

College Achieve Central Charter School

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2017

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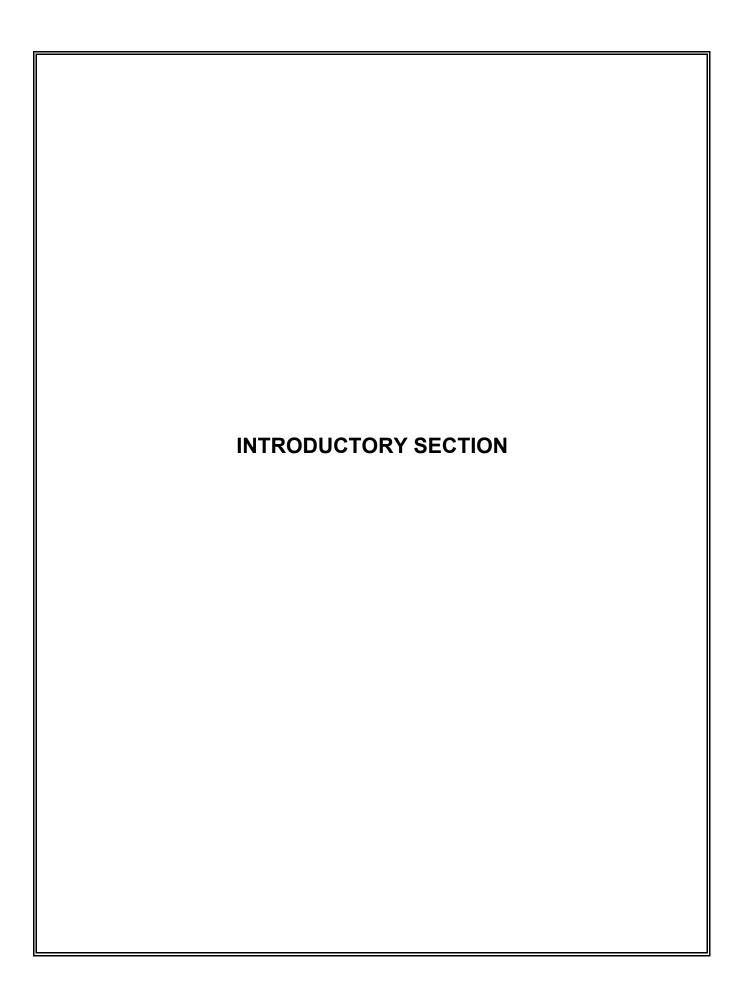
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The Honorable President and Members of the Board of Trustees College Achieve Central Charter School Plainfield, New Jersey

#### 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, 2017, 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 the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *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 2016-2017 period; its second year of operation, with an enrollment of 602 students.

The Honorable President and Members of the Board of Trustees College Achieve Central Charter School Page 2 December 4, 2017

#### 2) ECONOMIC CONDITION AND OUTLOOK:

The school is serving 826 students in 2017-18 and will serve 1013 students by 2018-19. 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.

The Honorable President and Members of the Board of Trustees College Achieve Central Charter School Page 3 December 4, 2017

#### 5) BUDGETARY CONTROLS CONT'D:

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, 2017.

#### 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, CPAs and Consultants, 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 Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *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.

The Honorable President and Members of the Board of Trustees College Achieve Central Charter School Page 4 December 4, 2017

#### 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.

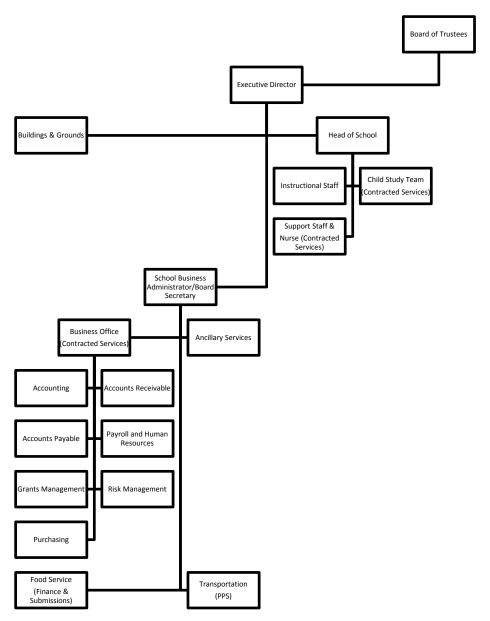
Rachelle Nelson

**Executive Director** 

Dr. Brian Falk wski

Business Administrator/Board Secretary





# COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL PLAINFIELD, NEW JERSEY ROSTER OF OFFICIALS June 30, 2017

#### **Members of the Board of Trustees**

Roger F. Grutzmacher, President Andrew Fesen Frank Fischer Akua Hill Jamie Rojas

#### **Adminisration:**

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**

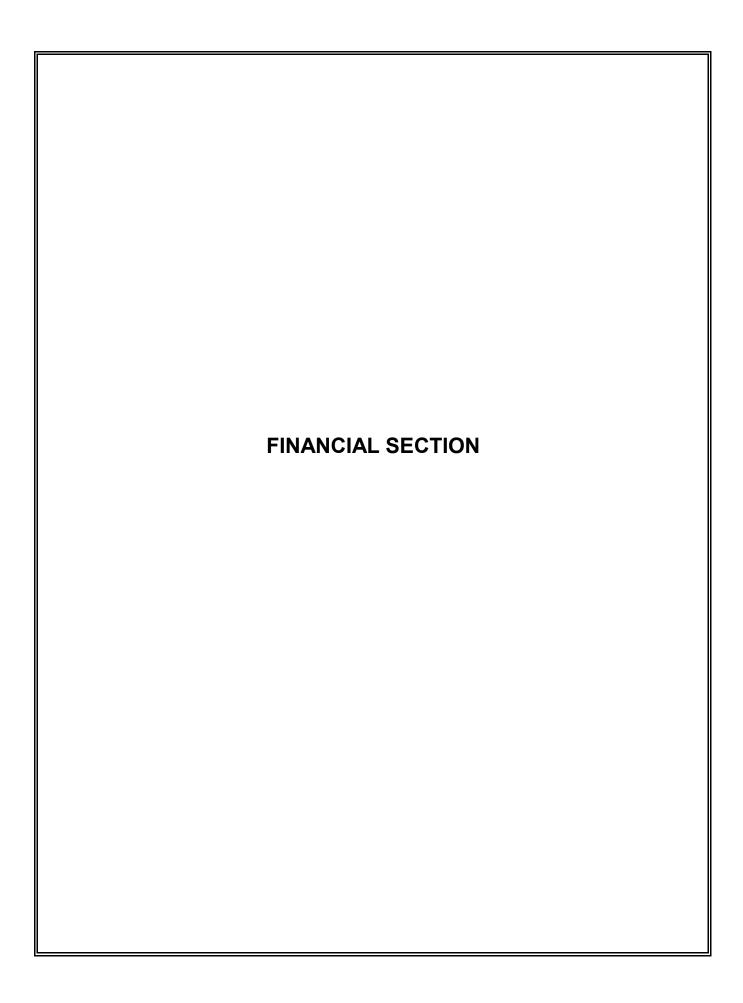
Bowman & Company LLP 601 White Horse Road Voorhees, NJ 08043-2493

#### **Attorneys**

Johnston Law Firm LLC 75 Midland Avenue Montclair, NJ 07042

#### **Official Depositories**

Wells Fargo Bank





#### 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 fiscal year ended June 30, 2017, 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, 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 June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### 21650

#### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 4, 2017 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

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ouman : Company LCP

Voorhees, New Jersey December 4, 2017



Exhibit K-1

# REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

#### 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 fiscal year ended June 30, 2017, 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 4, 2017.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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.

21650 Exhibit K-1

#### **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

ouman & Company

& Consultants

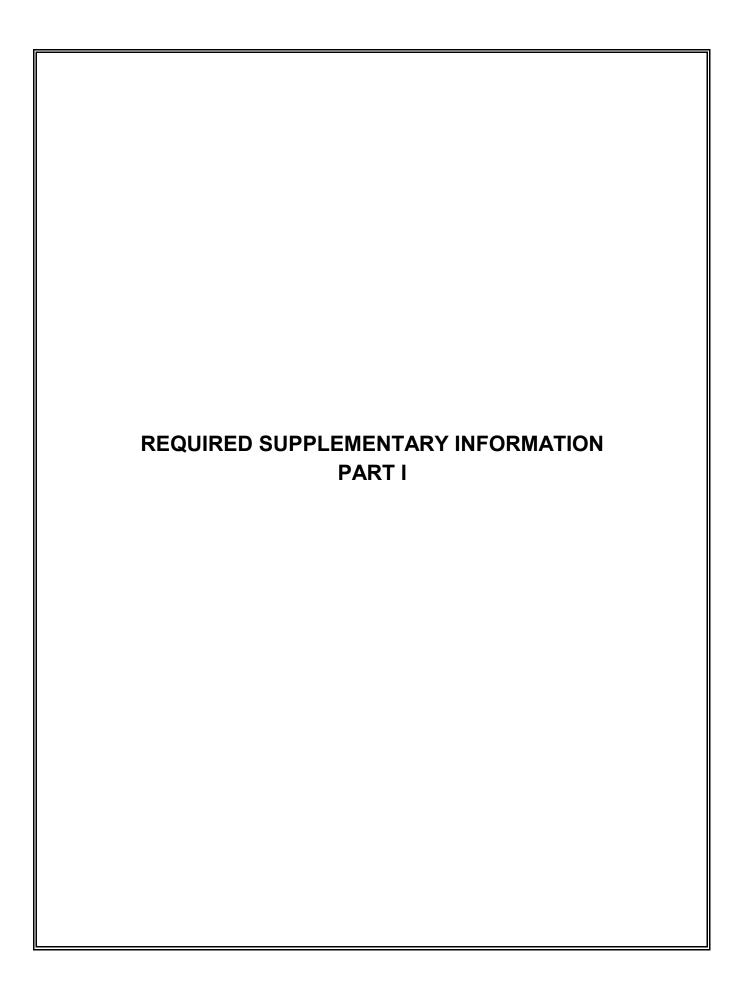
Scott P. Barron

Certified Public Accountant

Public School Accountant No. CS 02459

- P. Baun

Voorhees, New Jersey December 4, 2017



#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017 (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 fiscal year ended June 30, 2017. 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.

#### **FINANCIAL HIGHLIGHTS**

- The net position of the Charter School, which represents the difference between assets and liabilities, totaled \$342,762.87 at the close of the 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 fiscal year, the Charter School's governmental funds reported combined ending fund balances of \$394,527.56. Of this combined balance, \$390,052.56 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.

