Supplies	13,523	-	13,523	13,523	-
Transportation- Trips	4,945	-	4,945	4,945	-
Energy (Energy and Electricity)	-	-	-	-	-
Other Objects	19,381	-	19,381	19,381	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>875,218</u>	<u>(4,000)</u>	<u>871,218</u>	<u>838,066</u>	<u>33,152</u>
Food Service					
Other Purchased Services	-	-	-	-	-
Total Food Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
On-behalf TPAF pension Contributions (non-budgeted)					
Reimbursed TPAF Social Security Contributions (non-budgeted)				125,289	(125,289)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,289</u>	<u>(125,289)</u>
TOTAL UNDISTRIBUTED EXPENDITURES					
	2,029,799	-	2,029,799	2,121,478	(91,679)
TOTAL GENERAL CURRENT EXPENSE	<u>4,045,049</u>	<u>15,714</u>	<u>4,060,763</u>	<u>4,152,442</u>	<u>(91,679)</u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Budgetary Comparison Schedule
General Fund
For The Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Instructional Equipment	1,333	-	1,333	1,333	-
Non-Instructional Equipment	4,101	-	4,101	4,102	(1)
Building Soft Cots	-	-	-	-	-
Total Equipment	<u>5,434</u>	<u>-</u>	<u>5,434</u>	<u>5,435</u>	<u>(1)</u>
TOTAL EXPENDITURES- GENERAL FUND	4,050,483	15,714	4,066,197	4,157,877	(91,680)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(117,092)</u>	<u>-</u>	<u>(117,092)</u>	<u>(60,903)</u>	<u>(56,189)</u>
Other Financing Sources:					
Operating Transfer In:	117,092	-	117,092	-	117,092
Total Other Financing Sources:	<u>117,092</u>	<u>-</u>	<u>117,092</u>	<u>-</u>	<u>117,092</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	(60,903)	60,903
Fund Balance, July 1	-	-	120,717	120,717	
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,717</u>	<u>\$ 59,814</u>	<u>\$ 60,903</u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

Exhibit C-2
Page 1

	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
REVENUES:					
Local Sources	\$ 14,885		\$ 14,885	\$ 14,885	
State Sources	-		-	-	
Federal Sources	165,100		165,100	165,100	
Total Revenues	<u>165,100</u>		<u>165,100</u>	<u>165,100</u>	
EXPENDITURES:					
Instruction					
Salaries of Teachers	113,333		113,333	113,333	
Other Salaries for Instruction					
Purchased Professional -Educational Services					
Purchased Professional and Technical Services	28,222		28,222	28,222	
Transportation					
Other Purchased Services (400-500 series)	-		-	-	
General Supplies	877		877	877	
Personal Services- Employee Benefits	22,247		22,247	22,247	
Textbooks					
Other Objects	-		-	-	
Total Instruction	<u>164,679</u>		<u>164,679</u>	<u>164,679</u>	
Support Services					
Salaries of Supervisor of Instruction	-		-	-	
Salaries of Program Directors					
Salaries of Other Professional Staff	-		-	-	
Salaries of Secretaries & Clerical Assistants					
Other Salaries					
Personal Services - Employee Benefits	-		-	-	
Purchased Professional - Educational Services	15,306		15,306	15,306	
Other Purchased Professional Services					
Supplies					
Field Trips					
Scholarships					
Tuition					
Travel					
Other purchased Services (400-500 series)	-		-	-	
Building Improvements					
Total Support Services	<u>15,306</u>		<u>15,306</u>	<u>15,306</u>	

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Buildings Improvements					
Instructional Equipment					
Noninstructional Equipment					
Total Facilities Acquisition and Construction Services					
Transfer to Charter School					
Total Expenditures	179,985		179,985	179,985	
Other Financing Sources (Uses)					
Transfer in from General Fund					
Transfer Out to Whole School Reform (General Fund)					
Total Other Financing Sources (Uses)					
Total Outflows					
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION**

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2010

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

The general fund budget and the special revenue budget basis are GAAP, therefore no reconciliation is required

SPECIAL REVENUE FUND

Special Revenue Funds are used to account for the proceeds of special revenue resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

