



College Achieve Central Charter School

Comprehensive Annual Financial Report  
For the Eighteen Months Ended June 30, 2016

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Table of Contents

<b>INTRODUCTORY SECTION</b>	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	9
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	15
<b>Basic Financial Statements</b>	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	28
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	34
B-8 Statement of Changes in Fiduciary Net Position	N/A
<b>Notes to the Financial Statements</b>	35
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	57
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	64
C-3 Budgetary Comparison Schedule - Note to RSI	65

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Table of Contents (Cont'd)

	<b>Page</b>
<b>Required Supplementary Information - Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the Charter School's Proportionate Share of the Net Pension Liability – PERS	N/A
L-2 Schedule of the Charter School's Contributions – PERS	N/A
L-3 Schedule of the Charter School's Proportionate Share of the Net Pension Liability – TPAF	N/A
L-4 Schedule of the Charter School's Contributions – TPAF	N/A
L-5 Notes to the Required Supplementary Information - Part III GASB 68 Pension Changes	N/A
<b>Required Supplementary Information - Part IV</b>	
L-6 Schedule of Funding Progress for Health Benefits Plan	N/A
L-7 Notes to the Required Supplementary Information - Part IV	N/A
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	68
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status	N/A
F-2b Statement of Project Revenues, Expenditures, Project Balance and Project Status	N/A

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Table of Contents (Cont'd)

	<b>Page</b>
<b>Other Supplementary Information (Cont'd)</b>	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position	70
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	71
G-3 Statement of Cash Flows	72
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Statement of Fiduciary Net Position	74
H-2 Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	75
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

J-1 Net Position by Component	78
J-2 Changes in Net Position	79
J-3 Fund Balances - Governmental Funds	81
J-4 Changes in Fund Balances - Governmental Funds	82
J-5 General Fund Other Local Revenue by Source	83

**Revenue Capacity**

J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies and Collections	N/A

**Debt Capacity**

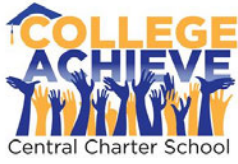
J-10 Ratios of Outstanding Debt by Type	85
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Table of Contents (Cont'd)

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<b>STATISTICAL SECTION (Unaudited) (Cont'd)</b>	<b>Page</b>
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	87
J-15 Principal Employers	88
<b>Operating Information</b>	
J-16 Full-time Equivalent Charter School Employees by Function/Program	90
J-17 Operating Statistics	91
J-18 School Building Information	92
J-19 Schedule of Required Maintenance Expenditures by School Facility	N/A
J-20 Insurance Schedule	93
J-21 Charter School Performance Framework	96
<b>SINGLE AUDIT SECTION</b>	
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	12
K-2 Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by State of New Jersey Circular 15-08-OMB	98
K-3 Schedule of Expenditures of Federal Awards, Schedule A	100
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	102
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	104
K-6 Schedule of Findings and Questioned Costs	106
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	111

## **INTRODUCTORY SECTION**



The Honorable President and Members  
of the Board of Trustees  
College Achieve Central Charter School  
Plainfield, New Jersey

Dear Board Members:

The comprehensive annual financial report of the College Achieve Central Charter School (the "Charter School") for the fiscal year ended June 30, 2016, 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 Board of Trustees (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter 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, the Charter School's organizational chart, roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the Charter School's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the Charter School, generally presented on a multi-year basis. The Charter School is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

#### 1) REPORTING ENTITY AND ITS SERVICES:

The College Achieve Central Charter School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the Charter School are included in this report. The College Achieve Central Charter School constitutes the Charter School's reporting entity.

The mission of College Achieve Central Charter School is to prepare its students to excel in and graduate from the top colleges and universities in the nation.

We - the parents, teachers, and administrators of College Achieve Central Charter School - will create a learning community that prizes excellence and continuous improvement. We will achieve our mission by honoring and developing each student's gifts and talents. It is our hope that all our students will go on to graduate from college and return home to Plainfield and North Plainfield to become the next generation of leaders in education, business, and in the community.

The Charter School completed the 2015-2016 period; its first year of operation, with an enrollment of 343 students.

#### 2) ECONOMIC CONDITION AND OUTLOOK:

Enrollment at the Charter School in 2015-16 was 343 students. The school is serving 601 students in 2016-17 and will serve 839 students by 2017-18. We continue to monitor legislation in Trenton through the NJ Charter School Association that would affect charter school funding – specifically facilities cost aid and health and pension reforms.

### 3) MAJOR INITIATIVES:

Key Design Elements: 11 Pillars of the College Achieve Central Education Program

Pillar 1: Character Education: GRACE: Grit, Resiliency, Agency, Character, and Excellence

Pillar 2: A rigorous, standards based instructional program that is backwards mapped from college standards and teaches our students how to think for themselves.

Pillar 3: Elementary School: Systemic Phonics, the Common Core & the Core Knowledge Sequence

Pillar 4: Data-driven assessment & instruction

Pillar 5: Shared Inquiry: Socratic Seminars

Pillar 6: College Achieve's Approach to teaching the Toulmin College Writing Model (Grades 5-12)

Pillar 7: More Time for Learning & Science: longer school day

Pillar 8: Pacing for Rigorous Instruction

Pillar 9: Apprentice Teacher Pipeline & High Dosage Tutoring

Pillar 10: MAADNESS: Music, Art, Athletics, Drama & Dance

Pillar 11: SOAL: Summer Of A Lifetime (SOAL) and Travel Study Programs

### 4) INTERNAL ACCOUNTING CONTROLS:

Management of the Charter School is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the Charter School also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the Charter School's management.

As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the Charter School has complied with applicable laws, regulations, contracts and grants.

### 5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the period 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 re-appropriations of fund balance in the subsequent



year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2016.

6) ACCOUNTING SYSTEM AND REPORTS:

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the Charter School is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT:

The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The Charter School has 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 a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of the Charter School's insurance coverage is found on Exhibit J-20.

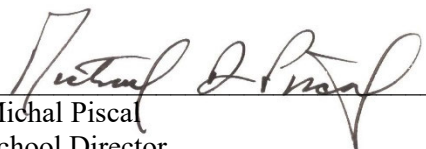
9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board of Trustees.

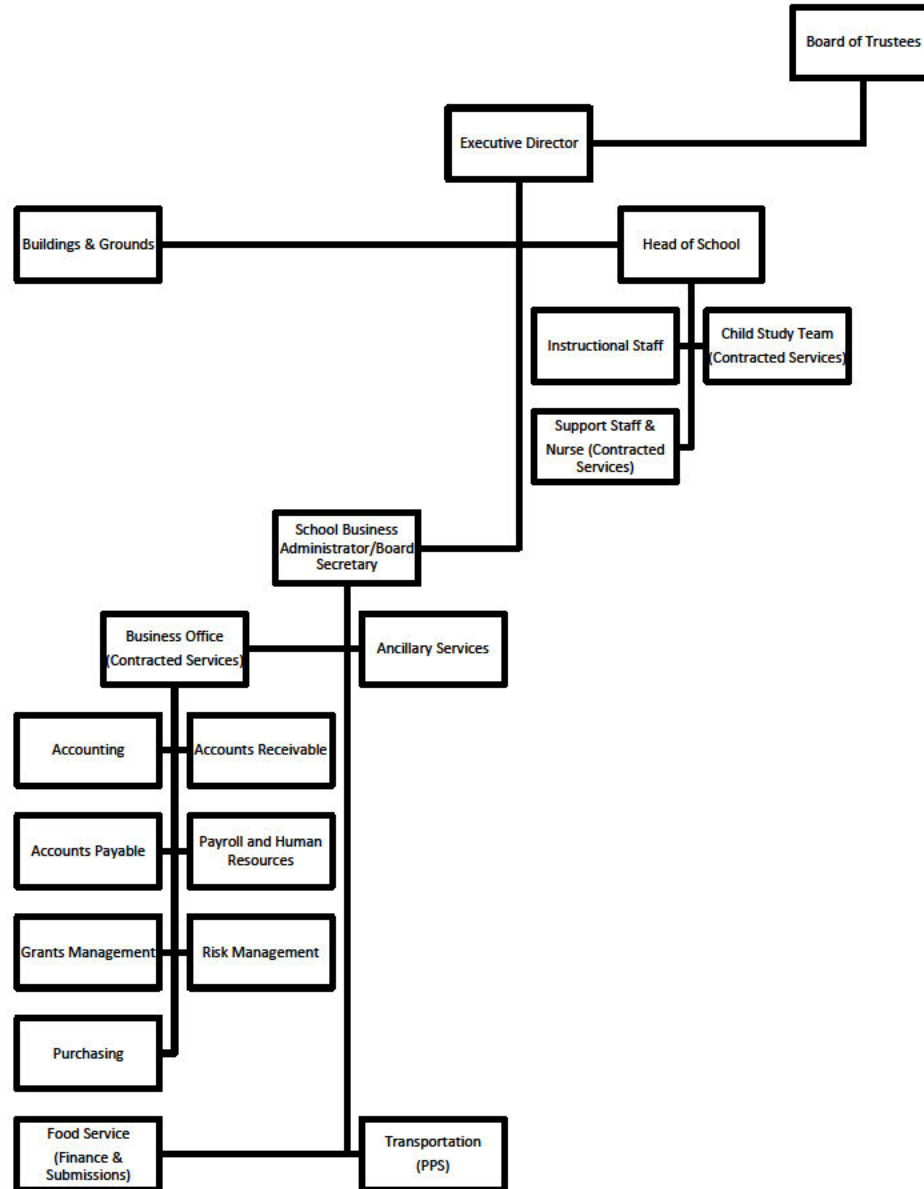
In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Board of Trustees of the College Achieve Central Charter School for their concern in providing fiscal accountability to the citizens and participating districts of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

  
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Michal Piscal  
School Director

  
\_\_\_\_\_  
Dr. Brian Falkowski  
Business Administrator/Board Secretary



**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
PLAINFIELD, NEW JERSEY  
ROSTER OF OFFICIALS  
June 30, 2016**

**Members of the Board of Trustees**

Roger F. Grutzmacher, President  
Andrew Fesen  
Frank Fischer  
Akua Hill  
Janel Wright

**Administration:**

Michael Piscal	School Director
Rachelle Nelson	Principal
Dr. Brian S. Falkowski	School Business Administrator/ Board Secretary

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
PLAINFIELD, NEW JERSEY**

**Consultants and Advisors**

**Audit Firm**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, NJ 08043-2493

**Attorneys**

Johnston Law Firm LLC  
75 Midland Avenue  
Montclair, NJ 07042

**Official Depositories**

Wells Fargo Bank

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
College Achieve Central Charter School  
Plainfield, New Jersey 07062

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the College Achieve Central Charter School, in the County of Union, State of New Jersey, as of and for the eighteen months ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the College Achieve Central Charter School, in the County of Union, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the eighteen months then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College Achieve Central Charter School's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

21650

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016 on our consideration of the College Achieve Central Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College Achieve Central Charter School's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
December 5, 2016



**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**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
College Achieve Central Charter School  
Plainfield, New Jersey 07062

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the College Achieve Central Charter School, in the County of Union, State of New Jersey, as of and for the eighteen months ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated December 5, 2016.

***Internal Control Over Financial Reporting***

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
December 5, 2016

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

## COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL

Management's Discussion and Analysis  
Eighteen Months Ended June 30, 2016  
(Unaudited)

As management of the College Achieve Central Charter School (hereafter referred to as the "Charter School"), we offer readers of the Charter School's annual financial report this narrative overview and analysis of the financial activities for the eighteen months that ended on June 30, 2016. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Charter School's financial performance.