#### 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.

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

#### THE CHARTER SCHOOL AS A WHOLE

During the fiscal year, the Charter School increased its net position by \$314,870.98 from June 30, 2016. 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

	 vernmental Activities		siness-Type Activities	
ASSETS:	June 30	, 201	<u>7</u>	<u>Totals</u>
Current and Other Assets Capital Assets, net	\$ 683,744.43 3,519.98	\$	41,236.80	\$ 724,981.23 3,519.98
Total Assets	687,264.41		41,236.80	728,501.21
LIABILITIES:				
Long-term Liabilities Other Liabilities	55,284.67 289,216.87		41,236.80	55,284.67 330,453.67
Total Liabilities	344,501.54		41,236.80	385,738.34
NET POSITION				
Net Investment in Capital Assets Restricted Unrestricted	3,519.98 4,475.00 334,767.89			3,519.98 4,475.00 334,767.89
Total Net Position	\$ 342,762.87	\$	-	\$ 342,762.87

Total assets were \$728,501.21 at June 30, 2017 and \$305,990.00 at June 30, 2016. The cash position increased \$111,416.18 from \$186,178.41 at June 30, 2016 to \$297,594.59 at June 30, 2017 as a result of operations in the governmental and business-type activities. Receivables at the end of the fiscal year were \$427,386.64 compared to \$115,851.61 at June 30, 2016. In addition, capital assets (net) decreased to \$3,519.98 at June 30, 2017 as a result of current year depreciation of \$440.00.

Liabilities were \$385,738.34 at June 30, 2017 compared to \$278,098.11 at June 30, 2016. Of this June 30, 2017 amount, accounts payable were \$187,533.67; intergovernmental accounts payable was \$142,920.00; and noncurrent liabilities were \$55,284.67.

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, 2017, the Charter School's unrestricted net position was \$334,767.89, or 98%.

An additional component of the Charter School's net position, or (1%), represents resources that are restricted, which was \$4,475.00. These amounts consist of amounts restricted in the special revenue fund.

#### 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, 2017, or 1%, reflects its net investment in capital assets (i.e., equipment), which totaled \$3,519.98. 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 fiscal year which ended June 30, 2017.

### Table A-2 STATEMENTS OF ACTIVITIES

	Governmental <u>Activites</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:	June 30	), <u>2017</u>	
Program Polynuse:			
Program Revenues: Charges for Services		\$ 7,728.45	\$ 7,728.45
Operating Grants and Contributions	\$ 451,937.84	179,485.97	631,423.81
General Revenues:			
Charter School Aid	6,943,586.00		6,943,586.00
Miscellaneous Income	60,577.56		60,577.56
Transfers	(119,325.65)	119,325.65	
Total Revenues	7,336,775.75	306,540.07	7,643,315.82
Expenses:			
Regular Instruction	3,021,312.48		3,021,312.48
Special Education Instruction	63,795.20		63,795.20
School Sponsored Extra Curricular Activities Instruction	144.00		144.00
School Sponsored Athletics Instruction	5,276.14		5,276.14
Support Services and Undistributed Costs:			
Student and Instruction Related Services	367,379.56		367,379.56
School Administrative Services	215,062.10		215,062.10
Other Administrative Services	1,481,624.86		1,481,624.86
Plant Operations and Maintenance	982,385.30 22,185.00		982,385.30 22,185.00
Pupil Transportation Unallocated Benefits	769,906.20		769,906.20
Social Security	92,833.93		709,900.20
Food Service		306,540.07	306,540.07
Total Expenses	7,021,904.77	306,540.07	7,235,610.91
Change in Net Position	314,870.98		407,704.91
Net Position, July 1	27,891.89		27,891.89
Net Position, June 30	\$ 342,762.87	\$ -	\$ 435,596.80

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

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

During the fiscal year, the Charter School's total revenues were \$7,643,315.82. Key elements of these revenues were attributable to the following:

- Operating grants and contributions were \$631,423.81 or 8%. These were grants in the governmental activities of \$451,937.84 and in the business-type activities of \$179,485.97.
- Charter School Aid totaled \$6,943,586.00 or 91%.
- Other revenues were charges for services in the business-type activities of \$7,728.45 or .1% and miscellaneous revenue sources of \$60,577.56 or 1% in the governmental activities.

During the fiscal year, the Charter School's total expenses were \$7,235,610.91. Key elements of these expenses were attributable to the following:

- Instructional expense for regular instruction, special education instruction, extra-curricular, and school sponsored athletic instruction totaled \$3,090,527.82 or 43% 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 \$3,931,376.95 or 53% of all expenditures.
- Food services expenditures were \$306,540.07 or 4% of all expenditures.

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

Table A-3
NET COST OF GOVERNMENTAL ACTIVITIES

	2017		
	Total Cost	Net Cost	
	of Services	of Services	
Regular Instruction	\$ 3,021,312.48	\$ 2,847,175.41	
Special Education Instruction	63,795.20	63,795.20	
School Sponsored Extra Curricular Activities Instruction	144.00	144.00	
School Sponsored Athletics Instruction	5,276.14	5,276.14	
Support Services and Undistributed Costs:			
Student and Instruction Related Services	367,379.56	221,321.72	
School Administrative Services	215,062.10	215,062.10	
Other Administrative Services	1,481,624.86	1,481,624.86	
Plant Operations and Maintenance	982,385.30	982,385.30	
Pupil Transportation	22,185.00	22,185.00	
Unallocated Benefits	769,906.20	730,997.20	
Social Security	92,833.93		
Total Expenses	\$ 7,021,904.77	\$ 6,569,966.93	

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

#### THE CHARTER SCHOOL'S FUNDS

#### Governmental Funds

As the Charter School completed the fiscal year, its governmental funds reported a *combined* fund balances of \$394,527.56. Of these combined ending fund balances, an unassigned fund balance existed in the amount of \$390,052.56 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 \$390.052.56.

During the fiscal year, the fund balance of the Charter School's general fund increased by \$304,966.46. The primary factors affecting the fund balance of the general fund are as follows:

• Total revenues of \$7,096,997.49 as detailed in Table A-4:

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

	<u>Jur</u>	ne 30, 2017
Revenues:		
Local Sources: Unrestricted Miscellaneous Revenue	\$	60,577.56
State Sources:		
Charter School Aid	6	,895,590.00
Non-public Aid		47,996.00
Reimbursed Social Security Contributions		92,833.93
Total State Sources	7	,036,419.93
Total Revenues	\$ 7	,096,997.49

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

THE CHARTER SCHOOL'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

General Fund (Cont'd)

Total expenditures of \$6,672,705.38 as detailed in Table A-5:

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

	June 30, 2017
Regular Instruction	\$ 2,852,986.49
Special Education Instruction	65,585.37
School Sponsored Extra Curricular Activities Instructio	144.00
School Sponsored Athletics Instruction	5,276.14
Support Services and Undistributed Costs:	
Student and Instruction Related Services	220,689.59
School Administrative Services	217,392.94
Other Administrative Services	1,485,256.98
Plant Operations and Maintenance	979,357.74
Pupil Transportation	22,185.00
Unallocated Benefits	730,997.20
Social Security	92,833.93
Total General Fund Expenditrues	\$ 6,672,705.38

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 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; Title III; I.D.E.A. Part B, Basic, New Jersey Charter School Implementation Grant and a grant from a local source. Total revenues and total expenditures were \$359,103.91 from these programs.

#### **Proprietary Funds**

*Food Service Fund* - the Charter School completed the fiscal year ended June 30, 2017 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 \$306,540.07 which included \$7,728.45 daily sales; \$2,966.08 state school lunch program; \$150,181.40 federal school lunch program; \$26,338.49 federal school breakfast program and a \$119,325.65 contribution from the general fund for the salaries of the enterprise fund and to fund the operating loss.
- Total expenditures were \$306,540.07.

#### General Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$7,045,644.00, which was an increase of \$22,291.00 over the original budgeted estimate. Total budgeted revenues realized equaled \$7,096,997.49.

The final budgetary basis expenditure appropriation estimate was \$6,742,099.10, which was an increase of \$42,139.10 over the original budgeted estimate. Actual expenditures were \$6,672,705.38.

#### 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 \$359,103.91. Realized revenues and actual expenditures were \$359,103.91.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The Charter School's capital asset balance for its governmental activities as of June 30, 2017 amounted to a historical cost of \$4,399.98, or \$3,519.98 net of accumulated depreciation (see Table A-6). This balance of capital assets includes equipment. At June 30, 2017, business-type activities had no capital assets.

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

	 Governmental Activities		
	<u>2017</u>		
Equipment Less Accumulated Depreciation	\$ 4,399.98 (880.00)		
Net Capital Assets	\$ 3,519.98		

Additional information on the Charter School's capital assets can be found in note 5.

#### Long-term Debt

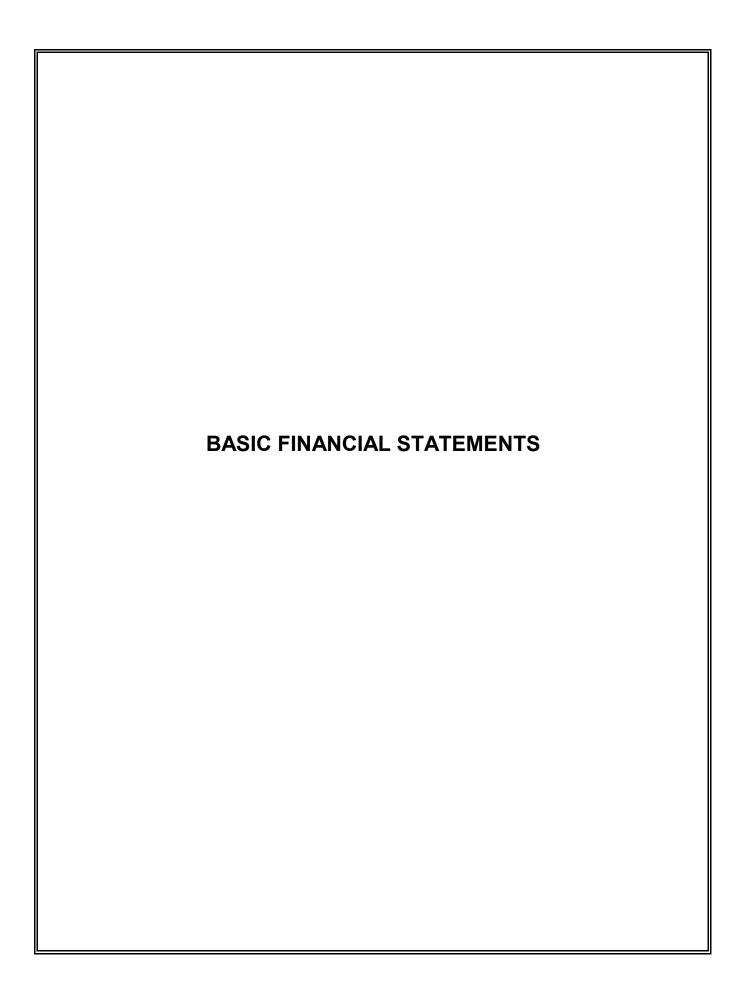
Compensated Absences. The Charter School has no debt; however at the end of the first fiscal year, the Charter Schools had a liability of \$55,284.67 in the governmental activities for compensated absences.