ELYSIAN CHARTER SCHOOL

Exhibit E-1

Special Revenue Fund

Combining Schedule of Revenues and Expenditures- Budgetary Basis

For the Year Ended June 30, 2010

	TOTAL	IDEA	IDEA	NCLB	NCLB 2010-09			SMARTER GRANT
		PART B-Basic TITLE VI	PART ARRA	TITLE I ARRA	TITLE I	Title II	Title IV	
REVENUES								
Intergovernmental								
State								
Federal	165,100	40,476	63,004	8,900	42,057	9,786	877	
Other Sources								
Miscellaneous	14,885							14,885
Total Revenues	<u>179,985</u>	<u>40,476</u>	<u>63,004</u>	<u>8,900</u>	<u>42,057</u>	<u>9,786</u>	<u>877</u>	<u>14,885</u>
EXPENDITURES								
Instruction								
Salaries	113,333	33,730	52,503		27,100			
Transportation	0							
Personal Services	0							
Purchased Prof. and Tech.and Edu Services	28,222			8,900	9,957	9,365		
General Supplies	877						877	
Textbooks	0							
Personal Services - Employee Benefits	22,247	6,746	10,501		5,000			
Other Objects	0							
Equipment Instructional	0							
Total Instruction	<u>164,679</u>	<u>40,476</u>	<u>63,004</u>	<u>8,900</u>	<u>42,057</u>	<u>9,365</u>	<u>877</u>	<u>0</u>
Support Services								
Salaries of Supervisors of Instruction	0							
Salaries of Program Directors	0							
Salaries of Other Prof. Staff	0							
Salaries of Secretarial and Clerical Ass't	0							
Personal Services - Employee Benefits	0							
Supplies and Materials	0							
Other Purchased Services	0							
Purchased Professional/Educational Services	15,306					421		14,885
Class- room Improvements								
Building Improvements								
Non instructional Equipment								
Total Support Services	<u>15,306</u>					<u>421</u>		<u>14,885</u>
TOTAL EXPENDITURES	<u>179,985</u>	<u>40,476</u>	<u>63,004</u>	<u>8,900</u>	<u>42,057</u>	<u>9,786</u>	<u>877</u>	<u>14,885</u>

PROPRIETARY FUNDS

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods and services be financed through user charges or where the board has decided that periodical determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Food Service Fund - The fund provides for the operation of food services in all schools.

Exhibit G-1

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
 Statement of Net Assets
 June 30, 2010

	<u>Business-Type Activities</u>
	<u>Enterprise Fund Food Services and After School Program</u>
ASSETS	
Current Assets	
Cash	\$9,125
Intergovernmental Receivable	
Federal	2,781
State	166
Accounts Receivable	6,057
Total Current Assets	<u>18,129</u>
Total Assets	<u><u>18,129</u></u>
LIABILITIES	
Cash Overdraft	
Accounts Payable	13,879
Total Current Liabilities	<u>13,879</u>
Net Assets	
Unrestricted	4,250
Invested in capital assets net of related debt	
Total Net Assets	<u><u>4,250</u></u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2010

	<u>Business-Type Activities</u>		
	<u>Enterprise Fund</u>		
	<u>After School Program</u>	<u>Enterprise Fund Food Services</u>	<u>Total Enterprise Fund</u>
OPERATING REVENUES			
Local Sources			
Daily Sales - Reimbursable Programs			
After School Revenue	\$73,686		\$73,686
Self Pay Revenue		56,623	56,623
Total Operating Revenues	<u>73,686</u>	<u>56,623</u>	<u>130,309</u>
OPERATING EXPENSES			
Salaries, wages and employee benefits	63,220	23,330	86,550
Supplies, Materials & Other	9,914	68,852	78,766
Total Operating Expenses	<u>73,134</u>	<u>92,182</u>	<u>165,316</u>
Income (Loss) From Operations	<u>552</u>	<u>(35,559)</u>	<u>(35,007)</u>
Nonoperating Revenues			
State Sources			
State Sources		1,836	1,836
Federal Sources			
School Breakfast Program		2,963	2,963
National School Lunch Program		25,669	25,669
Federal Fruit Program		6,732	6,732
Board Subsidy	0		0
Total Nonoperating Revenues	<u>0</u>	<u>37,200</u>	<u>37,200</u>
Net Income (Loss)	552	1,641	2,193
Total Net Assets- Beginning of Year	<u>0</u>	<u>2,057</u>	<u>2,057</u>
Total Net Assets- End of Year	<u>\$552</u>	<u>\$3,698</u>	<u>\$4,250</u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2010