The Management's Discussion and Analysis (MD&A) is an 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. With this being the Charter School's first annual financial report, the required comparative information between the current and prior fiscal years will not be presented; however such comparative information will be presented in subsequent fiscal years.

### FINANCIAL HIGHLIGHTS

- The net position of the Charter School, which represents the difference between assets and liabilities, totaled \$27,891.89 at the close of the Charter School's first fiscal year. This amount represents the net position of governmental activities. The net position of Business-Type activities was zero.
- As of the close of the first fiscal year, the Charter School's governmental funds reported combined ending fund balances of \$89,561.10. Of this combined balance, \$85,086.10 was unassigned in the general fund and \$4,475.00 was restricted in the special revenue fund.

### USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This comprehensive annual financial report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Charter School as a whole and present a longer-term view of the Charter School's finances. Fund financial statements for the governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Charter School's operations in more detail than the government-wide statements by providing information about the Charter School's most significant funds.

#### Reporting the Charter School as a Whole

One of the most important questions asked about the Charter School's finances is, "Is the Charter School as a whole better off or worse off as a result of the fiscal year's activities?" The statement of net position and the statement of activities report information about the Charter School as a whole and about its activities in a way that helps answer this question.

These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Charter School's *net position* and changes in it. You can think of the Charter School's net position - which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources - as one way to measure the Charter School's financial health, or *financial position*. Over time, *increases or decreases* in the Charter School's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the condition of the Charter School's capital assets, to assess the *overall health* of the Charter School.

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
Management's Discussion and Analysis (continued)  
Eighteen Months Ended June 30, 2016  
(Unaudited)

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)**

Reporting the Charter School's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the Charter School as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Charter School can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* - governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Charter School maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the special revenue fund, which are all considered major funds.

The Charter School adopts an annual budget for its general fund and special revenue fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

*Proprietary Fund* - The Charter School maintains one type of proprietary fund; that being an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Charter School uses an enterprise fund to account for its food service program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the food service program, which is considered a major fund.

*Fiduciary Funds* - fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Charter School's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

*Notes to the Financial Statements* - the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
Management's Discussion and Analysis (continued)  
Eighteen Months Ended June 30, 2016  
(Unaudited)

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL AS A WHOLE

During the first fiscal year, the Charter School increased its net position by \$27,891.89. In the analysis that follows, the focus is on the net position (Table A-1) and changes in net position (Table A-2) of the Charter School's governmental activities and business-type activities.

**Table A-1  
STATEMENTS OF NET POSITION**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
<b>ASSETS:</b>	<u>June 30, 2016</u>		
Current and Other Assets	\$ 191,809.01	\$ 110,221.01	\$ 302,030.02
Capital Assets, net	<u>3,959.98</u>	<u>                    </u>	<u>3,959.98</u>
Total Assets	<u>195,768.99</u>	<u>110,221.01</u>	<u>305,990.00</u>
 <b>LIABILITIES:</b>			
Long-term Liabilities	65,629.19	671.50	66,300.69
Other Liabilities	<u>102,247.91</u>	<u>109,549.51</u>	<u>211,797.42</u>
Total Liabilities	<u>167,877.10</u>	<u>110,221.01</u>	<u>278,098.11</u>
 <b>NET POSITION</b>			
Net Investment in Capital Assets	3,959.98		3,959.98
Restricted	4,475.00		4,475.00
Unassigned	<u>19,456.91</u>	<u>                    </u>	<u>19,456.91</u>
Total Net Position	<u>\$ 27,891.89</u>	<u>\$ -</u>	<u>\$ 27,891.89</u>

Total assets were \$305,990.00 at June 30, 2016. The cash position increased \$186,178.41 as a result of operations in the governmental and business-type activities. Receivables at the end of the first fiscal year were \$115,851.61. In addition, capital assets (net) increased \$3,959.98.

Liabilities were \$278,098.11 at June 30, 2016. Of this amount, accounts payable were \$148,087.51; unearned revenue was \$27,620.91; intergovernmental accounts payable was \$36,089.00; and noncurrent liabilities were \$66,300.69.

The largest portion of net position at the close of the fiscal year is unrestricted. This component represents resources and uses that do not meet the criteria of the other two components of net position. At June 30, 2016, the Charter School's unrestricted net position was \$19,456.91, or 70%.

An additional component of the Charter School's net position, or (16%), represents resources that are restricted, which was \$4,475.00. These amounts consist of amounts restricted in the special revenue fund.

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
Management's Discussion and Analysis (continued)  
Eighteen Months Ended June 30, 2016  
(Unaudited)

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

The third and final portion of net position at June 30, 2016, or 14%, reflects its net investment in capital assets (i.e., equipment), which totaled \$3,959.98. This component represents capital assets, net of accumulated depreciation. The Charter School uses these assets to provide educational services to students; consequently, these assets are not available for future spending.

Table A-2 reflects changes in net position for the Charter School's first fiscal year which ended June 30, 2016.

**Table A-2  
STATEMENTS OF ACTIVITIES**

	<u>Governmental</u> <u>Activites</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
	<u>June 30, 2016</u>		
Revenues:			
Program Revenues:			
Charges for Services		\$ 13,761.11	\$ 13,761.11
Operating Grants and Contributions	\$ 430,603.09	62,995.72	493,598.81
General Revenues:			
Charter School Aid	3,938,063.00		3,938,063.00
Miscellaneous Income	24,664.28		24,664.28
Transfers	<u>(134,230.08)</u>	<u>134,230.08</u>	
 Total Revenues	 <u>4,259,100.29</u>	 <u>210,986.91</u>	 <u>4,470,087.20</u>
 Expenses:			
Regular Instruction	1,736,701.47		1,736,701.47
Special Education Instruction	89,132.64		89,132.64
School Sponsored Athletics Instruction	847.19		847.19
Support Services and Undistributed Costs:			
Student and Instruction Related Services	410,281.32		410,281.32
School Administrative Services	439,602.63		439,602.63
Other Administrative Services	529,319.61		529,319.61
Plant Operations and Maintenance	615,096.30		615,096.30
Pupil Transportation	13,326.40		13,326.40
Unallocated Benefits	396,900.84		396,900.84
Food Service		<u>210,986.91</u>	<u>210,986.91</u>
 Total Expenses	 <u>4,231,208.40</u>	 <u>210,986.91</u>	 <u>4,442,195.31</u>
 Change in Net Position	 27,891.89		 27,891.89
 Net Position, Beginning			
 Net Position, June 30	 <u>\$ 27,891.89</u>	 <u>\$ -</u>	 <u>\$ 27,891.89</u>

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
Management's Discussion and Analysis (continued)  
Eighteen Months Ended June 30, 2016  
(Unaudited)

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

During the first fiscal year, the Charter School's total revenues were \$4,470,087.20. Key elements of these revenues were attributable to the following:

- Operating grants and contributions were \$493,598.81 or 11%. These were grants in the governmental activities of \$430,603.09 and in the business-type activities of \$62,995.72.
- Charter School Aid totaled \$3,938,063.00 or 88% which was \$3,892,115.00 from local education agencies and \$45,948.00 direct from the state.
- Other revenues were charges for services in the business-type activities of \$13,761.11 or .3% and miscellaneous revenue sources of \$24,664.28 or 1% in the governmental activities.

During the first fiscal year, the Charter School's total expenses were \$4,442,195.31. Key elements of these revenues were attributable to the following:

- Instructional expense for regular instruction, special education instruction and school sponsored athletic instruction totaled \$1,826,681.30 or 41% of all expenditures.
- Support services and undistributed costs which included student and instruction related services, administrative services, plant operations and maintenance, pupil transportation and unallocated benefits totaled \$2,404,527.10 or 54% of all expenditures.
- Food services expenditures were \$210,986.91 or 5% of all expenditures.

The net cost of governmental activities is shown in Table A-3.

**Table A-3  
NET COST OF GOVERNMENTAL ACTIVITIES**

	2016	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Regular Instruction	\$ 1,736,701.47	\$ 1,575,738.54
Special Education Instruction	89,132.64	89,132.64
School Sponsored Athletics Instruction	847.19	847.19
Support Services and Undistributed Costs:		
Student and Instruction Related Services	410,281.32	177,439.16
School Administrative Services	439,602.63	439,602.63
Other Administrative Services	529,319.61	529,319.61
Plant Operations and Maintenance	615,096.30	615,096.30
Pupil Transportation	13,326.40	13,326.40
Unallocated Benefits	396,900.84	360,102.84
Total Expenses	<u>\$ 4,231,208.40</u>	<u>\$ 3,800,605.31</u>



COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
Management's Discussion and Analysis (continued)  
Eighteen Months Ended June 30, 2016  
(Unaudited)

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL'S FUNDS

Governmental Funds

As the Charter School completed the first fiscal year, its governmental funds reported a *combined* fund balances of \$89,561.10. Of these combined ending fund balances, an unassigned fund balance existed in the amount of \$85,086.10 in the general fund. The remainder is a fund balance of \$4,475.00 in the special revenue fund which is restricted to indicate that it is not available for new spending because it has already been earmarked.

*General Fund* - The general fund is the general operating fund of the Charter School and is used to account for the inflows and outflows its of financial resources. The acquisition of certain capital assets, such as equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the first fiscal year, the Charter School had an unassigned fund balance in the general fund of \$85,086.10.

During the fiscal year, the fund balance of the Charter School's general fund increased by \$85,086.10. The primary factors affecting the fund balance of the general fund are as follows:

- Total revenues (Table A-4) 3,962,727.28. These revenues were unrestricted miscellaneous revenues of \$24,664.28; Charter School Aid of \$3,892,115.00; and non-public state aid of \$45,948.00.

**Table A-4  
SUMMARY OF GENERAL FUND REVENUE**

	<u>June 30, 2016</u>
Revenues:	
Local Sources:	
Unrestricted Miscellaneous Revenue	\$ 24,664.28
State Sources:	
Charter School Aid	3,892,115.00
Non-public Aid	45,948.00
Total State Sources	3,938,063.00
Total Revenues	\$ 3,962,727.28

- Total expenditures (Table A-5) were \$3,743,411.10. These included instruction which totaled \$1,618,570.13; student and instruction related services of \$173,667.14; administrative services of \$962,959.28; plant operations and maintenance of \$615,096.30; pupil transportation of \$13,326.40; unallocated benefits of \$355,391.27 and capital outlay of \$4,399.98.

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
Management's Discussion and Analysis (continued)  
Eighteen Months Ended June 30, 2016  
(Unaudited)

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

General Fund (Cont'd)

**Table A-5  
SUMMARY OF GENERAL FUND EXPENDITURES**

	<u>June 30, 2016</u>
Regular Instruction	1,533,855.15
Special Education Instruction	83,868.39
School Sponsored Athletics Instruction	847.19
Support Services and Undistributed Costs:	
Student and Instruction Related Services	173,667.14
School Administrative Services	437,271.79
Other Administrative Services	525,687.49
Plant Operations and Maintenance	615,096.30
Pupil Transportation	13,326.40
Unallocated Benefits	355,391.27
Capital Outlay	<u>4,399.98</u>
Total General Fund Expenditures	<u>\$ 3,743,411.10</u>

*Special Revenue Fund* - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants, that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The activity in the Charter School's first fiscal year resulted from the Charter School administering and operating programs funded by the following federal awards: Title I, Part A; Title II, Part A, Improving Teacher Quality; I.D.E.A. Part B, Basic, New Jersey Charter School Planning Grant, New Jersey Charter School Implementation Grant and a grant from a local source. Total revenues were \$430,603.09 and total expenditures were \$426,128.09 from these programs.