#### 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.

#### 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.



GOVERNMENT-WIDE FINANCIAL STATEMENTS

21650 Exhibit A-1

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Statement of Net Position June 30, 2017

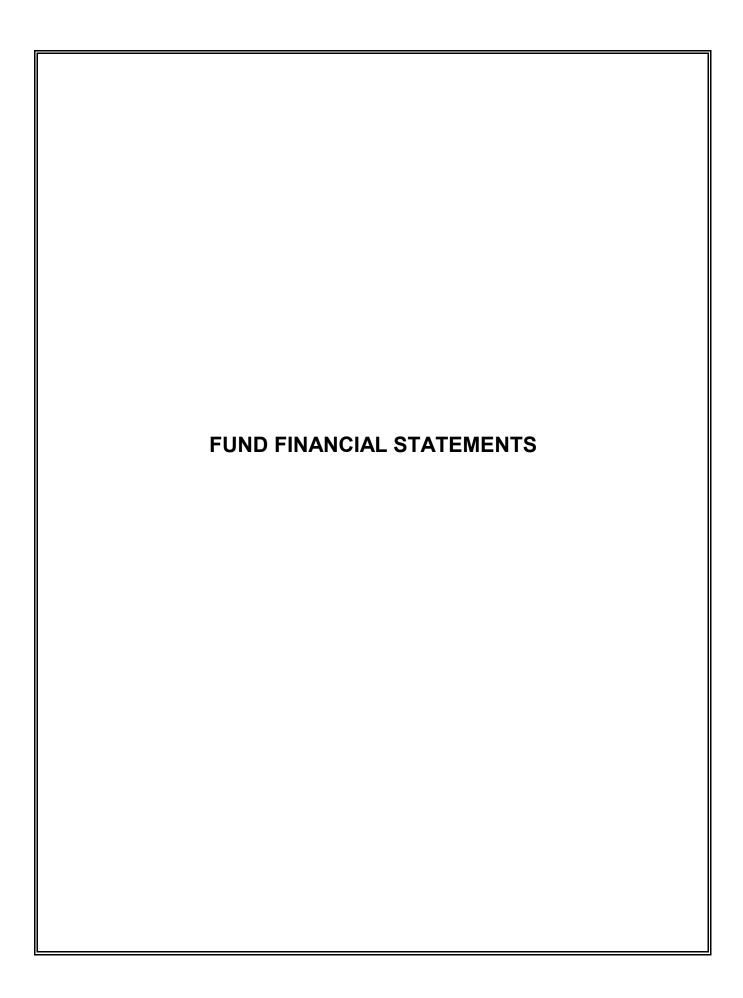
ASSETS:	Governmental Activities	Business-Type Activities	Total
Cash and Cash Equivalents Receivables, net Internal Balances Capital Assets, net (Note 5)	\$ 297,594.59 375,031.06 11,118.78 3,519.98	\$ 52,355.58 (11,118.78)	\$ 297,594.59 427,386.64 3,519.98
Total Assets	687,264.41	41,236.80	728,501.21
LIABILITIES:			
Accounts Payable Payable to State Government Payable to Local Government Noncurrent Liabilities (Note 6): Due beyond One Year	146,296.87 4,401.00 138,519.00 55,284.67	41,236.80	187,533.67 4,401.00 138,519.00 55,284.67
Total Liabilities	344,501.54	41,236.80	385,738.34
NET POSITION:			
Net Investment in Capital Assets Restricted for:	3,519.98		3,519.98
Other Purposes Unrestricted	4,475.00 334,767.89		4,475.00 334,767.89
Total Net Position	\$ 342,762.87	\$ -	\$ 342,762.87

#### 21650 Exhibit A-2

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Statement of Activities
For the Fiscal Year Ended June 30, 2017

			Program Revenu		Net (Expense) Revenue and Changes in Net Position			
Functions / Programs	<u>Expenses</u>	Charges for <u>Services</u>	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type <u>Activities</u>	<u>Total</u>	
Governmental Activities:								
Regular Instruction	\$ 3,021,312.48		\$ 174,137.07		\$ (2,847,175.41)		\$ (2,847,175.41)	
Special Education Instruction	63,795.20				(63,795.20)		(63,795.20)	
School Sponsored Extra Curricular Activities Instruction	144.00				(144.00)		(144.00)	
School Sponsored Athletics Instruction	5,276.14				(5,276.14)		(5,276.14)	
Support Services and Undistributed Costs:								
Student and Instruction Related Services	367,379.56		146,057.84		(221,321.72)		(221,321.72)	
School Administrative Services	215,062.10				(215,062.10)		(215,062.10)	
Other Administrative Services	1,481,624.86				(1,481,624.86)		(1,481,624.86)	
Plant Operations and Maintenance	982,385.30				(982,385.30)		(982,385.30)	
Pupil Transportation	22,185.00				(22,185.00)		(22,185.00)	
Unallocated Benefits	769,906.20		38,909.00		(730,997.20)		(730,997.20)	
Social Security	92,833.93		92,833.93					
Total Governmental Activities	7,021,904.77		451,937.84		(6,569,966.93)		(6,569,966.93)	
Business-Type Activities:								
Food Service	306,540.07	\$ 7,728.45	179,485.97			\$ (119,325.65)	(119,325.65)	
Total Business-Type Activities	306,540.07	7,728.45	179,485.97			(119,325.65)	(119,325.65)	
Total Government	\$ 7,328,444.84	\$ 7,728.45	\$ 631,423.81	\$ -	(6,569,966.93)	(119,325.65)	(6,689,292.58)	
General Revenues:								
Charter School Aid					6,943,586.00		6,943,586.00	
Miscellaneous Income					60,577.56		60,577.56	
Transfers					(119,325.65)	119,325.65	,	
Hallsters					(119,323.03)	119,323.03		
Total General Revenues and Transfers					6,884,837.91	119,325.65	7,004,163.56	
Change in Net Position					314,870.98		314,870.98	
Net Position July 1					27,891.89		27,891.89	
Net Position June 30					\$ 342,762.87	\$ -	\$ 342,762.87	



21650 Exhibit B-1

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Governmental Funds Balance Sheet June 30, 2017

		General Fund		Special Revenue Fund		Total Governmental Funds	
ASSETS:							
Cash and Cash Equivalents Interfund Accounts Receivable:	\$	297,594.59			\$	297,594.59	
Special Revenue Fund		176,364.00				176,364.00	
Enterprise Fund		11,118.78				11,118.78	
Security Deposit		60,624.00				60,624.00	
Accounts Receivable:		0.050.00				0.050.00	
Other		2,250.00				2,250.00	
Intergovernmental Accounts Receivable: State		14,389.06				14,389.06	
Federal		14,369.00	\$	180,839.00		180,839.00	
Other LEAs - State Aid		116,929.00	<u> </u>	100,000.00		116,929.00	
Total Assets	\$	679,269.43	\$	180,839.00	\$	860,108.43	
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts Payable	\$	146,296.87			\$	146,296.87	
Interfund Accounts Payable:		•				,	
General Fund			\$	176,364.00		176,364.00	
Intergovernmental Accounts Payable:		4 404 00				4 404 00	
State		4,401.00				4,401.00	
Other LEA - State Aid	-	138,519.00				138,519.00	
Total Liabilities		289,216.87		176,364.00		465,580.87	
Fund Balances:							
Restricted:							
Special Revenue Fund				4,475.00		4,475.00	
Unassigned: General Fund		390,052.56				390,052.56	
General i unu		390,032.30			-	390,032.30	
Total Fund Balances		390,052.56		4,475.00		394,527.56	
Total Liabilities and Fund Balances	\$	679,269.43	\$	180,839.00			
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 \$880.00.						3,519.98	
Long term liabilities, including compensated changes are not due and							
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.						(55,284.67)	
					Ф.		
					\$	342,762.87	

21650 Exhibit B-2

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Sources State Sources Federal Sources	\$ 60,577.56 7,036,419.93	\$ 359,103.91	\$ 60,577.56 7,036,419.93 359,103.91
Total Revenues	7,096,997.49	359,103.91	7,456,101.40
EXPENDITURES:			
Regular Instruction Special Education Instruction School Sponsored Extra Curricular Activities Instruction School Sponsored Athletics Instruction Support Services and Undistributed Costs:	2,852,986.49 65,585.37 144.00 5,276.14	174,137.07	3,027,123.56 65,585.37 144.00 5,276.14
Student and Instruction Related Services School Administrative Services Other Administrative Services Plant Operations and Maintenance Pupil Transportation Unallocated Benefits	220,689.59 217,392.94 1,485,256.98 979,357.74 22,185.00 730,997.20	146,057.84 38,909.00	366,747.43 217,392.94 1,485,256.98 979,357.74 22,185.00 769,906.20
Social Security	92,833.93	30,909.00	92,833.93
Total Expenditures	6,672,705.38	359,103.91	7,031,809.29
Excess (Deficiency) of Revenues over Expenditures	424,292.11		424,292.11
OTHER FINANCING SOURCES (USES): Transfer to Food Service Enterprise Fund	(119,325.65)		(119,325.65)
Total Other Financing Sources and Uses	(119,325.65)		(119,325.65)
Net Change in Fund Balances	304,966.46		304,966.46
Fund Balance July 1	85,086.10	4,475.00	89,561.10
Fund Balance June 30	\$ 390,052.56	\$ 4,475.00	\$ 394,527.56

21650 Exhibit B-3

#### **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 Fiscal Year Ended June 30, 2017

Total Net Change in Fund Balances - Governmental Funds	\$ 304,966.46
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)
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 (+).	10,344.52
Change in Net Position of Governmental Activities	\$ 314,870.98

# **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Statement of Net Position Proprietary Funds June 30, 2017

		s-Type Ativities erprise Funds
		Food <u>Service</u>
ASSETS:		
Current Assets: Intergovernmental Accounts Receivable: Federal	\$	51,486.56
State		869.02
Total Current Assets		52,355.58
Total Assets		52,355.58
LIABILITIES:		
Current Liabilities: Accounts Payable Due to General Fund		41,236.80 11,118.78
Total Liabilities		52,355.58
NET POSITION:		
Unrestricted		
Total Net Position	_ \$	-

# **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities Enterprise Funds
	Food <u>Service</u>
OPERATING REVENUES: Charges for Services: Daily Sales - Reimbursable Programs	\$ 7,728.45
Total Operating Revenues	7,728.45
OPERATING EXPENSES: Cost of Sales Reimburseable Programs Salaries Supplies and Materials Miscellaneous	166,256.90 67,940.90 6,642.30 65,699.97
Total Operating Expenses	306,540.07
Operating Income (Loss)	(298,811.62)
NONOPERATING REVENUES:	
State Sources: State School Lunch Program Federal Sources: National School Lunch Program National School Breakfast Program	2,966.08 150,181.40 26,338.49
Total Nonoperating Revenues	179,485.97
Income (Loss) before Contributions and Transfers	(119,325.65)
Operating Transfer In - General Fund	119,325.65
Change in Net Position	
Net Position, July 1	<del>-</del>
Net Position, June 30	<u> </u>