	<u>2010</u>
Cash flows from operating activities	
Cash Received from Customers	136,326
Cash Payments to Employee's Salaries and Benefits	(45,573)
Cash Payments to Suppliers for Goods and Services	(101,203)
Net Cash (Used) by Operating Activities	<u>(10,450)</u>
 Cash Flows from Noncapital Financing Activities	
Cash Received from General Fund Transfer (Contribution)	
Cash Received from State and Federal Subsidy Reimbursements	31,820
Net Cash Provided by Noncapital Financing Activities	<u>31,820</u>
 Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	
Net Increase in Cash and Cash Equivalents	21,370
Cash and Cash Equivalents, Beginning of Year	(12,245)
Cash and Cash Equivalents, End of Year	<u>\$9,125</u>
 Reconciliation of Operating (Loss) to Net Cash	
Used by Operating Activities	
Operating (Loss)	\$0
Adjustments to Reconcile Operating (Loss) to	
Net Cash Used by Operating Activities	
Depreciation	
Decrease in Accounts Receivable	7,491
USDA Commodities	
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	13,879
Increase/(Decrease) in Deferred Revenue	
Increase/(Decrease) in Compensated Absences	
Increase/(Decrease) in Inventory	
Total Adjustment	<u>21,370</u>
 Net Cash Used by Operating Activities	<u>\$21,370</u>

FIDUCIARY FUNDS

Exhibit H-1

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Combining Statement of Agency Fund Net Assets
Fiduciary Funds
As of June 30, 2010**

NOT APPLICABLE

Exhibit H-2

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Nonexpendable Trust Fund
Combining Statement of Agency Fund Net Assets
Fiduciary Funds
As of June 30, 2010**

NOT APPLICABLE

Exhibit H-3

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiduciary Funds
For the Year Ended June 30, 2010**

NOT APPLICABLE

Exhibit H-5

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Unemployment Compensation Insurance Trust Fund
Statement of Receipts and Disbursements
Fiduciary Funds
For the Year Ended June 30, 2010**

NOT APPLICABLE

FINANCIAL TRENDS

THE ELYSIAN CHARTER SCHOOL
NET ASSETS BY COMPONENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2010

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 866,907	\$ 894,556	\$ 733,849	\$ 726,409	\$ 737,813	\$ 773,290
Restricted		-	-	-	41,900	285,700
Unrestricted	59,814	120,717	173,015	399,404	525,319	396,143
Total governmental activities net assets	<u>\$ 926,721</u>	<u>\$ 1,015,273</u>	<u>\$ 906,864</u>	<u>\$ 1,125,813</u>	<u>\$ 1,305,032</u>	<u>\$ 1,455,133</u>
Business-type activities						
Invested in capital assets, net of related debt						
Restricted	4,250	4,250	2,057	2,375	5,203	15,351
Unrestricted	<u>\$ 4,250</u>	<u>\$ 4,250</u>	<u>\$ 2,057</u>	<u>\$ 2,375</u>	<u>\$ 5,203</u>	<u>\$ 15,351</u>
Total business-type activities net assets						
School-wide						
Invested in capital assets, net of related debt	866,907	894,556	733,849	726,409	737,813	773,290
Restricted	-	-	-	-	41,900	285,700
Unrestricted	64,064	124,967	175,072	401,779	530,522	411,494
Total school net assets	<u>\$ 930,971</u>	<u>\$ 1,019,523</u>	<u>\$ 908,921</u>	<u>\$ 1,128,188</u>	<u>\$ 1,310,235</u>	<u>\$ 1,470,484</u>