Proprietary Funds

*Food Service Fund* - the Charter School completed its first fiscal year with a net position of zero. The key elements that resulted in this net position were the following:

- Total revenues and other financing sources were \$210,986.91 which included \$13,761.11 daily sales; \$1,134.14 state school lunch program; \$52,972.89 federal school lunch program; \$8,888.69 federal school breakfast program and \$134,230.08 Board of Trustees contributions.
- Total expenditures were \$210,986.91.

General Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$3,962,727.28, which was a decrease of \$5,935.72 over the original budgeted estimate. Total budgeted revenues realized equaled \$3,962,727.28, the same as the budget estimate.

The final budgetary basis expenditure appropriation estimate was \$3,902,326.00, which is the same as the original budgeted estimate. Actual expenditures were less than the final budget estimate by \$24,684.82.

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL  
 Management's Discussion and Analysis (continued)  
 Eighteen Months Ended June 30, 2016  
 (Unaudited)

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)**

THE CHARTER SCHOOL'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

Special Revenue Fund Budgetary Highlights

The final budget estimate in the special revenue fund was \$483,749.00. Realized revenues and actual expenditures were \$426,128.09.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Charter School's capital asset balance for its governmental activities as of June 30, 2016 amounted to a historical cost of \$4,399.98, or \$3,959.98 net of accumulated depreciation (see Table A-6). This balance of capital assets includes equipment. At June 30, 2016, business-type activities had no capital assets.

**Table A-6  
 CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)**

	<b>Governmental Activities</b>
	<b><u>2016</u></b>
Equipment	\$ 4,399.98
Less Accumulated Depreciation	(440.00)
	\$ 3,959.98

Additional information on the Charter School's capital assets can be found in note 6.

Long-term Debt

*Compensated Absences.* The Charter School has no debt; however at the end of the first fiscal year, the Charter Schools had a liability of \$65,629.19 in the governmental activities and \$671.50 in the business-type activities for compensated absences. These liabilities represent the Charter School's contractual obligation to compensate employees for accumulated unused sick leave.

**THE FUTURE OUTLOOK**

The Charter School maintained its budget through the revenues that flow through students' district of residence, state and federal grants and revenues from local sources. As a charter school, revenues are driven by the residency of its student population and the level of enrollment of students in those districts. The Charter School expects to increase its enrollment in its second fiscal year.

**CONTACTING THE CHARTER SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our parents, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the revenues it receives. If you have any questions about this report or need additional information, contact Dr. Brian Falkowski, School Business Administrator, at College Achieve Central Charter School, c/o School Business Office, LLC. 10 Centre Drive, Monroe, New Jersey 08831.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Statement of Net Position  
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 69,575.10	\$ 84,507.40	154,082.50
Receivables, net	90,138.00	25,713.61	115,851.61
Restricted Assets:			
Restricted Cash and Cash Equivalents	32,095.91		32,095.91
Capital Assets, net (Note 5)	3,959.98		3,959.98
<b>Total Assets</b>	<u>195,768.99</u>	<u>110,221.01</u>	<u>305,990.00</u>
<b>LIABILITIES:</b>			
Accounts Payable	38,538.00	109,549.51	148,087.51
Payable to Local Government	36,089.00		36,089.00
Unearned Revenue	27,620.91		27,620.91
Noncurrent Liabilities (Note 6):			
Due beyond One Year	65,629.19	671.50	66,300.69
<b>Total Liabilities</b>	<u>167,877.10</u>	<u>110,221.01</u>	<u>278,098.11</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	3,959.98		3,959.98
Restricted for:			
Other Purposes	4,475.00		4,475.00
Unrestricted	19,456.91		19,456.91
<b>Total Net Position</b>	<u>\$ 27,891.89</u>	<u>\$ -</u>	<u>\$27,891.89</u>

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

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Statement of Activities  
For the Eighteen Months Ended June 30, 2016

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Regular Instruction	\$ 1,736,701.47		\$ 160,962.93		\$ (1,575,738.54)		\$ (1,575,738.54)
Special Education Instruction	89,132.64				(89,132.64)		(89,132.64)
School Sponsored Athletics Instruction	847.19				(847.19)		(847.19)
Support Services and Undistributed Costs:							
Student and Instruction Related Services	410,281.32		232,842.16		(177,439.16)		(177,439.16)
School Administrative Services	439,602.63				(439,602.63)		(439,602.63)
Other Administrative Services	529,319.61				(529,319.61)		(529,319.61)
Plant Operations and Maintenance	615,096.30				(615,096.30)		(615,096.30)
Pupil Transportation	13,326.40				(13,326.40)		(13,326.40)
Unallocated Benefits	396,900.84		36,798.00		(360,102.84)		(360,102.84)
<b>Total Governmental Activities</b>	<b>4,231,208.40</b>		<b>430,603.09</b>		<b>(3,800,605.31)</b>		<b>(3,800,605.31)</b>
Business-Type Activities:							
Food Service	210,986.91	\$ 13,761.11	62,995.72			\$ (134,230.08)	(134,230.08)
<b>Total Business-Type Activities</b>	<b>210,986.91</b>	<b>13,761.11</b>	<b>62,995.72</b>			<b>(134,230.08)</b>	<b>(134,230.08)</b>
<b>Total Primary Government</b>	<b>\$ 4,442,195.31</b>	<b>\$ 13,761.11</b>	<b>\$ 493,598.81</b>	<b>\$ -</b>	<b>(3,800,605.31)</b>	<b>(134,230.08)</b>	<b>(3,934,835.39)</b>
General Revenues:							
Charter School Aid					3,938,063.00		3,938,063.00
Miscellaneous Income					24,664.28		24,664.28
Transfers					(134,230.08)	134,230.08	
<b>Total General Revenues</b>					<b>3,828,497.20</b>	<b>134,230.08</b>	<b>3,962,727.28</b>
Change in Net Position					27,891.89		27,891.89
Net Position -- Beginning							
Net Position -- June 30					<b>\$ 27,891.89</b>	<b>\$ -</b>	<b>\$ 27,891.89</b>

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

**FUND FINANCIAL STATEMENTS**



**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2016

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 69,575.10	\$ 32,095.91	\$ 101,671.01
Security Deposit	20,000.00		20,000.00
Accounts Receivable:			
Other	2,250.00		2,250.00
Intergovernmental Accounts Receivable:			
Other LEAs - State Aid	67,888.00		67,888.00
<b>Total Assets</b>	<b>\$ 159,713.10</b>	<b>\$ 32,095.91</b>	<b>\$ 191,809.01</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 38,538.00		38,538.00
Unearned Revenue		\$ 27,620.91	27,620.91
Intergovernmental Accounts Payable:			
Other LEA - State Aid	36,089.00		36,089.00
<b>Total Liabilities</b>	<b>74,627.00</b>	<b>27,620.91</b>	<b>102,248</b>
<b>Fund Balances:</b>			
Restricted:			
Special Revenue Fund		4,475.00	4,475.00
Unassigned:			
General Fund	85,086.10		85,086.10
<b>Total Fund Balances</b>	<b>85,086.10</b>	<b>4,475.00</b>	<b>89,561.10</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 159,713.10</b>	<b>\$ 32,095.91</b>	
Amounts reported for <i>governmental activities</i> in the statement of net position (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 \$4,399.98 and the accumulated depreciation is \$440.00.			3,959.98
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.			(65,629.19)
			<b>\$ 27,891.89</b>

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

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Eighteen Months Ended June 30, 2016

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES:</b>			
Local Sources	\$ 24,664.28	\$ 4,475.00	\$ 29,139.28
State Sources	3,938,063.00		3,938,063.00
Federal Sources		426,128.09	426,128.09
<b>Total Revenues</b>	<b>3,962,727.28</b>	<b>430,603.09</b>	<b>4,393,330.37</b>
<b>EXPENDITURES:</b>			
Regular Instruction	1,533,855.15	156,487.93	\$ 1,690,343.08
Special Education Instruction	83,868.39		83,868.39
School Sponsored Athletics Instruction	847.19		847.19
Support Services and Undistributed Costs:			
Student and Instruction Related Services	173,667.14	232,842.16	406,509.30
School Administrative Services	437,271.79		437,271.79
Other Administrative Services	525,687.49		525,687.49
Plant Operations and Maintenance	615,096.30		615,096.30
Pupil Transportation	13,326.40		13,326.40
Unallocated Benefits	355,391.27	36,798.00	392,189.27
Capital Outlay	4,399.98		4,399.98
<b>Total Expenditures</b>	<b>3,743,411.10</b>	<b>426,128.09</b>	<b>4,169,539.19</b>
Excess (Deficiency) of Revenues over Expenditures	219,316.18	4,475.00	223,791.18
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer to Cover Deficit in Food Service Enterprise Fund	(134,230.08)		(134,230.08)
<b>Total Other Financing Sources and Uses</b>	<b>(134,230.08)</b>		<b>(134,230.08)</b>
<b>Net Change in Fund Balances</b>	<b>85,086.10</b>	<b>4,475.00</b>	<b>89,561.10</b>
Fund Balance --Beginning			
<b>Fund Balance -- June 30</b>	<b>\$ 85,086.10</b>	<b>\$ 4,475.00</b>	<b>\$ 89,561.10</b>

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

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Eighteen Months Ended June 30, 2016

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Total Net Change in Fund Balances - Governmental Funds	\$	89,561.10
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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	\$	(440.00)
Capital Outlays		<u>4,399.98</u>
		3,959.98

In the statement of activities, certain operating expenses, (e.g., compensated absences; insurance) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(65,629.19)

Change in Net Position of Governmental Activities

\$ 27,891.89

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

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Statement of Net Position  
 Proprietary Funds  
 June 30, 2016

	Business-Type Activities -- Enterprise Funds
	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 84,507.40
Intergovernmental Accounts Receivable:	
Federal	25,268.22
State	445.39
	110,221.01
Total Current Assets	110,221.01
Total Assets	110,221.01
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	109,549.51
Compensated Absences Payable	671.50
	110,221.01
Total Liabilities	110,221.01
<b>NET POSITION:</b>	
Unrestricted	-
Total Net Position	\$ -

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

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Eighteen Months Ended June 30, 2016

	Business-Type Activities -- Enterprise Funds
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 13,761.11
Total Operating Revenues	13,761.11
OPERATING EXPENSES:	
Cost of Sales Reimbursable Programs	63,688.53
Cost of Sales Non-Reimbursable Programs	96,924.75
Salaries	41,424.27
Supplies and Materials	8,949.36
Total Operating Expenses	210,986.91
Operating Income (Loss)	(197,225.80)
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	1,134.14
Federal Sources:	
National School Lunch Program	52,972.89
National School Breakfast Program	8,888.69
Total Nonoperating Revenues	62,995.72
Income (Loss) before Contributions and Transfers	(134,230.08)
Operating Transfer In - General Fund	134,230.08
Change in Net Position	
Net Position, Beginning	
Net Position, June 30	\$ -

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

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Statement of Cash Flows  
Proprietary Funds  
For the Eighteen Months Ended June 30, 2016