# **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

	ess-Type Activities nterprise Funds
	Food <u>Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES: Receipts from Customers Payments to Employees Payments to Suppliers	\$ 7,728.45 (57,493.61) (306,911.88)
Net Cash Provided by (used for) Operating Activities	(356,677.04)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: Federal Sources State Sources Subsidies and Transfers	 150,301.55 2,542.44 119,325.65
Net Cash Provided by (used for) Non-Capital Financing Activities	272,169.64
Net Increase (Decrease) in Cash and Cash Equivalents	(84,507.40)
Cash and Cash Equivalents, July 1	 84,507.40
Cash and Cash Equivalents, June 30	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:  Operating Income (Loss)  Adjustments to Reconcile Operating Income (Loss) to Net Cash	\$ (298,811.62)
Provided by (used for) Operating Activities: Increase (Decrease) in Interfund Payable Increase (Decrease) in Compensated Absences Increase (Decrease) in Accounts Payable	 11,118.78 (671.49) (68,312.71)
Total Adjustments	(57,865.42)
Net Cash Provided by (used for) Operating Activities	\$ (356,677.04)

# **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2017

	Agency Fund
ASSETS:	Payroll
Cash and Cash Equivalents	\$ 30,811.95
Total Assets	\$ 30,811.95
LIABILITIES:	
Payroll Deductions and Withholdings	\$ 30,811.95
Total Liabilities	\$ 30,811.95

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2017

#### 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 its second operating school year, the Charter School educated students in grades K through 3 and grades 5 through 7. The Charter School has an approximate enrollment at June 30, 2017 of 602.

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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. 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.

## 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.

#### **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 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. 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.

## Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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. 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 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.

**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.

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:

## **Enterprise Funds**

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

## Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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 financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 funds:

**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 funds: 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

#### **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.

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 include all amendments to the adopted budget, if any.

#### **Budgets / Budgetary Control (Cont'd)**

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.

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.

## **Prepaid Expenses**

Prepaid expenses recorded on the statement of net position and government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

## 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:

Description

**Estimated Lives** 

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.

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.

#### **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.

#### 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.

#### Fund Balance (Cont'd)

**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, than 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.

#### **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.

### 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, 2017, none of the Charter School's bank balances of \$384,822.86 were exposed to custodial risk.

## Note 3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017 consisted of intergovernmental awards / grants. 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:

Governmental

		Funds				
<u>Description</u>	General <u>Fund</u>		 Total overnmental Activities	Business- Type <u>Activities</u>		<u>Totals</u>
Intergovernmental Accounts Receivable:						
Federal Awards				\$ 51,486.56	\$	51,486.56
State Awards	\$	14,389.06	\$ 14,389.06	869.02		15,258.08
Local Awards		116,929.00	116,929.00			116,929.00
Accounts Receivable		2,250.00	 2,250.00			2,250.00
	\$	133,568.06	\$ 133,568.06	\$ 52,355.58	\$	185,923.64

There are no receivables in the fiduciary fund.

## Note 4: INVENTORY

As of June 30, 2017, the Charter School did not maintain any inventory.

# Note 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 is as follows:

	Balance July 01, 2016	Increases	Decreases	Balance <u>June 30, 2017</u>
Governmental Activities:				
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)		(880.00)
Total Accumulated Depreciation	(440.00)	(440.00)		(880.00)
Total Capital Assets, being Depreciated, Net	3,959.98	(440.00)		3,519.98
Governmental Activities Capital Assets, Net	\$ 3,959.98	\$ (440.00)	\$ -	\$ 3,519.98

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

# **Governmental Activities:**

Instruction

\$ 440.00

## Note 6: SHORT-TERM OBLIGATIONS

The following represents short-term debt activity for the Fiscal Year ended June 30, 2017:

	Balance 07/01/16		Additions	<u>Deductions</u>	Balanc June 30, 2	
New Jersey Community Capital	\$	<u>-</u>	\$ 488,177.77	\$ 488,177.77	\$	

New Jersey Community Capital is a third party lender. The purpose of this short-term obligation was for cash flow for operations.

## Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations for governmental activities:

ge. e	Balance July 01, 2016	<u>Additions</u>	Deductions	Balance June 30, 2017	Due within One Year
Governmental Activities:					
Other Liabilities: Compensated Absences	\$ 65,629.19	\$ 55,284.67	\$ (65,629.19)	\$ 55,284.67	\$ -

Compensated absences are liquidated by the general fund.

Business-type Activities:	lance <u>01, 2016</u>	Ado	<u>litions</u>	<u>De</u>	<u>ductions</u>	 ance 30, 2017	One	
Other Liabilities: Compensated Absences	\$ 671.50	\$		\$	(671.50)	\$ -	\$	-

Compensated absences are liquidated by the food service fund.

<u>Compensated Absences</u> - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the Charter School's policy.

#### Note 8: OPERATING LEASES

At June 30, 2017, the Charter School had two operating lease agreements with College Achieve Public Charter Schools, Inc. in effect for a school facilities in Plainfield and North Plainfield, New Jersey. Under these agreements, the Charter School was required to pay a security deposit of \$20,000.00 and \$40,624.00 for each respective location and rent of \$21,000.00 and \$24,312.00 per month respectively. The agreement has established annual rent increases through June 2019.

Rental payments and security deposit payments under this operating lease for the fiscal year ended June 30, 2017 were \$572,656.00.

### **Note 9: PENSION PLANS**

A substantial number of the Charter School's employees 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
<a href="http://www.nj.gov/treasury/pensions">http://www.nj.gov/treasury/pensions</a>

#### **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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (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 9: 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 ten 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 1/55th 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 1/60th 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 9: 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 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less that 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 onbehalf 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, 2017 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, 2017 because of the 100% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016 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, 2017. Charter School employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$167,261.16.

## Note 9: PENSION PLANS (CONT'D)

#### **General Information About the Pension Plans (Cont'd)**

## **Contributions (Cont'd)**

**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 seven years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. 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 amount, which includes the normal cost and unfunded accrued liability.

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, 2017 there are no contractual requirements to contribute. Charter School employee contributions to the pension plan during the fiscal year were \$68,643.92

**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, 2017, the Charter School has no employees participating in this program.

## Note 10: SCHOOL EMPLOYEES HEALTH BENEFITS PROGRAM

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, 2016, there were 110,512 retirees receiving postemployment medical benefits, and the State contributed \$1.37 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 Trustees or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

## Note 10: SCHOOL EMPLOYEES HEALTH BENEFITS PROGRAM (CONT'D)

The School Employees Health Benefits Program ("SEHBP") Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. Seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SEHBP. That report may be obtained from the Treasury website at:

http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf

## Note 11: 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.

<u>Property and Liability Insurance</u> - 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 "Benefit Contribution Method". Under this plan, the Charter School is provided an experience rate by the State of New Jersey.

#### **Note 12: 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 13: 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 granted vacation days in varying amounts under the school's personnel policies. In the event of termination, an employee is reimbursed for one-half of the employee's accrued vacation days at their current hourly pay rate.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2017, the liability for compensated absences reported on the government-wide statement of net position was \$55,284.67.

## Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Fund</u>	Interfunds <u>Receivable</u>	Interfunds <u>Payable</u>
General Special Revenue Food Service	\$ 187,482.78	\$ 176,364.00 11,118.78
	187,482.78	187,482.78

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2018, the Charter School expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	Transfer In:			
Transfer Out:	Food Service <u>Fund</u>			
General Fund	\$ 119,325.65			
Total Transfers	\$ 119,325.65			

The transfer from the general fund was to fund the salary expenditures and the operating loss in the food service enterprise fund.

## Note 15: CONTINGENCIES

<u>Grantor Agencies</u> - 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 16: 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 17: 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:

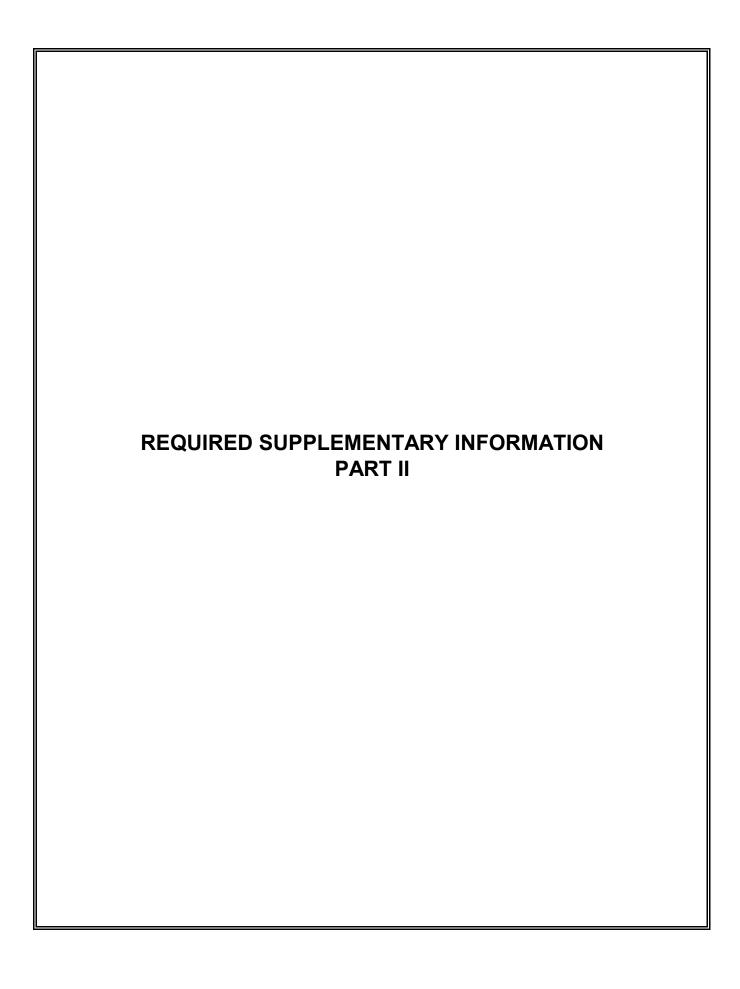
### **Special Revenue Fund**

<u>For Grant Expenditures</u> – At June 30, 2017, 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, 2017, \$390,052.56 of general fund balance was unassigned.