**THE ELYSIAN CHARTER SCHOOL
CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2010**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses						
Governmental activities						
Instruction						
Regular	2,195,643	2,106,394	2,102,746	2,032,121	1,755,079	1,685,321
Support Services:						
General administration	1,173,429	942,158	1,200,369	1,076,729	905,664	882,903
School Administrative Services	838,066	834,772	782,677	744,421	653,288	598,776
On-behalf TPAF Social Security	125,289	117,391	99,545	111,623	93,760	99,933
Capital outlay	5,435	186,917	26,450	18,766	36,143	29,918
Unallocated depreciation	27,649	26,210	24,770	22,599	48,503	48,503
Total governmental activities expenses	<u>4,365,511</u>	<u>4,213,842</u>	<u>4,236,557</u>	<u>4,006,259</u>	<u>3,492,437</u>	<u>3,345,354</u>
Business-type activities:						
Food service	160,655	165,316	139,572	163,877	95,795	73,678
Child Care						
Total business-type activities expense	<u>160,655</u>	<u>165,316</u>	<u>139,572</u>	<u>163,877</u>	<u>95,795</u>	<u>73,678</u>
Total school expenses	<u>4,526,166</u>	<u>4,379,158</u>	<u>4,376,129</u>	<u>4,170,136</u>	<u>3,588,232</u>	<u>3,419,032</u>
Program Revenues						
Governmental activities:						
Charges for services:						
Daily Sales- National Lunch Program	0	0	0	0	0	0
Pupil transportation	0	0	0	0	0	0
Central and other support services						
Operating grants and contributions	0	0	0	0	0	0
Capital grants and contributions						
Total governmental activities program revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business-type activities:						
Charges for services						
Food service	160,655	167,509	139,254	161,049	82,243	90,557
Child care						
Operating grants and contributions						
Capital grants and contributions						
Total business type activities program revenues	<u>160,655</u>	<u>167,509</u>	<u>139,254</u>	<u>161,049</u>	<u>82,243</u>	<u>90,557</u>
Total school program revenues	<u>160,655</u>	<u>167,509</u>	<u>139,254</u>	<u>161,049</u>	<u>82,243</u>	<u>90,557</u>
Net (Expense)/Revenue						
Governmental activities	(\$4,365,511)	(\$4,211,649)	(\$4,236,875)	(\$4,009,087)	(\$3,505,989)	(\$3,328,475)
Business-type activities	\$0	\$0	\$0	\$0	\$0	\$0
Total school-wide net expense	<u>(\$4,365,511)</u>	<u>(\$4,211,649)</u>	<u>(\$4,236,875)</u>	<u>(\$4,009,087)</u>	<u>(\$3,505,989)</u>	<u>(\$3,328,475)</u>

**THE ELYSIAN CHARTER SCHOOL
CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2010**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:						
Local share	3,189,583	2,017,123	2,362,908	2,248,197	724,095	671,263
State Share	735,510	760,838	1,086,414	988,806	1,600,449	1,503,193
State and Federal Aid aid	165,100	1,341,681	512,649	578,968	1,075,050	1,010,392
Miscellaneous income	186,766	15,702	23,427	41,774	96,162	153,757
Increase in Net Capital Outlay	0	186,917	32,210	11,195	0	0
Transfers						
Total governmental activities	<u>4,276,959</u>	<u>4,322,261</u>	<u>4,017,608</u>	<u>3,868,940</u>	<u>3,495,756</u>	<u>3,338,605</u>
Business-type activities:						
Investment earnings						
Transfers	0	0	0	(41,900)		
Total business-type activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(41,900)</u>	---	---
Total school-wide	<u>4,276,959</u>	<u>4,322,261</u>	<u>4,017,608</u>	<u>3,827,040</u>	<u>3,495,756</u>	<u>3,338,605</u>
Change in Net Assets						
Governmental activities	(\$88,552)	\$108,409	(\$218,949)	(\$179,219)	(\$10,233)	\$10,130
Business-type activities	\$0	\$2,193	(\$318)	(\$2,828)	\$0	\$0
Total school	<u>(\$88,552)</u>	<u>\$110,602</u>	<u>(\$219,267)</u>	<u>(\$182,047)</u>	<u>(\$10,233)</u>	<u>\$10,130</u>