	Business-Type Activities -- Enterprise Funds
	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 13,761.11
Payments to Employees	(40,752.77)
Payments to Suppliers	(60,013.13)
Net Cash Provided by (used for) Operating Activities	(87,004.79)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Federal Sources	36,593.36
State Sources	688.75
Subsidies and Transfers	134,230.08
Net Cash Provided by (used for) Non-Capital Financing Activities	171,512.19
Net Increase (Decrease) in Cash and Cash Equivalents	84,507.40
Cash and Cash Equivalents, Beginning	
Cash and Cash Equivalents, June 30	\$ 84,507.40
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (197,225.80)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Increase (Decrease) in Compensated Absences	671.50
Increase (Decrease) in Accounts Payable	109,549.51
Total Adjustments	110,221.01
Net Cash Provided by (used for) Operating Activities	\$ (87,004.79)

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

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2016

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	<u>Agency Fund</u>
	<u>Payroll</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	<u>\$ 23,334.43</u>
Total Assets	<u><u>\$ 23,334.43</u></u>
<b>LIABILITIES:</b>	
Payroll Deductions and Withholdings	<u>\$ 23,334.43</u>
Total Liabilities	<u><u>\$ 23,334.43</u></u>

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

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Notes to Financial Statements  
For the Eighteen Months Ended June 30, 2016

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the College Achieve Central Charter School (the "Charter School") have been prepared to conform 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 following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The Charter School is a K-12 charter school located in the County of Union, State of New Jersey. It was incorporated on November 18, 2014 and opened in September 2015 after receiving the approval of its New Jersey Charter Schools Application by the State of New Jersey, Department of Education. As a charter school, the College Achieve Central Charter School functions independently through a Board of Trustees (the "Board"). In accordance with the bylaws of the Charter School, the Board is to consist of not less than seven and no more than seventeen individuals and serve terms of one, two or three years. The Board's responsibility is to supervise and control the operations of the Charter School. The purpose of the Charter School is to educate students in grades K through 12 at its school. In the initial school year, the Charter School educated students in grades K through 2 and grades 5 and 6. The Charter School has an approximate enrollment at June 30, 2016 of 339.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the Charter School. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the Charter School over which the Board exercises operating control.

**Component Units**

In evaluating how to define the Charter School for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Component Units (Cont'd)**

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Charter School has no component units, and is not a component unit of another governmental agency.

**Government-wide and Fund Financial Statements**

The Charter School's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by 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 is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the Charter School to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges 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. Revenues from the Charter School's student's district of residence and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the Charter School segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the Charter School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

**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. Revenues are recorded when earned and expenses are recorded when a liability is 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. Revenues from the Charter School's student's district of residence are recognized as revenues in the year for which they are established based on enrollment. In accordance with New Jersey State Statute, the Charter School is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from the Charter School's student's district of residence, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

The Charter School reports the following major governmental funds:

**General Fund** - The general fund is the primary operating fund of the Charter School. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Charter Schools do not maintain debt service funds, therefore expenditures for principal and interest are accounted for in the general fund.

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from temporary notes, serial bonds, or from the general fund by way of transfers from capital outlay.

**Debt Service Fund** - Charter Schools do not maintain debt service funds. Expenditures for principal and interest are accounted for in the general fund.

**Permanent Fund** - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Charter School's programs, that is, for the benefit of the Charter School or its students as a whole. The Charter School does not maintain a permanent fund.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the Charter School's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. 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. All items not meeting this definition are reported as nonoperating revenues and expenses.

The Charter School reports the following major proprietary fund:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the Charter School.

Additionally, the Charter School reports the following fund types:

Fiduciary funds are used to account for assets held by the Charter School on behalf of outside related organizations or on behalf of other funds within the Charter School. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The Charter School maintains the following fiduciary fund:

**Agency Funds** - Agency funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The Charter School retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Charter School maintains the following agency fund: payroll fund.

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges 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. Likewise, general revenues include all revenues from the Charter School's student's district of residence.

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue funds, and are submitted to the county office of education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the budget line account system promulgated by the State of New Jersey Department of Education for Charter Schools and based on the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control (Cont'd)**

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 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 budgetary basis. The budgetary basis differs from GAAP in that the 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 budget, as detailed on exhibit C-1 and exhibit C-2 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the Charter School does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the Charter School has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey Charter Schools are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey Charter Schools.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Cash, Cash Equivalents and Investments (Cont'd)**

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Tuition Receivable**

The Charter School Program Act of 1995 specifically prohibits a charter school from charging tuition to students who reside in the district of residence of the Charter School or are non-resident students.

**Revenues from District of Residence, Region of Residence and Non-Resident Districts**

The Charter School's primary source of revenue is from the district of residence, region of residence or non-resident districts from which its students are enrolled in the Charter School. The amounts are calculated from the most recent budget data of the student's district.

**Local Levy – Equalization Aid State and Local Share** – The charter school's funding is pursuant to the *School Funding Reform Act of 2008*, which states the school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to 90% of the sum of the budget year equalization aid per pupil and the pre-budget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation.

**Special Education / Security Aid** – The school district of residence shall pay directly to the charter school the security aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the Charter School, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the Charter School. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The Charter School's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5 - 10 Years

The Charter School does not possess any infrastructure assets.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Charter School is eligible to realize the revenue.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Compensated Absences (Cont'd)**

The Charter School uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Charter School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance**

The Charter School reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Charter School's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Charter School's highest level of decision-making authority, which, for the Charter School, is the Board of Trustees. Such formal action consists of an affirmative vote by the Board of Trustees, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Trustees removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the Charter School's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Trustees or by the business administrator, to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Trustees.

***Unassigned*** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the Charter School to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the Charter School to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the fiscal year ended June 30, 2016, the Charter School adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the Charter School.

In addition, the Charter School adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the Charter School.

Lastly, the Charter School adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the Charter School.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the Charter School in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the Charter School.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the Charter School in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the Charter School.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2016, the Charter School's bank balances of \$428,868.19 were insured by FDIC or GUDPA.

**Note 3: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2016 consisted of accounts (fees for services), intergovernmental awards / grants and a security deposit for rented facilities. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the Charter School's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		<u>Business-Type Activities</u>	<u>Totals</u>
	<u>General Fund</u>	<u>Total Governmental Activities</u>		
Intergovernmental Accounts Receivable:				
Federal Awards			\$ 25,268.22	\$ 25,268.22
State Awards			445.39	445.39
Local Awards	\$ 67,888.00	\$ 67,888.00		67,888.00
Security Deposit	20,000.00	20,000.00		20,000.00
Accounts Receivable	2,250.00	2,250.00		2,250.00
	<u>\$ 90,138.00</u>	<u>\$ 90,138.00</u>	<u>\$ 25,713.61</u>	<u>\$ 115,851.61</u>

There is no accounts receivable in the fiduciary funds.

**Note 4: CAPITAL ASSETS**

Capital asset activity for the eighteen months ended June 30, 2016 is as follows:

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, being Depreciated:				
Equipment		\$ 4,399.98		\$ 4,399.98
Total Capital Assets, being Depreciated		4,399.98		4,399.98
Total Capital Assets, Cost		4,399.98		4,399.98
Less Accumulated Depreciation for:				
Equipment		(440.00)		(440.00)
Total Accumulated Depreciation		(440.00)		(440.00)
Total Capital Assets, being Depreciated, Net		3,959.98		3,959.98
Governmental Activities Capital Assets, Net	\$ -	\$ 3,959.98	\$ -	\$ 3,959.98

Depreciation expense was charged to functions / programs of the School District as follows:

<b>Governmental Activities:</b>	
Instruction	<u>\$ 440.00</u>

**Note 5: SHORT-TERM OBLIGATIONS**

The following represents short-term debt activity for the eighteen months ended June 30, 2016:

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
College Achieve Central Public Schools		\$ 2,000.00	\$ 2,000.00	
New Jersey Community Capital		445,577.53	445,577.53	
	<u>\$ -</u>	<u>\$ 445,577.53</u>	<u>\$ 445,577.53</u>	<u>\$ -</u>

College Achieve Central Public Schools is the Charter School's educational management organization. New Jersey Community Capital is a third party lender. The purpose of these short-term obligations was for cash flow for operations.

**Note 6: LONG-TERM LIABILITIES**

During the eighteen months ended June 30, 2016, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Compensated Absences		\$ 65,629.19		\$ 65,629.19	
	<u>\$ -</u>	<u>\$ 65,629.19</u>	<u>-</u>	<u>\$ 65,629.19</u>	<u>\$ -</u>

Compensated absences are liquidated by the general fund.

During the eighteen months ended June 30, 2016, the following changes occurred in long-term obligations for business-type activities:

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due within</u> <u>One Year</u>
<b>Business-type Activities:</b>					
Other Liabilities:					
Compensated Absences		\$ 671.50		\$ 671.50	
	<u>\$ -</u>	<u>\$ 671.50</u>	<u>-</u>	<u>\$ 671.50</u>	<u>\$ -</u>

Compensated absences are liquidated by the food service fund.

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 12 for a description of the Charter School's policy.

**Note 7: OPERATING LEASES**

At June 30, 2016, the Charter School had operating lease agreement with College Achieve Public Charter Schools, Inc. in effect for a school facility in Plainfield, New Jersey. Under the agreement, the Charter School was required to pay a security deposit of \$20,000.00, start-up costs of \$110,000.00 representing the Landlord's expenses to prepare the premises for school operations and rent of \$21,000.00 per month. The agreement has established annual rent increases through June 2019. The present value of the future minimum rental payments under this operating lease agreement are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2017	\$ 264,600.00
2018	277,836.00
2019	<u>291,728.00</u>
	<u>\$ 834,164.00</u>

Rental payments including the start-up costs under this operating lease for the fiscal year ended June 30, 2016 were \$379,000.00.

**Note 8: PENSION PLANS**

A substantial number of the Charter School's employees will participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, certain Charter School employees are eligible to participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.nj.gov/treasury/pensions>

**General Information about the Pension Plans****Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Charter School, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

**Teachers' Pension and Annuity Fund** - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Note 8: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Charter School and all other related non-contributing employers. No normal or accrued liability contribution by the Charter School has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The Charter School commenced operations on January 1, 2015 and the enrollment process of Charter School employees in the TPAF began upon hiring of applicable personnel. As a result of the timing of participation in the pension plan, at June 30, 2016 there are no contractual requirements to contribute. Timing of participation aside, the Charter School would not have been required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015 and the timing of the Charter School's participation in the pension plan, there was no State contractually required contribution, on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2016.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Charter School's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.



**Note 8: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The Charter School commenced operations on January 1, 2015 and the enrollment process of Charter School employees in the Public Employees' Retirement System began upon hiring of applicable personnel. As a result of the timing of participation in the pension plan, at June 30, 2016 there are no contractual requirements to contribute.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Charter School contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

At June 30, 2016, the Charter School has no employees participating in this program.

**Note 9: STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums 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 retire from a Board of Education, Charter School or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

**Note 10: RISK MANAGEMENT**

The Charter School 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.

**Property and Liability Insurance** - The Charter 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.

**New Jersey Unemployment Compensation Insurance** - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contribution Method". Under this plan, the Charter School is provided with an experience rate by the State of New Jersey upon which required unemployment contributions are calculated.

**Note 11: DEFERRED COMPENSATION**

The Charter School offers its employees one deferred compensation plan created in accordance with Internal Revenue Code Sections 403(b). The plan, which is administered by the entity listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrator is as follows:

Foresters Financial

**Note 12: COMPENSATED ABSENCES**

The Charter School accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Charter School employees are entitled to ten paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Charter School employees are entitled to two personal days which may not be carried forward to subsequent years. Benefits paid in any future year will be calculated according to formulas outlined in the Charter Schools' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$65,629.19 and \$671.50, respectively.