BUDGETARY COMPARISON SCHEDULES

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL
GENERAL FUND
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

REVENUES	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) Final to Actual
Local Sources: Unrestricted Miscellaneous Revenues				\$ 60,577.56	\$ 60,577.56
Total - Local Sources				60,577.56	60,577.56
State Sources:				,	
State Sources: Charter School Aid: Local Levy/Equalization Aid: State and Local Share	\$ 6,515,694.00	\$ 164,852.00 \$	6,680,546.00	6,585,353.00	(95,193.00)
Total - Local Levy/Equalization Aid	6,515,694.00	164,852.00	6,680,546.00	6,585,353.00	(95,193.00)
Categorical Aid: Special Education Aid Security Aid	152,301.00 145,770.00	7,937.00 10,425.00	160,238.00 156,195.00	156,149.00 154,088.00	(4,089.00) (2,107.00)
Total Categorical Aid	298,071.00	18,362.00	316,433.00	310,237.00	(6,196.00)
Total Charter School Aid	6,813,765.00	183,214.00	6,996,979.00	6,895,590.00	(101,389.00)
Other State Sources: Charter School Aid - Non-Public Aid Reimbursed TPAF Social Security Contributions	209,588.00	(160,923.00)	48,665.00	47,996.00 92,833.93	(669.00) 92,833.93
Total - Other State Sources	209,588.00	(160,923.00)	48,665.00	140,829.93	92,164.93
Total - State Sources	7,023,353.00	22,291.00	7,045,644.00	7,036,419.93	(9,224.07)
Total Revenues	7,023,353.00	22,291.00	7,045,644.00	7,096,997.49	51,353.49
EXPENDITURES General Current Expense: Regular Programs - Instruction: Salaries of Teachers: Kindergarten Grades 1-5 Grades 6-8 Instruction: Other Salaries for Instruction Purchased Professional - Educational Services Lease Purchase Equipment Other Purchased Services (400-500 series) General Supplies Textbooks Other Objects	237,572.00 1,163,648.00 432,288.00 179,792.00 450,000.00 42,400.00 104,978.00 194,500.00	71,277.48 (26,714.37) 83,359.84 124,143.55 (125,233.92) 28,017.77 (22,555.00) 33,755.78 (103,789.57) 23,406.21	308,849,48 1,136,933.63 515,647.84 303,935.55 324,766.08 28,017.77 19,845.00 138,733.78 90,710.43 23,406.21	308,849.48 1,126,725.51 515,647.84 298,277.70 317,475.58 26,579.82 8,995.00 137,826.58 90,710.43 21,898.55	10,208.12 5,657.85 7,290.50 1,437.95 10,850.00 907.20 1,507.66
Total Regular Programs - Instruction	2,805,178.00	85,667.77	2,890,845.77	2,852,986.49	37,859.28
Special Education Instruction: Cognitive - Mild: Salaries of Teachers	305,716.00	(236,450.00)	69,266.00	65,585.37	3,680.63
Total Cognitive Mild	305,716.00	(236,450.00)	69,266.00	65,585.37	3,680.63
Total Special Education - Instruction	305,716.00	(236,450.00)	69,266.00	65,585.37	3,680.63
School - Sponsored Cocurricular Activities - Instruction: Salaries		144.00	144.00	144.00	
Total School - Sponsored Cocurricular Activities - Instruction		144.00	144.00	144.00	
School - Sponsored Athletics - Instruction: Other Objects		6,102.30	6,102.30	5,276.14	826.16
Total School - Sponsored Athletics - Instruction		6,102.30	6,102.30	5,276.14	826.16
Total Instruction	3,110,894.00	(144,535.93)	2,966,358.07	2,923,992.00	42,366.07 (Continued)

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL
GENERAL FUND
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

Concent Current Expense (Cont'd):   Undistributed Expenditures - Health Services:   Salaries   \$ 42,315,39   \$ 42,315,39   \$ 42,315,39   \$ 42,315,39   \$ 42,315,39   \$ Purchased Professional and Technical Services   \$ 80,00	ariance ositive egative) I to Actual
Salaries   \$ 42,315.39   \$ 4	
Other Purchased Professional Services   9,644,18   5,014.57   5,014.57   5,014.57   4,718.74   \$   \$   \$   \$   \$   \$   \$   \$   \$	
Supplies and Materials	
Total Undistributed Expenditures - Health Services   57,054.14   57,054.14   56,758.31	005.00
Undistributed Expenditures - Speech, OT, PT and Related Services         150.00         150.00         150.00           Total Undistributed Expenditures - Speech, OT, PT and Related Services         150.00         150.00         150.00           Undistributed Expenditures - Guidance Services:         150.00         9,848.00         9,848.00         9,848.00           Salaries of Other Professional Staff         9,848.00         9,848.00         9,848.00         9,848.00           Undistributed Expenditures - Guidance Services         9,848.00         9,848.00         9,848.00         9,848.00           Undistributed Expenditures - Child Study Teams:         Salaries of Other Professional Staff         \$90,000.00         62,570.12         152,570.12         152,570.12           Other Purchased Professional and Technical Services         25,000.00         (25,000.00)         150,000.00         1,363.16           Total Undistributed Expenditures - Instructional Staff Training Services:         6,334.00         6,334.00         1,363.16           Total Undistributed Expenditures - Support Services - General Administration:         0,344.00         6,334.00         1,363.16           Undistributed Expenditures - Support Services - General Administration:         0,000.00         30,000.00         6,921.88           Undistributed Expenditures - Support Services - General Administration:         0,000.00	295.83
Purchased Professional - Educational Services   150.00	295.83
Undistributed Expenditures - Guidance Services	
Salaries of Other Professional Staff         9,848.00         9,848.00         9,848.00           Total Undistributes Expenditures - Guidance Services         9,848.00         9,848.00         9,848.00           Undistributed Expenditures - Child Study Teams:         \$90,000.00         62,570.12         152,570.12         152,570.12           Salaries of Other Professional Staff Other Professional and Technical Services         \$90,000.00         62,570.12         152,570.12         152,570.12           Total Undistributed Expenditures - Child Study Teams         115,000.00         37,570.12         152,570.12         152,570.12           Undistributed Expenditures - Instructional Staff Training Services:         6,334.00         6,334.00         1,363.16           Total Undistributed Expenditures - Instructional Staff Training Services         6,334.00         6,334.00         1,363.16           Undistributed Expenditures - Support Services - General Administration:         18,414.98         18,414.98         12,100.00           Undistributed Expenditures - Support Services         35,000.00         (5,000.00)         30,000.00         6,921.88           Audit Fees         20,000.00         20,000.00         20,000.00         20,000.00         20,000.00           Other Purchased Professional Services         73,943.00         91,757.04         985,700.04         985,700.04	
Undistributed Expenditures - Child Study Teams:   Salaries of Other Professional Staff   \$90,000.00   62,570.12   152,570.12   152,570.12     Other Purchased Professional and Technical Services   25,000.00   (25,000.00)     Total Undistributed Expenditures - Child Study Teams   115,000.00   37,570.12   152,570.12   152,570.12     Undistributed Expenditures - Instructional Staff Training Services:   Purchased Professional Educational Services   6,334.00   6,334.00   1,363.16     Total Undistributed Expenditures - Instructional Staff Training Services   6,334.00   6,334.00   1,363.16     Undistributed Expenditures - Support Services - General Administration:   Other Purchased Services   18,414.98   18,414.98   12,100.00     Legal Services   35,000.00   (5,000.00)   30,000.00   6,921.88     Audit Fees   20,000.00   20,000.00   20,000.00     Other Purchased Professional Services   73,943.00   911,757.04   985,700.04   985,700.04     Purchased Technical Services   27,320.90   27,320.90   27,320.90     Other Purchased Services (400-500 series)   129,360.00   (112,504.68)   16,855.32   15,891.42     Communications / Telephone   56,500.00   (31,741.37)   24,758.63   20,094.21     Support Services   3,216.00   3,216.00   3,216.00   3,216.00     Support Services   3,216.00   3,216.00   3,216.00     Other Purchased Services   3,216.00   3,216.00   3,216.00     Support Services   3,216.00   3,216.00   3,216.00     Other Purchased Services   3,216.00     Other Purchased Services   3,216.00   3,216.00     Other Purchased S	
Salaries of Other Professional Staff Other Professional And Technical Services         \$ 90,000.00 (25,000.00)         62,570.12 (25,000.00)         152,570.12         152,570.12           Total Undistributed Expenditures - Child Study Teams         115,000.00         37,570.12         152,570.12         152,570.12           Undistributed Expenditures - Instructional Staff Training Services:	
Salaries of Other Professional Staff Other Professional And Technical Services         \$ 90,000.00 (25,000.00)         62,570.12 (25,000.00)         152,570.12         152,570.12           Total Undistributed Expenditures - Child Study Teams         115,000.00 37,570.12 152,570.12         152,570.12         152,570.12           Undistributed Expenditures - Instructional Staff Training Services: Purchased Professional Educational Services         6,334.00 6,334.00 1,363.16         1,363.16           Total Undistributed Expenditures - Instructional Staff Training Services         6,334.00 6,334.00 1,363.16         1,363.16           Undistributed Expenditures - Support Services - General Administration: Other Purchased Services         18,414.98 18,414.98 12,100.00 6,921.88         12,100.00 6,921.88           Audit Fees         20,000.00 (5,000.00) 30,000.00 20,000.00 20,000.00 0         20,000.00 20,000.00 0         20,000.00 20,000.00 0           Other Purchased Professional Services         73,943.00 911,757.04 985,700.04 985,700.04 985,700.04 985,700.04 0         985,700.04 985,700.04 0           Purchased Technical Services (400-500 series)         129,360.00 (112,504.68) 16,855.32 15,891.42 0         152,570.12 152,570	
Other Purchased Professional and Technical Services         25,000.00         (25,000.00)           Total Undistributed Expenditures - Child Study Teams         115,000.00         37,570.12         152,570.12         152,570.12           Undistributed Expenditures - Instructional Staff Training Services:         6,334.00         6,334.00         1,363.16           Total Undistributed Expenditures - Instructional Staff Training Services         6,334.00         6,334.00         1,363.16           Undistributed Expenditures - Support Services - General Administration:         0ther Purchased Services         18,414.98         18,414.98         12,100.00           Legal Services         35,000.00         (5,000.00)         30,000.00         6,921.88           Audit Fees         20,000.00         20,000.00         20,000.00         20,000.00           Other Purchased Professional Services         73,943.00         911,757.04         985,700.04         985,700.04           Purchased Technical Services         27,320.90         27,320.90         27,320.90         27,320.90           Other Purchased Services (400-500 series)         129,360.00         (112,504.68)         16,855.32         15,891.42           Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00 </td <td></td>	
Undistributed Expenditures - Instructional Staff Training Services:         6,334.00         6,334.00         1,363.16           Total Undistributed Expenditures - Instructional Staff Training Services         6,334.00         6,334.00         1,363.16           Undistributed Expenditures - Support Services - General Administration:         18,414.98         18,414.98         12,100.00           Other Purchased Services         35,000.00         (5,000.00)         30,000.00         6,921.88           Audit Fees         20,000.00         20,000.00         20,000.00         20,000.00           Other Purchased Professional Services         73,943.00         911,757.04         985,700.04         985,700.04           Purchased Technical Services         27,320.90         27,320.90         27,320.90         27,320.90           Other Purchased Services (400-500 series)         129,360.00         (112,504.68)         16,855.32         15,891.42           Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00         3,216.00         3,216.00         3,216.00	
Purchased Professional Educational Services         6,334.00         6,334.00         1,363.16           Total Undistributed Expenditures - Instructional Staff Training Services         6,334.00         6,334.00         1,363.16           Undistributed Expenditures - Support Services - General Administration:           Other Purchased Services         18,414.98         18,414.98         12,100.00           Legal Services         35,000.00         (5,000.00)         30,000.00         6,921.88           Audit Fees         20,000.00         20,000.00         20,000.00         20,000.00           Other Purchased Professional Services         73,943.00         911,757.04         985,700.04         985,700.04           Purchased Technical Services         27,320.90         27,320.90         27,320.90           Other Purchased Services (400-500 series)         129,360.00         (11,504.68)         16,855.32         15,891.42           Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00         3,216.00         3,216.00         3,216.00	
Purchased Professional Educational Services         6,334.00         6,334.00         1,363.16           Total Undistributed Expenditures - Instructional Staff Training Services         6,334.00         6,334.00         1,363.16           Undistributed Expenditures - Support Services - General Administration:           Other Purchased Services         18,414.98         18,414.98         12,100.00           Legal Services         35,000.00         (5,000.00)         30,000.00         6,921.88           Audit Fees         20,000.00         20,000.00         20,000.00         20,000.00           Other Purchased Professional Services         73,943.00         911,757.04         985,700.04         985,700.04           Purchased Technical Services         27,320.90         27,320.90         27,320.90         27,320.90           Other Purchased Services (400-500 series)         129,360.00         (112,504.68)         16,855.32         15,891.42           Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00         3,216.00         3,216.00         3,216.00	
Undistributed Expenditures - Support Services - General Administration:           Other Purchased Services         18,414.98         18,414.98         12,100.00           Legal Services         35,000.00         (5,000.00)         30,000.00         6,921.88           Audit Fees         20,000.00         20,000.00         20,000.00         20,000.00           Other Purchased Professional Services         73,943.00         911,757.04         985,700.04         985,700.04           Purchased Technical Services         27,320.90         27,320.90         27,320.90         27,320.90         27,320.90         27,320.90           Other Purchased Services (400-500 series)         129,360.00         (112,504.68)         16,855.32         15,891.42           Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00         3,216.00         3,216.00         3,216.00	4,970.84
Other Purchased Services         18,414.98         18,414.98         12,100.00           Legal Services         35,000.00         (5,000.00)         30,000.00         6,921.88           Audit Fees         20,000.00         20,000.00         20,000.00         20,000.00           Other Purchased Professional Services         73,943.00         911,757.04         985,700.04         985,700.04           Purchased Technical Services         27,320.90         27,320.90         27,320.90         27,320.90           Other Purchased Services (400-500 series)         129,360.00         (112,504.68)         16,855.32         15,891.42           Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00         3,216.00         3,216.00         3,216.00	4,970.84
Audit Fees         20,000.00         20,000.00         20,000.00           Other Purchased Professional Services         73,943.00         911,757.04         985,700.04         985,700.04           Purchased Technical Services         27,320.90         27,320.90         27,320.90         27,320.90           Other Purchased Services (400-500 series)         129,360.00         (112,504.68)         16,855.32         15,891.42           Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00         3,216.00         3,216.00	6,314.98 23,078.12
Purchased Technical Services         27,320.90         27,320.90         27,320.90           Other Purchased Services (400-500 series)         129,360.00         (112,504.68)         16,855.32         15,891.42           Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00         3,216.00         3,216.00	20,010.12
Other Purchased Services (400-500 series)     129,360.00     (112,504.68)     16,855.32     15,891.42       Communications / Telephone     56,500.00     (31,741.37)     24,758.63     20,094.21       Support Services     3,216.00     3,216.00     3,216.00	
Communications / Telephone         56,500.00         (31,741.37)         24,758.63         20,094.21           Support Services         3,216.00         3,216.00         3,216.00	963.90
Support Services         3,216.00         3,216.00         3,216.00	4,664.42
General Sunniles 11 020 15 10 020 67	.,
	328.48
Miscellaneous Expenditures         22,693.33         22,693.33         22,595.15	98.18
Total Undistributed Expenditures - Support Services - General Administration 314,803.00 845,185.35 1,159,988.35 1,124,540.27	35,448.08
Undistributed Expenditures - Support Services - School Administration:	
Salaries of Principals / Assistant Principals/ Program Directors 428,000.00 (428,000.00)	
Salaries of Secretarial and Clerical Assistants 203,274.90 203,274.90 203,274.90	
Other Purchased Professional Services         7,350.00         7,350.00           Travel         10,164.50         10,164.50         8,900.00	7,350.00 1,264.50
Supplies and Materials 86,000.00 (85,201.72) 798.28 553.54	244.74
Other Objects 31,875.00 (27,210.50) 4,664.50 4,664.50	
Total Undistributed Expenditures - Support Services - School	
Administration 545,875.00 (319,622.82) 226,252.18 217,392.94	8,859.24
Undistributed Expenditures - Central Services:	
Salaries - Administrative Assistants         248,000.00         (212,249.88)         35,750.12         35,750.12	
Purchased Professional Services 5,000.00 181,239.08 186,239.08 186,215.08 Purchased Professional Techniques (1997) 181,239.08 186,239.08 186,245.00 Purchased Professional Techniques (1997) 181,239.08 186,239.0	24.00
Purchased Professional Technical Services         120,000.00         (44,456.50)         75,543.50         75,543.50           Supplies and Materials         21,167.56         21,167.56         21,107.86	58.08
Supplies and Materials 21,107.30 21,107.30 21,107.40 Interest on Current Loans 25,000.00 8,215.02 33,215.02 33,215.02	30.00
Interest on Lease Purchase Agreements 10,000.00 (10,000.00)	
Miscellaneous Expenditures         8,883.51         8,883.51         8,883.51	
Total Undistributed Expenditures - Central Services 408,000.00 (47,201.21) 360,798.79 360,716.71	82.08
Undistributed Expenditures - Required Maintenance for School Facilities:	
General Supplies 40,000.00 (40,000.00)	
Total Undistributed Expenditures - Required Maintenance for School	
Facilities 40,000.00 (40,000.00)	