EXHIBIT J-3

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
 FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2010

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 41,900	\$ 285,700
Unreserved	59,814	120,717	173,015	399,404	425,319	396,143
Total general fund	<u>\$ 59,814</u>	<u>\$ 120,717</u>	<u>\$ 173,015</u>	<u>\$ 399,404</u>	<u>\$ 467,219</u>	<u>\$ 681,843</u>
All Other Governmental Funds						
Reserved						
Unreserved, reported in:						
Special revenue fund						
Capital projects fund						
Debt service fund						
Permanent fund						
Total all other governmental funds	<u>---</u>	<u>---</u>	<u>---</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
GOVERNMENTAL REVENUES AND EXPENDITURES
June 30, 2010

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues						
Local tax Levy	\$3,189,583	\$2,017,123	\$2,362,908	\$2,248,197	\$2,334,758	\$2,041,997
Other local revenue	186,766	15,702	131,304	41,774	28,710	33,044
State sources	735,510	1,997,548	1,526,186	1,450,685	1,226,955	1,028,145
Federal sources	165,100	104,961	104,254	116,059	127,903	530,525
Total revenue	<u>4,276,959</u>	<u>4,135,334</u>	<u>4,124,652</u>	<u>3,856,715</u>	<u>3,718,326</u>	<u>3,633,711</u>
Expenditures						
Instruction	2,030,964	2,004,765	1,999,492	1,935,032	1,873,805	1,682,151
Regular Instruction						
Support Services:						
General administration	1,158,123	938,826	1,199,369	1,056,729	895,050	768,484
School administrative services/Plant	838,066	834,772	782,677	744,421	736,241	384,742
TPAF Social Security	125,289	117,391	99,545	111,623	106,685	108,084
Food Service			139,572			
Capital outlay	5,435	186,917	26,450	18,766	5,466	5,651
Debt service:						
Principal						
Interest and other charges						
Special Revenue	179,985	104,961	104,254	116,059	131,903	534,525
Total expenditures	<u>4,337,862</u>	<u>4,187,632</u>	<u>4,351,359</u>	<u>3,982,630</u>	<u>3,749,150</u>	<u>3,483,637</u>
Excess (Deficiency) of revenues over (under) expenditures						
Other Financing sources (uses)						
Proceeds from borrowing						
Capital leases (non-budgeted)						
Proceeds from refunding						
Payments to escrow agent						
Transfers in						
Transfers out						
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ (60,903)</u>	<u>\$ (52,298)</u>	<u>\$ (226,707)</u>	<u>\$ (125,915)</u>	<u>\$ (30,824)</u>	<u>\$ 150,074</u>