**Note 13: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Charter School expects such amount, if any, to be immaterial.

**Note 14: CONCENTRATIONS**

The Charter School depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Charter School is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

During the eighteen months ended June 30, 2016, the general fund transferred \$134,230.08 to the Food Service Enterprise Fund to fund a deficit in the Food Service Enterprise Fund.

**Note 16: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the Charter School's fund balance are summarized as follows:

**Special Revenue Fund**

**For Grant Expenditures** – At June 30, 2016, the Charter School has a local grant which has not been expended in the amount of \$4,475.00.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The Charter School's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2016, \$85,086.10 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
**GENERAL FUND**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Eighteen Months Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>REVENUES</u></b>					
Local Sources:					
Unrestricted Miscellaneous Revenues		\$ 24,664.28	\$ 24,664.28	\$ 24,664.28	
Total - Local Sources		24,664.28	24,664.28	24,664.28	
State Sources:					
Charter School Aid:					
Local Levy/Equalization Aid:					
State and Local Share	\$ 3,804,235.00	(28,224.00)	3,776,011.00	3,776,011.00	
Total - Local Levy/Equalization Aid	3,804,235.00	(28,224.00)	3,776,011.00	3,776,011.00	
Categorical Aid:					
Special Education Aid	12,011.00		12,011.00	12,011.00	
Security Aid	106,469.00	(2,376.00)	104,093.00	104,093.00	
Total Categorical Aid	118,480.00	(2,376.00)	116,104.00	116,104.00	
Total Charter School Aid	3,922,715.00	(30,600.00)	3,892,115.00	3,892,115.00	
Other State Sources:					
Charter School Aid - Non-Public Aid	45,948.00		45,948.00	45,948.00	
Total - Other State Sources	45,948.00		45,948.00	45,948.00	
Total - State Sources	3,968,663.00	(30,600.00)	3,938,063.00	3,938,063.00	
<b>Total Revenues</b>	3,968,663.00	(5,935.72)	3,962,727.28	3,962,727.28	

(Continued)

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
**GENERAL FUND**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Eighteen Months Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES</u></b>					
<b>General Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 187,000.00	\$ 114,650.80	\$ 301,650.80	\$ 301,650.80	
Grades 1-5	727,676.00	(150,463.48)	577,212.52	577,212.52	
Grades 6-8	230,000.00	38,632.88	268,632.88	268,632.88	
Instruction:					
Other Salaries for Instruction	73,269.00	(5,543.18)	67,725.82	67,725.82	
Purchased Professional - Educational Services		122,048.20	122,048.20	122,048.20	
Lease Purchase Equipment		4,514.17	4,514.17	4,514.17	
Other Purchased Services (400-500 series)	31,120.00	(8,805.52)	22,314.48	22,314.48	
General Supplies	104,978.00	8,619.41	113,597.41	112,308.94	\$ 1,288.47
Textbooks	40,000.00	1,899.34	41,899.34	41,899.34	
Other Objects		15,548.00	15,548.00	15,548.00	
<b>Total Regular Programs - Instruction</b>	<b>1,619,043.00</b>	<b>(83,899.38)</b>	<b>1,535,143.62</b>	<b>1,533,855.15</b>	<b>1,288.47</b>
Special Education Instruction:					
Cognitive - Mild:					
Salaries of Teachers	154,000.00	(70,131.61)	83,868.39	83,868.39	
<b>Total Cognitive Mild</b>	<b>154,000.00</b>	<b>(70,131.61)</b>	<b>83,868.39</b>	<b>83,868.39</b>	
<b>Total Special Education - Instruction</b>	<b>154,000.00</b>	<b>(70,131.61)</b>	<b>83,868.39</b>	<b>83,868.39</b>	
School - Sponsored Athletics - Instruction:					
Other Objects		847.19	847.19	847.19	
<b>Total School - Sponsored Athletics - Instruction</b>		<b>847.19</b>	<b>847.19</b>	<b>847.19</b>	
<b>Total Instruction</b>	<b>1,773,043.00</b>	<b>(153,183.80)</b>	<b>1,619,859.20</b>	<b>1,618,570.73</b>	<b>1,288.47</b>

(Continued)

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
**GENERAL FUND**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Eighteen Months Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Undistributed Expenditures - Health Services:					
Other Purchased Professional Services		\$ 58,999.57	\$ 58,999.57	\$ 58,999.57	
Supplies and Materials		3,745.59	3,745.59	3,745.59	
Total Undistributed Expenditures - Health Services		62,745.16	62,745.16	62,745.16	
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	\$ 13,738.00	39,886.00	53,624.00	53,624.00	
Other Purchased Professional and Technical Services	25,000.00	31,951.35	56,951.35	56,951.35	
Total Undistributed Expenditures - Child Study Teams	38,738.00	71,837.35	110,575.35	110,575.35	
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Educational Services		346.63	346.63	346.63	
Total Undistributed Expenditures - Instructional Staff Training Services		346.63	346.63	346.63	
Undistributed Expenditures - Support Services - General Administration:					
Salaries		87,592.99	87,592.99	87,592.99	
Other Purchased Services		42,940.00	42,940.00	42,940.00	
Legal Services	35,000.00	(4,167.32)	30,832.68	30,832.68	
Audit Fees	20,000.00	(20,000.00)			
Other Purchased Professional Services	73,943.00	(39,949.28)	33,993.72	33,993.72	
Purchased Technical Services		4,685.63	4,685.63	4,685.63	
Other Purchased Services (400-500 series)	109,360.00	(99,601.94)	9,758.06	9,758.06	
Communications / Telephone	35,750.00	3,508.19	39,258.19	39,258.19	
Support Services		2,393.00	2,393.00	2,393.00	
General Supplies		16,874.59	16,874.59	16,874.59	
Miscellaneous Expenditures		13,486.47	13,486.47	13,486.47	
Total Undistributed Expenditures - Support Services - General Administration	274,053.00	7,762.33	281,815.33	281,815.33	

(Continued)



**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
**GENERAL FUND**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Eighteen Months Ended June 30, 2016

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals/ Program Directors	\$ 321,500.00	\$ 60,558.37	\$ 382,058.37	\$ 382,058.37	
Salaries of Secretarial and Clerical Assistants	118,790.00	(86,707.49)	32,082.51	32,082.51	
Other Purchased Professional Services		957.50	957.50	957.50	
Travel		5,884.40	5,884.40	5,884.40	
Supplies and Materials	43,000.00	(32,233.58)	10,766.42	10,766.42	
Other Objects	31,875.00	(26,352.41)	5,522.59	5,522.59	
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>515,165.00</b>	<b>(77,893.21)</b>	<b>437,271.79</b>	<b>437,271.79</b>	
Undistributed Expenditures - Central Services:					
Salaries - Administrative Assistants		63,326.74	63,326.74	63,326.74	
Purchased Professional Services	5,000.00	93,616.11	98,616.11	98,616.11	
Purchased Professional Technical Services	90,000.00	(67,199.25)	22,800.75	22,800.75	
Supplies and Materials		13,596.48	13,596.48	13,596.48	
Interest on Current Loans	17,500.00	10,994.06	28,494.06	28,494.06	
Interest on Lease Purchase Agreements	5,000.00	(5,000.00)			
Miscellaneous Expenditures		17,038.02	17,038.02	17,038.02	
<b>Total Undistributed Expenditures - Central Services</b>	<b>117,500.00</b>	<b>126,372.16</b>	<b>243,872.16</b>	<b>243,872.16</b>	
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services		55,770.00	55,770.00	55,770.00	
General Supplies	20,000.00	(14,034.45)	5,965.55	5,965.55	
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>20,000.00</b>	<b>41,735.55</b>	<b>61,735.55</b>	<b>61,735.55</b>	

(Continued)

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
**GENERAL FUND**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Eighteen Months Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>General Current Expense (Cont'd):</b>					
Undistributed Expenditures - Custodial Services:					
Salaries - Custodial	\$ 30,000.00	\$ (27,228.00)	\$ 2,772.00	\$ 2,772.00	
Cleaning, Repair and Maintenance Services	115,000.00	(20,371.69)	94,628.31	94,628.31	
Rental of Land and Buildings Other Than Lease Purchase	272,000.00	107,000.00	379,000.00	379,000.00	
Insurance	22,950.00	17,271.62	40,221.62	40,221.62	
General Supplies		526.42	526.42	526.42	
Utilities - Water & Sewer		6,627.40	6,627.40	6,627.40	
Energy - Electricity and Heat	84,000.00	(56,265.00)	27,735.00	27,735.00	
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>523,950.00</b>	<b>27,560.75</b>	<b>551,510.75</b>	<b>551,510.75</b>	
Undistributed Expenditures - Security:					
Purchased Professional & Technical Services		1,850.00	1,850.00	1,850.00	
<b>Total Undistributed Expenditures - Security</b>		<b>1,850.00</b>	<b>1,850.00</b>	<b>1,850.00</b>	
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant</b>	<b>543,950.00</b>	<b>71,146.30</b>	<b>615,096.30</b>	<b>615,096.30</b>	
Undistributed Expenditures - Student Transportation Services:					
Contracted Services (Other than Between Home and School) - Vendors	10,000.00	3,326.40	13,326.40	13,326.40	
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>10,000.00</b>	<b>3,326.40</b>	<b>13,326.40</b>	<b>13,326.40</b>	
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	146,192.00	49,704.48	195,896.48	171,828.63	\$ 24,067.85
Other Retirement Contributions - PERS	45,935.00	(45,935.00)			
Unemployment Compensation	18,155.00	(7,307.14)	10,847.86	10,847.86	
Workers' Compensation	47,000.00	3,685.02	50,685.02	50,685.02	
Health Benefits	256,500.00	(140,125.32)	116,374.68	116,374.68	
Other Employee Benefits		5,655.08	5,655.08	5,655.08	
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>513,782.00</b>	<b>(134,322.88)</b>	<b>379,459.12</b>	<b>355,391.27</b>	<b>24,067.85</b>

(Continued)

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
**GENERAL FUND**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Eighteen Months Ended June 30, 2016

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b><u>EXPENDITURES (CONT'D)</u></b>					
Total Undistributed Expenditures	\$ 2,013,188.00	\$ 131,320.24	\$ 2,144,508.24	\$ 2,120,440.39	\$ 24,067.85
<b>Total General Current Expense</b>	3,786,231.00	(21,863.56)	3,764,367.44	3,739,011.12	25,356.32
<b><u>EXPENDITURES (CONT'D)</u></b>					
<b>Capital Outlay:</b>					
Equipment:					
Undistributed Expenditures - Instruction	24,000.00	(19,600.02)	4,399.98	4,399.98	
Undistributed Expenditures - Administration	24,555.00	(24,555.00)			
<b>Total Equipment</b>	48,555.00	(44,155.02)	4,399.98	4,399.98	
Facilities Acquisition and Construction Services:					
Capital Lease Principal	12,500.00	(12,500.00)			
<b>Total Facilities Acquisition and Construction Services</b>	12,500.00	(12,500.00)			
<b>Total Capital Outlay</b>	61,055.00	(56,655.02)	4,399.98	4,399.98	
<b>Total Expenditures</b>	3,847,286.00	(78,518.58)	3,768,767.42	3,743,411.10	25,356.32
Excess (Deficiency) of Revenues Over (Under) Expenditures	121,377.00	72,582.86	193,959.86	219,316.18	25,356.32
Other Financing Sources (Uses):					
Transfer to Cover Deficit - Food Service	(55,040.00)	(78,518.58)	(133,558.58)	(134,230.08)	671.50
<b>Total Other Financing Sources (Uses)</b>	(55,040.00)	(78,518.58)	(133,558.58)	(134,230.08)	671.50