(Continued)

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL
GENERAL FUND
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)  General Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services:					
Salaries - Custodial	\$ 60,000.00		6,564.00 \$	6,564.00	2 200 00
Cleaning, Repair and Maintenance Services Rental of Land and Buildings Other Than Lease Purchase	230,000.00 515,000.00	12,466.18 17,032.00	242,466.18 532,032.00	239,160.10 \$ 532,032.00	3,306.08
Insurance	22,950.00	45,923.09	68,873.09	68,873.09	
General Supplies	,	9,659.68	9,659.68	9,659.22	0.46
Utilities - Water & Sewer		6,286.15	6,286.15	6,286.15	
Energy - Electricity and Heat	200,000.00	(83,210.15)	116,789.85	115,826.85	963.00
Total Undistributed Expenditures - Custodial Services	1,027,950.00	(45,279.05)	982,670.95	978,401.41	4,269.54
Undistributed Expenditures - Security:		1.065.00	1.065.00	056.33	100.67
Purchased Professional & Technical Services	-	1,065.00	1,065.00	956.33	108.67
Total Undistributed Expenditures - Security		1,065.00	1,065.00	956.33	108.67
Total Undistributed Expenditures - Operation and Maintenance of Plant	1,067,950.00	(84,214.05)	983,735.95	979,357.74	4,378.21
Undistributed Expenditures - Student Transportation Services:					
Contracted Services (Other than Between Home and School) - Vendors	20,000.00	5,460.00	25,460.00	22,185.00	3,275.00
Total Undistributed Expenditures - Student Transportation Services	20,000.00	5,460.00	25,460.00	22,185.00	3,275.00
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	249,015.00	(109,627.60)	139,387.40	137,006.50	2,380.90
Other Retirement Contributions - PERS	90,000.00	(60,250.74)	29,749.26	21,274.20	8,475.06
Unemployment Compensation Workers' Compensation	30,923.00 47,000.00	1,200.00 (18,625.00)	32,123.00 28,375.00	31,547.76 24,550.00	575.24 3,825.00
Health Benefits	513,000.00	(5,574.91)	507,425.09	503,175.09	4,250.0
Other Employee Benefits		13,443.65	13,443.65	13,443.65	4,200.00
Total Unallocated Benefits - Employee Benefits	929,938.00	(179,434.60)	750,503.40	730,997.20	19,506.20
Reimbursed TPAF Social Security Contributions				92,833.93	(92,833.93
, .				92,833.93	(92,833.93
Total Undistributed Expenditures	3,401,566.00	331,128.93	3,732,694.93	3,748,713.38	(16,018.45
·					
Total General Current Expense	6,512,460.00	186,593.00	6,699,053.00	6,672,705.38	26,347.62
Capital Outlay: Equipment:					
Undistributed Expenditures - Instruction	75,000.00	(32,113.66)	42,886.34		42,886.34
Undistributed Expenditures - Administration	100,000.00	(99,840.24)	159.76		159.76
Total Equipment	175,000.00	(131,953.90)	43,046.10		43,046.10
Facilities Acquisition and Construction Services:					
Capital Lease Principal	12,500.00	(12,500.00)			
Total Facilities Acquisition and Construction Services	12,500.00	(12,500.00)			
Total Capital Outlay	187,500.00	(144,453.90)	43,046.10		43,046.10
Total Expenditures	6,699,960.00	42,139.10	6,742,099.10	6,672,705.38	69,393.72
excess (Deficiency) of Revenues Over (Under) Expenditures	323,393.00	(19,848.10)	303,544.90	424,292.11	120,747.21
other Financing Sources (Uses):					
Transfer to Cover Deficit - Food Service	(110,080.00)	42,139.10	(67,940.90)	(119,325.65)	(51,384.75
Total Other Financing Sources (Uses)	(110,080.00)	42,139.10	(67,940.90)	(119,325.65)	(51,384.75
xcess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	213,313.00	22,291.00	235,604.00	304,966.46	69,362.46
und Balances, July 1	85,086.10		85,086.10	85,086.10	

# COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL

Special Revenue Fund Required Supplementary Information Budgetary Comparison Schedule For the Fiscal Year Ended June 30, 2017

REVENUES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Federal Sources: Title I	\$ 158,749.00	\$ 49,827.00	\$ 208,576.00	\$ 208,576.00	
Title IIA		594.00	594.00	594.00	
Title III		26,558.00	26,558.00	26,558.00	
I.D.E.A. Basic		65,755.00	65,755.00	65,755.00	
New Jersey Charter School Implementation Grant		57,620.91	57,620.91	57,620.91	
Total - Federal Sources	158,749.00	200,354.91	359,103.91	359,103.91	
Total Revenues	158,749.00	200,354.91	359,103.91	359,103.91	
EXPENDITURES:					
Instruction:					
Salaries of Teachers	158,749.00	(52,749.00)	106,000.00	106,000.00	
Other Purchased Services	,	8,000.00	8,000.00	8,000.00	
Instructional Supplies		60,137.07	60,137.07	60,137.07	
Total Instruction	158,749.00	15,388.07	174,137.07	174,137.07	
Support Services:					
Salaries of Other Professional Staff		43.650.00	43,650.00	43,650.00	
Personal Services - Employee Benefits		38,909.00	38,909.00	38,909.00	
Purchased Professional and Technical Services		50,755.00	50,755.00	50,755.00	
Other Purchased Services		51,652.84	51,652.84	51,652.84	
Total Support Services		184,966.84	184,966.84	184,966.84	
Total Expenditures	158,749.00	200,354.91	359,103.91	359,103.91	
Excess (Deficiency) of Revenues Over (Under) Expenditures					