Source: School records

REVENUE CAPACITY

EXHIBIT J-5

**ELYSIAN CHARTER SCHOOL
REVENUE CAPACITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOT APPLICABLE

Exhibit J-6

**ELYSIAN CHARTER SCHOOL
Assessed Value and Actual Value of Taxable Property
For the Year Ended June 30, 2010**

NOT APPLICABLE

Exhibit J-7

**ELYSIAN CHARTER SCHOOL
Direct and Overlapping Property Tax Rates
For the Year Ended June 30, 2010**

NOT APPLICABLE

Exhibit J-8

**ELYSIAN CHARTER SCHOOL
Principal Property Taxpayers
For the Year Ended June 30, 2010**

NOT APPLICABLE

DEBT CAPACITY

Exhibit J-9

**ELYSIAN CHARTER SCHOOL
Property Tax Levies and Collections
For the Year Ended June 30, 2010**

NOT APPLICABLE

Exhibit J-10

**ELYSIAN CHARTER SCHOOL
Ratios of Outstanding Debt by Type
For the Year Ended June 30, 2010**

NOT APPLICABLE

Exhibit J-11

**ELYSIAN CHARTER SCHOOL
Ratios of Net General Bonded Debt Outstanding
For the Year Ended June 30, 2010**

NOT APPLICABLE

Exhibit J-12

**ELYSIAN CHARTER SCHOOL
Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2010**

NOT APPLICABLE

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-13

**ELYSIAN CHARTER SCHOOL
Demographic and Economic Statistics
For the Year Ended June 30, 2010**

NOT APPLICABLE

Exhibit J-14

**ELYSIAN CHARTER SCHOOL
Principal Employers
For the Year Ended June 30, 2010**

NOT APPLICABLE

**OPERATING INFORMATION
(UNAUDITED)**

ELYSIAN CHARTER SCHOOL
Full-time Equivalent School Employees by Function/Program
For the year ended June 30, 2010

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction						
Regular	22	22	22	22	21	21
Special education	4.4	5	5	5	4	4
Other special education						
Vocational						
Other instruction						
Nonpublic school programs						
Adult/continuing education programs						
Support Services:						
Student & instruction related services	8	8	8	8	6	5
General administration	3	3	3	3	3	3
School administrative services	3	3	3	3	3	3
Other administrative services						
Central services						
Administrative Information Technology						
Plant operations and maintenance	0	1	1	1	1	1
Pupil transportation		-	-	-	-	-
Other support services	2	2	2	2	0	0
Special Schools		-	-	-	-	-
Food Service	2.5	4	4	4	4	4
Child Care	2	2	2	2	0	0
Total	<u>47</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>42</u>	<u>41</u>

Source: School Personnel Records

**ELYSIAN CHARTER SCHOOL
Operating Statistics
For the Year Ended June 30, 2010**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary and Middle School	Senior High School				
2005	270	2,949,112	10,923	2.14%	21	13	N/A	264	264	0.76%	98.60%
2006	270	3,617,247	13,397	22.66%	21	13	N/A	264	264	0.00%	98.60%
2007	274	4,024,530	14,688	9.64%	22	12	N/A	270	270	2.27%	98.50%
2008	266	3,954,762	14868	0.01%	22	12	N/A	270	270	2.27%	98.50%
2009	273	3,983,801	14593	0.01%	22	12	N/A	273	273	2.63%	98.50%
2010	286	4,337,862	15167	3.93%	22	12	N/A	286	276	4.76%	96.40%

Sources: School records

ELYSIAN CHARTER SCHOOL
School Building Information
For the Year Ended June 30, 2010

<u>School Building</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Main Campus						
Square Feet	17,000	17,000	17,000	17,000	17,000	17,000
Capacity (students)	192	192	192	186	180	180
Enrollment	190	177	172	182	180	180
Second Campus						
Square Feet	12,000	12,000	12,000	12,000	12,000	12,000
Capacity (students)	96	96	96	96	90	90
Enrollment	96	96	94	90	90	90

Number of Schools at June 30, 2009
Elementary and Middle School = 2

Source: School Office

**ELYSIAN CHARTER SCHOOL
Insurance Schedule
For the Year Ended June 30, 2010**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Commercial Property	\$ 25,000,000	\$ 5,000
Boiler and Machinery	100,000,000	5,000
General Automobile Liability	11,000,000	1,000
School Board Legal Liability	11,000,000	5,000
Umbrella	5,000,000	-
Workers' Compensation	2,000,000	-
 Surety Bonds		
School Board Legal Liability	11,000,000	N/A
Public Official Bond	65,000	N/A

Source: Charter School Records

**ELYSIAN CHARTER SCHOOL
General Fund - Other Local Revenue By Source
For the Year Ended June 30, 2010**

	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Other Local</u>	<u>Annual Totals</u>
Fiscal Year Ending June 30,							
2003						5,444	5,444
2004						12,379	12,379
2005						33,044	33,044
2006						28,710	28,710
2007						41,774	41,774
2008						23,427	23,427
2009						15,702	15,702
2010						171,881	171,881

Source: School records

Exhibit J-20

**ELYSIAN CHARTER SCHOOL
Schedule of Allowable Maintenance Expenditures by School Facility
For the Year Ended June 30, 2010**