(Continued)

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
**GENERAL FUND**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Eighteen Months Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 66,337.00	\$ (5,935.72)	\$ 60,401.28	\$ 85,086.10	\$ 26,027.82
Fund Balances, Beginning					
Fund Balances, June 30	<u>\$ 66,337.00</u>	<u>\$ (5,935.72)</u>	<u>\$ 60,401.28</u>	<u>\$ 85,086.10</u>	<u>\$ 26,027.82</u>
<b>Recapitulation:</b>					
Recapitulation:					
Unassigned Fund Balance				<u>\$ 85,086.10</u>	
				<u>85,086.10</u>	

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Special Revenue Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Eighteen Months Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Federal Sources:					
Title I		\$ 101,881.00	\$ 101,881.00	\$ 101,881.00	
Title IIA		1,098.00	1,098.00	1,098.00	
I.D.E.A. Basic		55,770.00	55,770.00	55,770.00	
New Jersey Charter School Planning Grant		150,000.00	150,000.00	150,000.00	
New Jersey Charter School Implementation Grant		175,000.00	175,000.00	117,379.09	\$ (57,620.91)
Total - Federal Sources		483,749.00	483,749.00	426,128.09	(57,620.91)
Total Revenues		483,749.00	483,749.00	426,128.09	(57,620.91)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers		33,990.00	33,990.00	33,990.00	
Other Purchased Services		1,098.00	1,098.00	1,098.00	
Instructional Supplies		134,520.00	134,520.00	121,399.93	13,120.07
Total Instruction		169,608.00	169,608.00	156,487.93	13,120.07
Support Services:					
Salaries of Other Professional Staff		118,763.00	118,763.00	118,763.00	
Personal Services - Employee Benefits		36,798.00	36,798.00	36,798.00	
Purchased Professional and Technical Services		78,946.00	78,946.00	78,946.00	
Purchased Property Services		15,000.00	15,000.00	15,000.00	
Other Purchased Services		45,500.00	45,500.00	999.16	44,500.84
Supplies and Materials		19,134.00	19,134.00	19,134.00	
Total Support Services		314,141.00	314,141.00	269,640.16	44,500.84
Total Expenditures		483,749.00	483,749.00	426,128.09	57,620.91
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Eighteen Months Ended June 30, 2016

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 3,962,727.28	\$ 426,128.09
Difference - Budget to GAAP:		
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		4,475.00
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 3,962,727.28	\$ 430,603.09
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 3,743,411.10	\$ 426,128.09
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 3,743,411.10	\$ 426,128.09

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**



**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Eighteen Months Ended June 30, 2016

	NCLB		I.D.E.A.	Public Charter School Grant		Total
	Title I	Title II A	Basic	New Jersey Charter School		
				Planning Grant	Implementation Grant	
REVENUES:						
Federal Sources	\$101,881.00	\$ 1,098.00	\$ 55,770.00	\$ 150,000.00	\$ 117,379.09	\$ 426,128.09
Total Revenues	<u>101,881.00</u>	<u>1,098.00</u>	<u>55,770.00</u>	<u>150,000.00</u>	<u>117,379.09</u>	<u>426,128.09</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	33,990.00					33,990.00
Other Purchased Services		1,098.00				1,098.00
Instructional Supplies	8,654.00				112,745.93	121,399.93
Total Instruction	<u>42,644.00</u>	<u>1,098.00</u>			<u>112,745.93</u>	<u>156,488</u>
Support Services:						
Salaries of Other Professional Staff	40,000.00		22,513.00	56,250.00		118,763.00
Personal Services - Employee Benefits	19,237.00		13,257.00	4,304.00		36,798.00
Purchased Professional and Technical Services			20,000.00	54,312.84	4,633.16	78,946.00
Purchased Property Services				15,000.00		15,000.00
Other Purchased Services				999.16		999.16
Supplies and Materials				19,134.00		19,134.00
Total Support Services	<u>59,237.00</u>		<u>55,770.00</u>	<u>150,000.00</u>	<u>4,633.16</u>	<u>269,640.16</u>
Total Expenditures	<u>101,881.00</u>	<u>1,098.00</u>	<u>55,770.00</u>	<u>150,000.00</u>	<u>117,379.09</u>	<u>426,128.09</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**PROPRIETARY FUNDS**

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Enterprise Funds  
 Statement of Net Position  
 June 30, 2016

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	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 84,507.40
Intergovernmental Accounts Receivable:	
Federal	25,268.22
State	<u>445.39</u>
Total Current Assets	<u>110,221.01</u>
Total Assets	<u>110,221.01</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	109,549.51
Compensated Absences Payable	<u>671.50</u>
Total Liabilities	<u>110,221.01</u>
<b>NET POSITION:</b>	
Unrestricted	<u>                    </u>
Total Net Position	<u><u>\$ -</u></u>

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Enterprise Funds  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Eighteen Months Ended June 30, 2016

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Non-Reimbursable Programs	\$ 13,761.11
Total Operating Revenues	<u>13,761.11</u>
<b>OPERATING EXPENSES:</b>	
Cost of Sales Reimbursable Programs	63,688.53
Cost of Sales Non-Reimbursable Programs	96,924.75
Salaries	41,424.27
Supplies and Materials	<u>8,949.36</u>
Total Operating Expenses	<u>210,986.91</u>
Operating Income (Loss)	<u>(197,225.80)</u>
<b>NONOPERATING REVENUES:</b>	
State Sources:	
State School Lunch Program	1,134.14
Federal Sources:	
National School Lunch Program	52,972.89
National School Breakfast Program	<u>8,888.69</u>
Total Nonoperating Revenues	<u>62,995.72</u>
Income (Loss) before Contributions and Transfers	(134,230.08)
Operating Transfer In - General Fund	<u>134,230.08</u>
Change in Net Position	
Net Position, Beginning	<u>                    </u>
Net Position, June 30	<u><u>\$ -</u></u>

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Enterprise Funds  
 Statement of Cash Flows  
 For the Eighteen Months Ended June 30, 2016

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 13,761.11
Payments to Employees	(40,752.77)
Payments to Suppliers	<u>(60,013.13)</u>
Net Cash Provided by (used for) Operating Activities	<u>(87,004.79)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Federal Sources	36,593.36
State Sources	688.75
Subsidies and Transfers	<u>134,230.08</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>171,512.19</u>
Net Increase (Decrease) in Cash and Cash Equivalents	84,507.40
Cash and Cash Equivalents, Beginning	<u>                    </u>
Cash and Cash Equivalents, June 30	<u><u>\$ 84,507.40</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (197,225.80)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Increase (Decrease) in Compensated Absences Payable	671.50
Increase (Decrease) in Accounts Payable	<u>109,549.51</u>
Total Adjustments	<u>110,221.01</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (87,004.79)</u></u>

**FIDUCIARY FUNDS**

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2016

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	<u>Agency Fund</u>
	<u>Payroll</u>
ASSETS:	
Cash and Cash Equivalents	\$ 23,334.43
Total Assets	<u>\$ 23,334.43</u>
LIABILITIES:	
Payroll Deductions and Withholdings	<u>\$ 23,334.43</u>
Total Liabilities	<u>\$ 23,334.43</u>

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Eighteen Months Ended June 30, 2016

	Balance January 1, 2015	Additions	Deletions	Balance June 30, 2016
<b>ASSETS:</b>				
Cash and Cash Equivalents		\$ 2,113,532.14	\$ 2,090,197.71	\$ 23,334.43
Total Assets	\$ -	\$ 2,113,532.14	\$ 2,090,197.71	\$ 23,334.43
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings		\$ 723,144.80	\$ 699,810.37	\$ 23,334.43
Net Payroll		1,390,387.34	1,390,387.34	
Total Liabilities	\$ -	\$ 2,113,532.14	\$ 2,090,197.71	\$ 23,334.43



**STATISTICAL SECTION**

## **FINANCIAL TRENDS INFORMATION**

Financial trends information is intended to assist the user in understanding and assessing how the Charter School's financial position has changed over time. Please refer to the following exhibits for a historical view of the Charter School's financial performance.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Net Position by Component  
 Last One Fiscal Year (accrual basis of accounting)  
 Unaudited

	Fiscal year Ended June 30 <u>2016 (1)</u>
Governmental Activities	
Net Investment in Capital Assets	\$ 3,959.98
Restricted	4,475.00
Unrestricted	<u>19,456.91</u>
Total Governmental Activities Net Position	<u>\$ 27,891.89</u>
Business-type Activities	
Unrestricted	<u>-</u>
Total Business-type Activities Net Assets	<u>\$ -</u>
Government-wide	
Net Investment in Capital Assets	\$ 3,959.98
Restricted	4,475.00
Unrestricted	<u>19,456.91</u>
Total Government-wide Net Position	<u>\$ 27,891.89</u>

Source: Charter School's Records

(1) For 2016, the operating period is January 1, 2015 - June 30, 2016.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Changes in Net Position  
 Last One Fiscal Year (accrual basis of accounting)  
 Unaudited

	Fiscal year Ended June 30 <u>2016 (1)</u>
<b>Expenses</b>	
Governmental Activities	
Regular Instruction	\$ 1,736,701.47
Special Education Instruction	89,132.64
School Sponsored Athletics Instruction	847.19
Support Services and Undistributed Costs:	
Student and Instruction Related Services	410,281.32
School Administrative Services	439,602.63
Other Administrative Services	529,319.61
Plant Operations and Maintenance	615,096.30
Pupil Transportation	13,326.40
Unallocated Benefits	396,900.84
	4,231,208.40
Total Governmental Activities Expenses	4,231,208.40
Business-type Activities:	
Food Service	210,986.91
	210,986.91
Total Business-type Activities Expense	210,986.91
Total Government-wide Expenses	\$ 4,442,195.31
<b>Program Revenues</b>	
Governmental Activities:	
Operating Grants and Contributions	\$ 430,603.09
Total Governmental Activities Program Revenues	430,603.09
Business-type activities:	
Food Services:	
Charges for services	13,761.11
Operating Grants and Contributions	62,995.72
	76,756.83
Total Business-type Activities Program Revenues	76,756.83
Total Governmental-wide Program Revenues	\$ 507,359.92
<b>Net (Expense)/Revenue</b>	
Governmental Activities	\$ (3,800,605.31)
Business-type Activities	(134,230.08)
	(3,934,835.39)
Total Government-Wide Net Expense	\$ (3,934,835.39)

(Continued)

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Changes in Net Position  
 Last One Fiscal Year (accrual basis of accounting)  
 Unaudited

	Fiscal year Ended June 30 <u>2016 (1)</u>
<b>General Revenues and Other Changes in Net Position</b>	
Governmental Activities:	
Charter School Aid	\$ 3,938,063.00
Miscellaneous Income	24,664.28
Transfers	<u>(134,230.08)</u>
Total Governmental Activities	<u>3,828,497.20</u>
Business-type Activities:	
Transfers	<u>134,230.08</u>
Total Business-type Activities	<u>134,230.08</u>
Total Government-wide	<u><u>\$ 3,962,727.28</u></u>
<b>Change in Net Position</b>	
Governmental Activities	27,891.89
Business-type Activities	<u>                    </u>
Total Government-wide	<u><u>\$ 27,891.89</u></u>