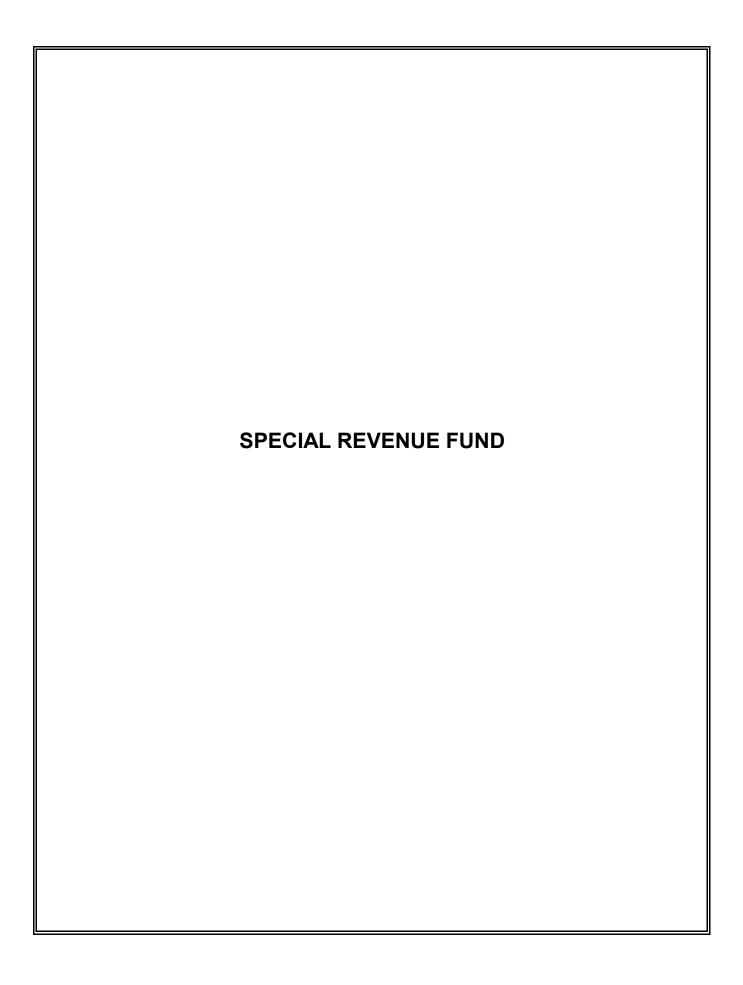
# **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Required Supplementary Information Budgetary Comparison Schedule Note to RSI For the Fiscal Year Ended June 30, 2017

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

Sources / Inflows of Resources:	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 7,096,997.49	\$ 359,103.91
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 7,096,997.49	\$ 359,103.91
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,672,705.38	\$ 359,103.91
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 6,672,705.38	\$ 359,103.91

OTHER SUPPLEMENTARY INFORMATION	

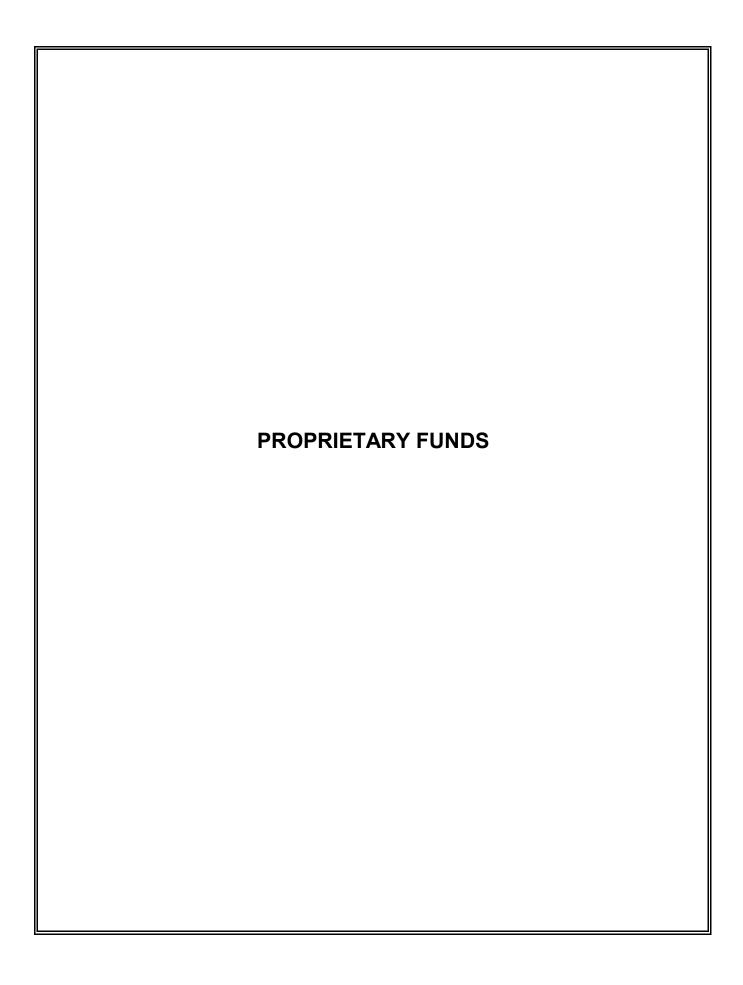


21650 Exhibit E-1

# COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL

Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

		NCLB		I.D.E.A.	New Jersey Charter School	
	<u>Title I</u>	Title II A	Title III	Basic	Implementation <u>Grant</u>	<u>Total</u>
REVENUES:						
Federal Sources	\$208,576.00	\$ 594.00	\$26,558.00	\$ 65,755.00	\$ 57,620.91	\$ 359,103.91
Total Revenues	208,576.00	594.00	26,558.00	65,755.00	57,620.91	359,103.91
EXPENDITURES:						
Instruction: Salaries of Teachers Other Purchased Services Instructional Supplies	106,000.00 20,017.00		8,000.00 12,000.00	15,000.00	13,120.07	106,000.00 8,000.00 60,137.07
Total Instruction	126,017.00		20000.00	15000.00	13,120.07	174,137
Support Services: Salaries of Other Professional Staff Personal Services - Employee Benefits Purchased Professional and Technical Services Other Purchased Services	43,650.00 38,909.00	594.00	6,558.00	50,755.00	44,500.84	43,650.00 38,909.00 50,755.00 51,652.84
Total Support Services	82,559.00	594.00	6,558.00	50,755.00	44,500.84	184,966.84
Total Expenditures	208,576.00	594.00	26,558.00	65,755.00	57,620.91	359,103.91
Excess (Deficiency) of Revenues Over (Under) Expenditures						



21650 Exhibit G-1

# **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Enterprise Funds Statement of Net Position June 30, 2017

	Food <u>Service</u>
ASSETS:	
Current Assets: Intergovernmental Accounts Receivable: Federal State	\$ 51,486.56 869.02
Total Current Assets	52,355.58
Total Assets	52,355.58
LIABILITIES:	
Current Liabilities: Accounts Payable Due to General Fund	41,236.80 11,118.78
Total Liabilities	52,355.58
NET POSITION:	
Unrestricted	
Total Net Position	\$ -

21650 Exhibit G-2

# **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017

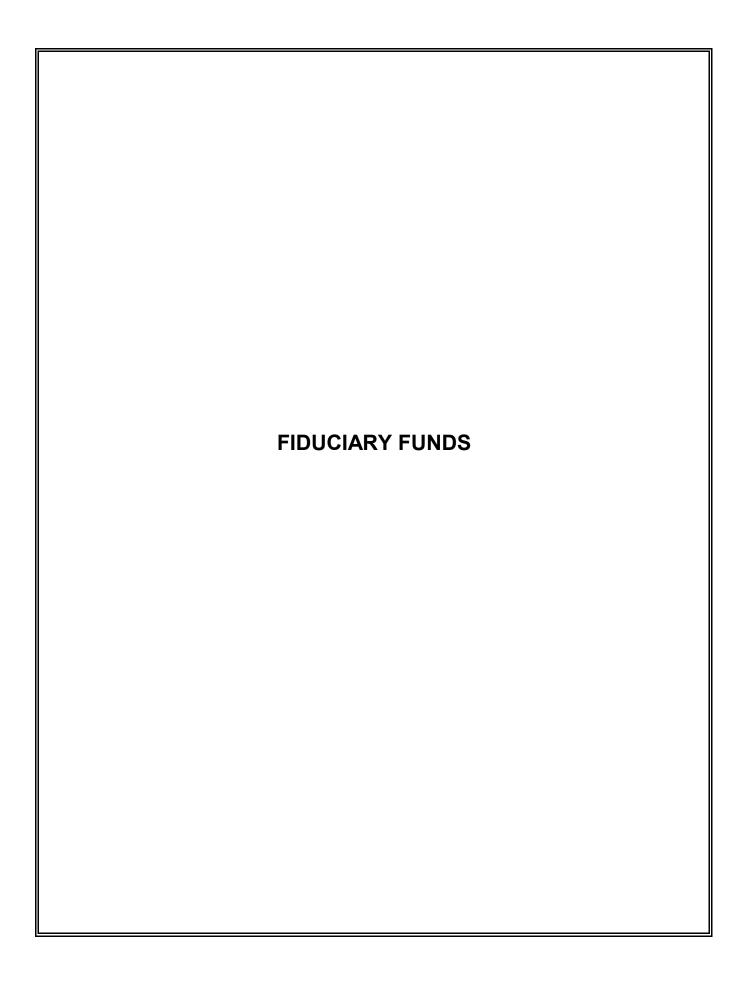
	Food <u>Service</u>
OPERATING REVENUES:	
Charges for Services: Daily Sales - Reimburseable Programs	\$ 7,728.45
Total Operating Revenues	7,728.45
OPERATING EXPENSES:	
Cost of Sales Reimburseable Programs Salaries Supplies and Materials Miscellaneous	166,256.90 67,940.90 6,642.30 65,699.97
Total Operating Expenses	306,540.07
Operating Income (Loss)	(298,811.62)
NONOPERATING REVENUES:	
State Sources: State School Lunch Program Federal Sources: National School Lunch Program National School Breakfast Program	2,966.08 150,181.40 26,338.49
Total Nonoperating Revenues	179,485.97
Income (Loss) before Contributions and Transfers	(119,325.65)
Operating Transfer In - General Fund	119,325.65
Change in Net Position	
Net Position, July 1	
Net Position, June 30	\$ -