NOT APPLICABLE

SINGLE AUDIT SECTION K

SCOTT J. LOEFFLER
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 553
EAST HANOVER, NEW JERSEY 07936

TELEPHONE
973-585-4989

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EXHIBIT K-1

**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***

The Honorable Chairman and
Members of the Board of Trustees
Elysian Charter School of Hoboken
County of Hudson
Hoboken, New Jersey

I have audited the financial statements of the Board of Trustees of the Elysian Charter School of Hoboken County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued my report thereon dated September 10, 2010. I conducted my audit 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Elysian Charter School of Hoboken Board of Trustees internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Elysian Charter School of Hoboken Board of Trustees' internal control over financial reporting. Accordingly, I do not express an opinion on effectiveness of the Elysian Charter School of Hoboken Board of Trustees' internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Elysian Charter School of Hoboken Board of Trustees financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the management of the Elysian Charter School of Hoboken, Board of Trustees and the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Licensed Public School Accountant No. 870

A handwritten signature in black ink that reads "Scott J. Loeffler CPA". The signature is written in a cursive style with a horizontal line at the end.

Scott J. Loeffler, CPA
September 10, 2010

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EXHIBIT K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable Chairman and
Members of the Board of Trustees
Elysian Charter School of Hoboken
County of Hudson
Newark, New Jersey

Compliance

I have audited the compliance of the Board of Trustees of the Elysian Charter School of Hoboken, in the County of Hudson, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. Elysian Charter School of Hoboken major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Elysian Charter School of Hoboken management. My responsibility is to express an opinion on the Elysian Charter School of Hoboken compliance based on my audit.

I conducted my 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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Elysian Charter School of Hoboken's Board of Trustees compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My

audit does not provide a legal determination of the Board of Trustees of the Elysian Charter School of Hoboken compliance with those requirements.

In my opinion, the Board of Trustees of the Elysian Charter School of Hoboken, in the County of Hudson, State of New Jersey, complied, in all material aspects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Trustees of the Elysian Charter School of Hoboken is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing my audit, I considered the Elysian Charter School of Hoboken internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly I do not express an opinion on the effectiveness of Elysian Charter School of Hoboken's Board of Trustees internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information and use of the audit committee, management, the Elysian Charter School of Hoboken Board of Trustees, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Licensed Public School Accountant No. 870



Scott J. Loeffler, CPA
September 10, 2010

EXHIBIT A

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
 Schedule of Federal Financial Assistance
 For the Fiscal Year Ended June 30, 2010

<u>Federal/Grantor Program Title</u>	<u>CFDA/GRANT Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance July 1, 2009</u>	<u>Prior Carry-over</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Refund of Prior Years' Balances</u>	<u>Adjust</u>	<u>Deferred Revenue/ (Accounts Receivable) June 30, 2009</u>	<u>Due to Grantor at June 30, 2010</u>
Food Subsidy											
Federal School Lunch	10.555	07/02/09-06/30/10	23,845			\$21,505	\$23,845			(2,340)	
Federal Fruit Program	10.555	07/02/09-06/30/10	3,683			\$3,241	\$3,683			(442)	
Special Revenue Fund											
Special Revenue											
NCLB											
Title I	NCLB732010	07/02/09-06/30/10	42,057			42,057	42,057				
Title I ARRA	NCLB732010	07/02/09-06/30/10	8,900			8,900	8,900				
Title IIA	NCLB732010	07/02/09-06/30/10	9,786			9,786	9,786				
Title IV	NCLB732010	07/02/09-06/30/10	877			877	877				
Title VI	IDEA	07/02/09-06/30/10	40,476			40,476	40,476			-	
Title VI	IDEA ARRA	07/02/09-06/30/10	63,004			63,004	63,004				
						<u>165,100</u>	<u>165,100</u>				
Total Special Revenue						<u>165,100</u>	<u>165,100</u>			<u>-</u>	<u>---</u>
						<u>\$189,846</u>	<u>\$192,628</u>			<u>(2,782)</u>	

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
Schedule of State Financial Assistance
For the Fiscal Year Ended June 30, 2010