Source: Charter School's Records

(1) For 2016, the operating period is January 1, 2015 - June 30, 2016.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Fund Balances - Governmental Funds  
Last One Fiscal Year (modified accrual basis of accounting)  
Unaudited

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	Fiscal year Ended June 30 <u>2016 (1)</u>
General Fund Unassigned	<u>\$ 85,086.10</u>
Total General Fund	<u><u>\$ 85,086.10</u></u>
All Other Governmental Funds Restricted	<u>\$ 4,475.00</u>
Total All Other Governmental Funds	<u><u>\$ 4,475.00</u></u>

Source: Charter School's Records

(1) For 2016, the operating period is January 1, 2015 - June 30, 2016.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Changes in Fund Balances, Governmental Funds  
 Last One Fiscal Year (modified accrual basis of accounting)  
 Unaudited

	Fiscal year Ended June 30 <u>2016 (1)</u>
<b>Revenues</b>	
Local Sources	\$ 29,139.28
State Sources	3,938,063.00
Federal Sources	<u>426,128.09</u>
Total Revenue	<u>4,393,330.37</u>
<b>Expenditures</b>	
Regular Instruction	1,690,343.08
Special Education Instruction	83,868.39
School Sponsored Athletics Instruction	847.19
Support Services and Undistributed Costs:	
Student and Instruction Related Services	406,509.30
School Administrative Services	437,271.79
Other Administrative Services	525,687.49
Plant Operations and Maintenance	615,096.30
Pupil Transportation	13,326.40
Unallocated Benefits	392,189.27
Capital Outlay	<u>4,399.98</u>
Total Expenditures	<u>4,169,539.19</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>223,791.18</u>
<b>Other Financing Sources (Uses)</b>	
Transfer to Cover Deficit in Food Service Enterprise Fund	<u>(134,230.08)</u>
Total Other Financing Sources (Uses)	<u>(134,230.08)</u>
Net Change in Fund Balances	<u>\$ 89,561.10</u>
Debt Service as a Percentage of Noncapital Expenditures	N/A

Source: Charter School's Records

(1) For 2016, the operating period is January 1, 2015 - June 30, 2016.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
General Fund - Other Local Revenue by Source  
Last One Fiscal Year (modified accrual basis of accounting)  
Unaudited

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	<u>June 30, 2016 (1)</u>
Book Fair	\$ 2,255.91
Fall Festival	2,264.00
Field Trip Fees	5,314.00
Fundraising Events and Donations	10,689.37
Lost Book Fees	56.00
Summer Camp	1,690.00
T-Shirt Sales	1,095.00
Yearbook	1,300.00
	<hr/>
	\$ 24,664.28
	<hr/> <hr/>

**Source:** Charter School Records

(1) For 2016, the operating period is January 1, 2015 - June 30, 2016.



## **Debt Capacity Information**

Debt capacity information is intended to assist users in understanding and assessing the Charter School's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the Charter School's outstanding debt and its debt capacity.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Ratios of Outstanding Debt by Type

Last One Fiscal Year

Unaudited

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Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Charter School	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Mortgages Payable	Capital Leases	Loan Payable	Capital Leases			
2016 (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Note:** The Charter School does not have outstanding debt.

(1) For 2015, the operating period is January 1, 2015 - June 30, 2016.

## **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the Charter School operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Charter Schools. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the Charter School operates.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Demographic and Economic Statistics (1)  
 Last Ten Fiscal Years  
 Unaudited

Year	City of Plainfield Population (2)	Personal Income (3)	Union County Per Capita Personal Income (4)	Unemployment Rate (5)
2016	Unavailable	unavailable	unavailable	unavailable
2015	51,217	unavailable	unavailable	7.4%
2014	50,990	\$ 2,922,032,940	\$ 57,306	8.5%
2013	50,741	2,785,122,749	54,889	10.4%
2012	50,356	2,751,905,044	54,649	11.9%
2011	50,098	2,680,543,588	53,506	11.6%
2010	49,914	2,564,980,632	51,388	12.1%
2009	46,318	2,326,923,684	50,238	12.1%
2008	46,046	2,434,498,066	52,871	7.8%
2007	46,088	2,368,600,584	51,393	6.0%

**Source:**

- (1) Data provided for Union County, New Jersey.
- (2) Population information for the City of Plainfield provided by the NJ Dept of Labor and Workforce Development.
- (3) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (4) Per Capita personal income is based upon the US Bureau of Economic Analysis CA04 data table.
- (5) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Principal Employers  
Current Year and Nine Years Ago  
Unaudited

<u>Employer (1)</u>	<u>2016</u>			<u>2007 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Labor Force(2)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Labor Force</u>
JFK Medical Center	4,000	1	15.76%			
Injectron Corp	300	2	1.18%			
Detailed Designs	200	3	0.79%			
Eagle Affiliates Inc.	166	4	0.65%			
Stone Square Lodge	130	5	0.51%			
Woodlands	130	5	0.51%			
Aristacare At Norwood Terrace	130	5	0.51%			
LH Watson	130	5	0.51%			
Norwood Terrace Health Center	130	5	0.51%			
Solaris Health System Cedar Brook	130	5	0.51%			
Loving Care Home	130	5	0.51%			
	<u>5,576</u>		<u>22.0%</u>	<u>          </u>		<u>          </u>

(1) Source: ReferenceUSA.Com (2016)

(2) Data was not available from sources contacted.

## **Operating Information**

Operating information is intended to provide contextual information about the Charter School's operations and resources to assist readers in using financial statement information to understand and assess the Charter School's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the Charter School's operations.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Full-time Equivalent Charter School Employees by Function/Program  
Last One Fiscal Year  
Unaudited

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<u>Function/Program</u>	<u>2016 (1)</u>
Instruction:	
Regular	25
Special Education	3
Support Services:	
Student & Instruction Related Services	2
General Administration	1
School Administrative Services	2
Central Services	2
Food Services	<u>2</u>
Total	<u><u>37</u></u>

**Source:** Charter School Personnel Records

(1) For 2016, the operating period is January 1, 2015 - June 30, 2016.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Operating Statistics  
Last One Fiscal Year  
Unaudited

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<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil/Teacher Ratio Elementary (K-5)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2016 (4)	339	\$ 4,165,139.21	\$ 12,286.55	N/A	28	12:1	342.0	328.0	N/A	95.91%

**Sources:** Charter School Records

**Note:** Enrollment based on annual October enrollment count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- (4) For 2016, the operating period is January 1, 2015 - June 30, 2016.



**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
School Building Information  
Last One Fiscal Year  
Unaudited

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Not Applicable. The Charter School does not own any facilities.

## COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL

Insurance Schedule

June 30, 2016

Unaudited

<u>Policy Level Information</u>	<u>Coverage</u>	<u>Deductible</u>
<b>Commercial Property Coverages:</b>		
365 Emerson Avenue, Plainfield, New Jersey		
Business Personal Property	\$ 450,000.00	\$ 500.00
Business Income	500,000.00	
101-107 Westervelt Avenue, North Plainfield, New Jersey		
Building	2,100,000.00	500.00
Business Income	250,000.00	
<b>Commercial General Liability Coverages:</b>		
Bodily Injury and Property Damage Combined Single Limit of Liability (Each Occurrence)	1,000,000.00	
General Aggregate	3,000,000.00	
Products & Completed Operations Aggregate	3,000,000.00	
Personal & Advertising Injury	1,000,000.00	
Fire Damage Liability	100,000.00	
Medical Expense (Any One Person)	5,000.00	
Employee Benefits Liability	1,000,000.00	
Abuse or Molestation Included	1,000,000.00	
Professional Liability	1,000,000.00	
<b>Commercial Automobile Schedule:</b>		
Hired & Non-owned Automobile Liability	1,000,000.00	
Hired & Non-owned Automobile Property Damage	1,000,000.00	
Directors and Officers Liability	1,000,000.00	
<b>Workers' Compensation Coverages:</b>		
Employee Liability - Each Accident	1,000,000.00	
Employee Liability - Disease (Each employee)	1,000,000.00	
Employee Liability - Disease (Policy Limit)	1,000,000.00	
<b>Commercial Umbrella Coverages:</b>		
Bodily Injury and Property Damage Combined Single Limit of Liability Aggregate Limit	2,000,000.00	2,000,000.00
<b>Public Officials Bonds</b>		
School Business Administrator	180,000.00	
<b>Schedule of Additional Premier Enhancement Endorsement Coverage and Limits:</b>		
Earthquake Coverage (Each Movement)	25,000	
Earthquake Sprinklers Leakage	25,000	
Newly Acquired Property (180 days)	300,000	
Business Personal Property (within 1500 fee)		
Flood or Backup of Sewers and Drains	25,000	
Ordinance of Law - Undamaged Portion of the Building (Building Limit)		
Ordinance of Law - Demolition Cost	500,000	
Ordinance of Law - Increased Cost	500,000	
Accounts Receivable	75,000	
Valuable Papers	75,000	
Personal Effects / Property of Others	10,000.00 / 35,000.00	
Computer/EDP Coverage for each Described Premises	35,000	

(Continued)

## COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL

Insurance Schedule

June 30, 2016

Unaudited

	Coverage	Deductible
Schedule of Additional Premier Enhancement Endorsement Coverage and Limits (Cont'd):		
Property Off Premises - Including Stock; Property at Conventions; Fairs; Exhibitions or Special Events	\$ 500,000	75,000
Property in Transit		50,000
Outdoor Property Including Playground and Exercise Equipment/Debris Removal		50,000
Money and Securities Inside and Out		25,000
Consequential Loss Assumption		50,000
Off Premises Power Failure		50,000
Utility Services (Business Income and Extra Expense Coverage)	Extension	
Spoilage		35,000
Pollutant Clean-up and Removal		50,000
Fire Department Service Charge		35,000
Emergency Vacating Expense		25,000
Identity Theft Expense		25,000
Terrorist Travel Reimbursement		25,000
Emergency Real Estate Consulting Fee		25,000
Temporary Meeting Space Reimbursement		25,000
Workplace Violence Counseling		25,000
Key Individual Replacement Expense		75,000
Automated External Defibrillators		10,000
Lease Cancellation Moving Expense		10,000
Other Buildings or Structures		10,000
Retaining Walls		10,000
Residential Room Reserve		75,000
Fire Extinguishers Recharge		15,000
Lock Replacement		10,000
Reward Reimbursement		30,000
Inventory and Appraisals of Loss		50,000
Pair, Set, or Parts (Adjustment included)		
Fine Arts		35,000
Furs		10,000
Precious Metals		10,000
Miscellaneous "Dependent Property" Locations		25,000
Brands and Labels		25,000
Kidnap Expense		50,000
Donation Assurance		25,000
Image Restoration Expense		25,000
Workplace Violence -- Loss of Income/Extra Expense		50,000
Non-owned detached trailers		25,000

Source: Charter School Records

## **Charter School Financial Framework - Financial Indicators**

The New Jersey Department of Education (NJDOE) developed the comprehensive Performance Framework to ensure that each and every NJ charter school is serving students with a high-quality education. The Performance Framework - Financial Indicators set the fiscal standards by which all NJ public charter schools will be evaluated, informing both the NJDOE and individual school officials about school performance and sustainability. By utilizing the Performance Framework throughout the charter school's life cycle, NJDOE officials will expand the rigorous standards and metrics by which each and every public charter school is evaluated. Please refer to the following exhibit for the Charter School's Performance Framework Financial Indicators.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Charter School Performance Framework  
Financial Indicators - Fiscal Ratios  
Unaudited