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance July 1, 2010</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Refund of Prior Years' Balances</u>	<u>Adjust</u>	<u>Deferred Revenue/ (Accounts Receivable) June 30, 2009</u>	<u>Due to Grantor at June 30, 2010</u>
GENERAL FUND										
TPAF Social Security	05-495034095-032	7/1/09-06/30/10	125,289		125,289	125,289				
On Behalf Pension	05-495034095-032	7/1/09-06/30/10			0					
					0					
Charter School Aid - Local *	5120-495/150-360030-60	7/1/09-06/30/10	3,189,583		3,189,583	3,189,583				
Charter School Aid - State *	5120-195/070030-60	7/1/09-06/30/10	430,483		430,483	430,483				
Special Education	5120-195/070030-60	7/1/09-06/30/10	132,324		132,324	132,324				
Nonpublic Aid	5120-195/070030-60	7/1/09-06/30/10	0		0	0				
Equalization Aid	5120-195/070030-60	7/1/09-06/30/10	0		0	0				
Security Aid	5120-195/070030-60	7/1/09-06/30/10	47,414		47,414	47,414				
Total General Fund		7/1/09-06/30/10			3,925,093	3,925,093				
SPECIAL REVENUE FUND										
Total Special Revenue Fund					--				0	0
ENTERPRISE FUND										
State School Lunch	05-100-034-5120-122	7/1/09-06/30/10	1,661		--	1,495	1,661		\$ (166)	
GRAND TOTAL					--	3,926,588	3,926,754		\$ (166)	
*Major Program										

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
FOOTNOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of awards and financial assistance present the activity of all federal and state award programs of the Elysian Charter School of Hoboken. The board of trustees is defined in the Notes to the school's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the school's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting revenue is not recognized until the subsequent year or expenditures have been made (GASB 34).

The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the grant account budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to GAAP basis is \$-0-. See Note 1 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the school's general-purpose financial statements on a GAAP basis as follows:

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
FOOTNOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

The net adjustment to reconcile from the budgetary basis to GAAP basis is \$-0-. See Note 1 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the school's general-purpose financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ ---	\$3,925,093	\$3,925,093
Special Revenue Fund	165,100	-0-	165,100
Food Service Fund	<u>27,528</u>	<u>1,661</u>	<u>29,189</u>
Total Awards and Financial Assistance	<u>\$ 192,628</u>	<u>\$ 3,926,754</u>	<u>\$ 4,119,382</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2010. TPAF Social Security Contributions of \$125,289 represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

PART 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statement Section

Type of auditor’s report issued:	Unqualified
	<u>YES</u> <u>NO</u>
Internal control over financial reporting:	
Material weakness(es) identified:	X
Significant deficiencies identified not considered to be material weakness(es)?	X
Noncompliance material to financial statements noted?	X

State Awards

	<u>YES</u> <u>NO</u>
Dollar threshold used to distinguish between type A and type B programs (.520)	\$300,000
Auditee qualified as low risk auditee:	X
Type of auditor’s report issued:	Unqualified
Internal control over major programs:	
Material weakness(es) identified:	X
Significant deficiencies identified not considered to be material weakness(es)?	X
Type of auditor’s report on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be Reported in accordance with NJOMB Circular Letter 04-04?	X

Identification of major programs:

<u>C DFA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
5120-495-07	Charter School Aid Local and State

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010**

PART 1 – SUMMARY OF AUDITOR’S RESULTS (continued)

Federal and State Awards Section (continued)

Identification of Major Programs:

Federal

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
NONE	

State

<u>Program Number(s)</u>	<u>Name of State Program or Cluster</u>
5120-495-07	CHARTER SCHOOL AID\LOCAL AND STATE

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

PART II – SCHEDULE OF FINANCIAL STATEMENT FINDINGS

No financial statement findings noted that are required to be reported under Government Auditing Standards.

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
COUNTY OF HUDSON, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010**

**PART III – SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND
QUESTIONED COSTS**

No federal and state award findings and questioned costs noted that are required to be reported in accordance of OMB Circular A-133.

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
SUMMARY OF SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Status of Prior Year Findings

No findings were reported for the prior year.