	2014 (1)	2015 (1)	2016	Source
	Audit	Audit	Audit	
Cash	NA	NA	\$ 186,178.41	Audit: Exhibit A-1
Current Assets	NA	NA	302,030.02	Audit: Exhibit A-1
Total Assets	NA	NA	305,990.00	Audit: Exhibit A-1
Current Liabilities	NA	NA	211,797.42	Audit: Exhibit A-1
Total Liabilities	NA	NA	278,098.11	Audit: Exhibit A-1
Net Position	NA	NA	27,891.89	Audit: Exhibit A-1
Total Revenue	NA	NA	3,962,727.28	Audit: Exhibit A-2
Total Expenses	NA	NA	3,934,835.39	Audit: Exhibit A-2
Change in Net Position	NA	NA	27,891.89	Audit: Exhibit A-2
Depreciation Expense	NA	NA	440.00	Financial Statements/Audit Workpapers
Interest Expense	NA	NA	NA	Financial Statements/Audit Workpapers
Principal Payments	NA	NA	NA	Financial Statements/Audit Workpapers
Interest Payments	NA	NA	NA	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	NA	NA	342.0	DOE Enrollment Reports
March 30th Budgeted Enrollment	NA	NA	341.3	Charter School Budget

**RATIOS ANALYSIS...**

Near Term Indicators	2014 (1)	2015 (1)	2016	3 YR CUM (1)	Source:
1a. Current Ratio	NA	NA	1.43	1.43	Current Assets/Current Liabilities
1b. Unrestricted Days Cash	NA	NA	17.27	17.27	Cash/(Total Expenses/365)
1c. Enrollment Variance	NA	NA	100.2%	100.2%	Average Daily Enrollment/Budgeted Enrollment
1d.* Default	NA	NA	NA	NA	Audit
<b>Sustainability Indicators</b>					
2a. Total Margin	NA	NA	1%	1%	Change in Net Position/Total Revenue
2b. Debt to Asset	NA	NA	0.91	0.91	Total Liabilities/Total Assets
2c. ** Cash Flow	NA	NA	\$ 186,178.41	\$ 186,178.41	Net change in cash flow from prior years (Change in Net Position+Depreciation+Interest Expense)/(Principal & Interest Payments)
2d. Debt Service Coverage Ratio	NA	NA	NA	NA	

\* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No

\*\* 2016 =2016 Cash (First Fiscal Year)

(1) For 2016, the operating period is January 1, 2015 - June 30, 2016. The Charter School did not exist for 2014 or 2015.

**SINGLE AUDIT SECTION**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
College Achieve Central Charter School  
Plainfield, New Jersey 07062

***Report on Compliance for Each Major State Program***

We have audited the College Achieve Central Charter School's, in the County of Union, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major state programs for the eighteen months ended June 30, 2016. The Charter School's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Charter School's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that we 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 state program occurred. An audit includes examining, on a test basis, evidence about the College Achieve Central Charter School's, in the County of Union, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Charter School's compliance.

***Opinion on Each Major State Program***

In our opinion, the College Achieve Central Charter School, in the County of Union, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the eighteen months ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of the College Achieve Central Charter School, in the County of Union, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
December 5, 2016



**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Eighteen Months Ended June 30, 2016

Federal Grantor/ Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance
					From	To	January 1, 2015
Special Revenue Fund:							
U.S. Department of Education							
Passed-through State Department of Education:							
No Child Left Behind (NCLB):							
Title I, Part A (P.L. 103-382)	84.010	S010A150030	NCLB610116	\$ 101,881.00	7/1/2015	6/30/2016	_____
Total Title I, Part A							_____
Title II, Part A, Improving Teacher Quality	84.367	S367A150029	NCLB610116	1,098.00	7/1/2015	6/30/2016	_____
Total Title II, Part A							_____
Total No Child Left Behind (NCLB)							
I.D.E.A. Part B Basic	84.027	H027A150100	IDEA610116	55,770.00	7/1/2015	6/30/2016	_____
Total I.D.E.A. Part B Cluster							_____
Public Charter School Program:							
New Jersey Charter School Planning Grant	84.282A	U282A120015	15-CA85-B07	150,000.00	1/15/2015	9/15/2016	_____
New Jersey Charter School Implementation Grant	84.282A	U282A120015	16-CA87-B-07	175,000.00	11/1/2015	10/31/2016	_____
Total Public Charter School Program							_____
Total U.S. Department of Education							
Total Special Revenue Fund							
Enterprise Fund:							
U.S. Department of Agriculture:							
Passed-through State Department of Agriculture:							
Child Nutrition Cluster:							
Cash Assistance:							
National School Lunch Program	10.555	16161NJ304N1099	N/A	52,972.89	07/01/15	06/30/16	_____
School Breakfast Program	10.553	16161NJ304N1099	N/A	8,888.69	07/01/15	06/30/16	_____
Total Enterprise Fund							_____
Total Federal Financial Assistance							
							\$ _____

(A) See Note 5 to the Schedules of Expenditures of Federal and State Financial Assistance (if applicable)

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

These funds were not audited in accordance with the Uniform Guidance since the total of all grant award expenditures were less than \$750,000.00.

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2016		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 101,881.00	\$(101,881.00)		\$(101,881.00)						
	101,881.00	(101,881.00)		(101,881.00)						
	1,098.00	(1,098.00)		(1,098.00)						
	1,098.00	(1,098.00)		(1,098.00)						
	102,979.00	(102,979.00)		(102,979.00)						
	55,770.00	(55,770.00)		(55,770.00)						
	55,770.00	(55,770.00)		(55,770.00)						
	150,000.00	(150,000.00)		(150,000.00)						
	145,000.00	(117,379.09)		(117,379.09)					\$ 27,620.91	
	295,000.00	(267,379.09)		(267,379.09)					27,620.91	
	453,749.00	(426,128.09)		(426,128.09)					27,620.91	
	453,749.00	(426,128.09)		(426,128.09)					27,620.91	
	31,613.19	\$(52,972.89)		(52,972.89)				\$ (21,359.70)		
	4,980.17	(8,888.69)		(8,888.69)				(3,908.52)		
	36,593.36	(61,861.58)		(61,861.58)				(25,268.22)		
\$ -	\$ 490,342.36	\$(487,989.67)	\$ -	\$(487,989.67)	\$ -	\$ -	\$ -	\$(25,268.22)	\$ 27,620.91	\$ -

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Eighteen Months Ended June 30, 2016

<u>State Grantor/ Program Title</u>	Grant or State Project Number	Program or Award Amount	<u>Grant Period</u>		Balance January 1, 2015	Carryover / (Walkover) Amount
			<u>From</u>	<u>To</u>		
<b>General Fund:</b>						
New Jersey Department of Education:						
Passed-Through Local Education Agencies:						
Current Expense:						
Charter School Aid:						
State Aid - Public Cluster:						
Local Levy Equalization Aid - State and Local Share	16-495-034-5120-071	\$ 3,776,011.00	7/1/15	6/30/16		
Categorical Special Education Aid	16-495-034-5120-071	12,011.00	7/1/15	6/30/16		
Categorical Security Aid	16-495-034-5120-071	104,093.00	7/1/15	6/30/16		
Total State Aid Public						
Total Passed-Through Local Education Agencies						
Charter School Aid -- Non-public State Aid	16-495-034-5120-071	45,948.00	7/1/15	6/30/16		
Total Charter School Aid						
Total General Fund						
<b>Food Service Enterprise Fund:</b>						
New Jersey Department of Agriculture:						
National School Lunch Program (State Share)	16-100-010-3350-023	1,134.14	7/1/15	6/30/16		
Total State Financial Assistance					\$ -	\$ -

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

<u>Cash Received</u>	<u>Total Budgetary Expenditures</u>	<u>Passed - Through Subrecipients</u>	<u>Adjustments</u>	<u>Repayment of Prior Years' Balances</u>	<u>Balance June 30, 2016</u>			<u>Memo</u>	
					<u>(Accounts Receivable)</u>	<u>Unearned Revenue</u>	<u>Due to Grantor</u>	<u>Budgetary Receivable June 30, 2016</u>	<u>Cumulative Total Expenditures</u>
\$ 3,745,408.00	\$ (3,776,011.00)				\$ (66,692.00)		\$ 36,089.00		\$ 3,776,011.00
12,011.00	(12,011.00)								12,011.00
102,897.00	(104,093.00)				(1,196.00)				104,093.00
<u>3,860,316.00</u>	<u>(3,892,115.00)</u>				<u>(67,888.00)</u>		<u>36,089.00</u>		<u>3,892,115.00</u>
3,860,316.00	(3,892,115.00)				(67,888.00)		36,089.00		3,892,115.00
45,948.00	(45,948.00)								45,948.00
<u>3,906,264.00</u>	<u>(3,938,063.00)</u>				<u>(67,888.00)</u>		<u>36,089.00</u>		<u>3,938,063.00</u>
3,906,264.00	(3,938,063.00)				(67,888.00)		36,089.00		3,938,063.00
688.75	(1,134.14)				(445.39)				1,134.14
<u>\$ 3,906,952.75</u>	<u>\$ (3,939,197.14)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,333.39)</u>	<u>\$ -</u>	<u>\$ 36,089.00</u>	<u>\$ -</u>	<u>\$ 3,939,197.14</u>

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Eighteen Months Ended June 30, 2016

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the College Achieve Central Charter School (hereafter referred to as the "Charter School"). The Charter School is defined in Note 1 to the Charter School's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the Charter School, it is not intended to and does not present the financial position and changes in operations of the Charter School.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting. This basis of accounting is described in Note 1 to the Charter School's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Charter School has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3: RELATIONSHIP TO BASIC 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 when expenditures have been made.

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 budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

There is no net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis for the general or the special revenue funds. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

Awards and financial assistance expenditures reported in the Charter School's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 3,938,063.00	\$ 3,938,063.00
Special Revenue	\$ 426,128.09		426,128.09
Food Service	<u>61,861.58</u>	<u>1,134.14</u>	<u>62,995.72</u>
Total Awards and Financial Assistance	<u>\$ 487,989.67</u>	<u>\$ 3,939,197.14</u>	<u>\$ 4,427,186.81</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: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Eighteen Months Ended June 30, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? \_\_\_ yes \_X\_ no
Significant deficiency(ies) identified? \_\_\_ yes \_X\_ none reported
Noncompliance material to financial statements noted? \_\_\_ yes \_X\_ no

Federal Awards Not applicable

Internal control over major programs:
Material weakness(es) identified? \_\_\_ yes \_\_\_ no
Significant deficiency(ies) identified? \_\_\_ yes \_\_\_ none reported
Type of auditor's report issued on compliance for major programs
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? \_\_\_ yes \_\_\_ no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Multiple empty rows for data entry.

Dollar threshold used to determine Type A programs
Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ no

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Eighteen Months Ended June 30, 2016

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? \_\_\_ yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include State Aid Public Cluster, Charter School Aid, Equalization Aid, Special Education Aid, Security Aid, and Nonpublic Aid.

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? \_\_\_ yes X no



**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Eighteen Months Ended June 30, 2016

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***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Eighteen Months Ended June 30, 2016

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not Applicable.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Eighteen Months Ended June 30, 2016

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

**COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

Not applicable.

**FEDERAL AWARDS**

Not applicable.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not applicable.