21650 Exhibit G-3

# **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Enterprise Funds Statement of Cash Flows For the Fiscal Year Ended June 30, 2017

	Food <u>Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers Payments to Employees Payments to Suppliers	\$ 7,728.45 (57,493.61) (306,911.88)
Net Cash Provided by (used for) Operating Activities	 (356,677.04)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Federal Sources State Sources Subsidies and Transfers	150,301.55 2,542.44 119,325.65
Net Cash Provided by (used for) Non-Capital Financing Activities	 272,169.64
Net Increase (Decrease) in Cash and Cash Equivalents	(84,507.40)
Cash and Cash Equivalents, July 1	 84,507.40
Cash and Cash Equivalents, June 30	\$ <u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:  Operating Income (Loss)  Adjustments to Reconcile Operating Income (Loss) to Net Cash  Provided by (used for) Operating Activities:	\$ (298,811.62)
Increase (Decrease) in Interfund Payable Increase (Decrease) in Compensated Absences Payable Increase (Decrease) in Accounts Payable	11,118.78 (671.49) (68,312.71)
Total Adjustments	 (57,865.42)
Net Cash Provided by (used for) Operating Activities	\$ (356,677.04)



21650 Exhibit H-1

## **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2017

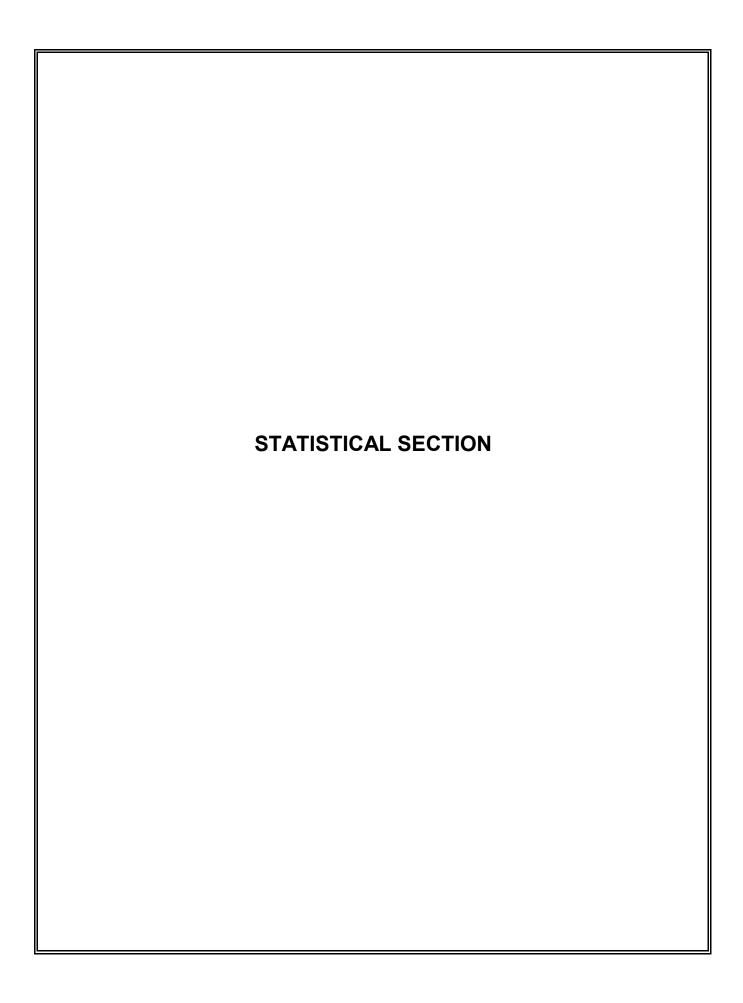
	Agency Fund
ASSETS:	Payroll
Cash and Cash Equivalents	\$ 30,811.95
Total Assets	\$ 30,811.95
LIABILITIES:	
Payroll Deductions and Withholdings	\$ 30,811.95
Total Liabilities	\$ 30,811.95

21650 Exhibit H-4

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2017

	Balance July 01, 2016		Additions	Deletions	Balance June 30, 2017	
ASSETS:						
Cash and Cash Equivalents	\$	23,334.43	\$ 3,231,474.99	\$ 3,223,997.47	\$	30,811.95
Total Assets	\$	23,334.43	\$ 3,231,474.99	\$ 3,223,997.47	\$	30,811.95
LIABILITIES:						
Payroll Deductions and Withholdings Net Payroll	\$	23,334.43	\$ 1,180,682.17 2,050,792.82	\$ 1,173,204.65 2,050,792.82	\$	30,811.95
Total Liabilities	\$	23,334.43	\$ 3,231,474.99	\$ 3,223,997.47	\$	30,811.95



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 Two Fiscal Years (accrual basis of accounting) Unaudited

		Fiscal year Ended			
		<u>2017</u>		<u>2016 (1)</u>	
Governmental Activities Net Investment in Capital Assets Restricted Unrestricted	\$	3,519.98 4,475.00 334,767.89	\$	3,959.98 4,475.00 19,456.91	
Total Governmental Activities Net Position	\$	342,762.87	\$	27,891.89	
Business-type Activities Unrestricted					
Total Business-type Activities Net Assets	\$		\$	_	
Government-wide Net Investment in Capital Assets Restricted Unrestricted	\$	3,519.98 4,475.00 334,767.89	\$	3,959.98 4,475.00 19,456.91	
Total Government-wide Net Position	_\$_	342,762.87	\$	27,891.89	

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

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Changes in Net Position
Last Two Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal year Ended				
	<u>2017</u>	<u>2016 (1)</u>			
Expenses					
Governmental Activities Regular Instruction Special Education Instruction School Sponsored Extra Curricular Activities Instruction	\$ 3,021,312.48 63,795.20 144.00	\$ 1,736,701.47 89,132.64			
School Sponsored Athletics Instruction Support Services and Undistributed Costs:	5,276.14	847.19			
Student and Instruction Related Services School Administrative Services Other Administrative Services Plant Operations and Maintenance Pupil Transportation Unallocated Benefits TPAF Pension and Social Security	367,379.56 215,062.10 1,481,624.86 982,385.30 22,185.00 769,906.20 92,833.93	410,281.32 439,602.63 529,319.61 615,096.30 13,326.40 396,900.84			
Total Governmental Activities Expenses	7,021,904.77	4,231,208.40			
Business-type Activities:					
Food Service	306,540.07	210,986.91			
Total Business-type Activities Expense	306,540.07	210,986.91			
Total Government-wide Expenses	\$ 7,328,444.84	\$ 4,442,195.31			
Program Revenues Governmental Activities: Operating Grants and Contributions	\$ 451,937.84	\$ 430,603.09			
Total Governmental Activities Program Revenues	451,937.84	430,603.09			
Business-type activities: Food Services:					
Charges for services Operating Grants and Contributions	7,728.45 179,485.97	13,761.11 62,995.72			
Total Business-type Activities Program Revenues	187,214.42	76,756.83			
Total Governmental-wide Program Revenues	\$ 639,152.26	\$ 507,359.92			
Net (Expense)/Revenue Governmental Activities Business-type Activities	\$ (6,569,966.93) (119,325.65)	\$ (3,800,605.31) (134,230.08)			
Total Government-Wide Net Expense	\$ (6,689,292.58)	\$ (3,934,835.39) (Continued)			

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Changes in Net Position
Last Two Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal year Ended				
	<u>2017</u>	<u>2016 (1)</u>			
General Revenues and Other Changes in Net Position Governmental Activities:					
Charter School Aid Miscellaneous Income Transfers	\$ 6,943,586.00 60,577.56 (119,325.65)	\$ 3,938,063.00 24,664.28 (134,230.08)			
Total Governmental Activities	6,884,837.91	3,828,497.20			
Business-type Activities: Transfers	119,325.65	134,230.08			
Total Business-type Activities	119,325.65	134,230.08			
Total Government-wide	\$ 7,004,163.56	\$ 3,962,727.28			
Change in Net Position Governmental Activities Business-type Activities	\$ 314,870.98	\$ 27,891.89			
Total Government-wide	\$ 314,870.98	\$ 27,891.89			

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

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Fund Balances - Governmental Funds
Last Two Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal year Ended			
	2017	2016 (1)		
General Fund Unassigned	\$ 390,052.56	\$	85,086.10	
Total General Fund	\$ 390,052.56	\$	85,086.10	
All Other Governmental Funds Restricted	\$ 4,475.00	\$	4,475.00	
Total All Other Governmental Funds	\$ 4,475.00	\$	4,475.00	

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

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Changes in Fund Balances, Governmental Funds Last Two Fiscal Years (modified accrual basis of accounting) Unaudited

	 Fiscal year Ended				
	<u>2017</u>		<u>2016 (1)</u>		
Revenues					
Local Sources	\$ 60,577.56	\$	29,139.28		
State Sources	7,036,419.93		3,938,063.00		
Federal Sources	 359,103.91		426,128.09		
Total Revenue	 7,456,101.40		4,393,330.37		
Expenditures					
Regular Instruction	3,027,123.56		1,690,343.08		
Special Education Instruction	65,585.37		83,868.39		
School Sponsored Extra Curricular Activities Instruction	144.00				
School Sponsored Athletics Instruction	5,276.14		847.19		
Support Services and Undistributed Costs:	200 747 42		400 500 00		
Student and Instruction Related Services	366,747.43		406,509.30		
School Administrative Services	217,392.94		437,271.79		
Other Administrative Services	1,485,256.98		525,687.49		
Plant Operations and Maintenance Pupil Transportation	979,357.74 22,185.00		615,096.30 13,326.40		
Unallocated Benefits	769,906.20		392,189.27		
TPAF Pension and Social Security	92,833.93		4,399.98		
Total Expenditures	 7,031,809.29		4,169,539.19		
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	 424,292.11		223,791.18		
Other Financing Sources (Uses)					
Transfer to Food Service Enterprise Fund	 (119,325.65)		(134,230.08)		
Total Other Financing Sources (Uses)	 (119,325.65)		(134,230.08)		
Net Change in Fund Balances	\$ 304,966.46	\$	89,561.10		
Debt Service as a Percentage of					
Noncapital Expenditures	N/A		N/A		

<sup>(1)</sup> 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 Two Fiscal Years (modified accrual basis of accounting) Unaudited

	June 30,			
	 2017 2016 (1)		2016 (1)	
Book Fair		\$	2,255.91	
Fall Festival			2,264.00	
Field Trip Fees			5,314.00	
Fundraising Events and Donations	\$ 11,041.50		10,689.37	
Lost Book Fees			56.00	
Prior Year Refund	41,466.06			
Summer Camp	8,070.00		1,690.00	
T-Shirt Sales			1,095.00	
Yearbook	 		1,300.00	
	\$ 60,577.56	\$	24,664.28	

Source: Charter School Records

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

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ion	tanding and assessin debt. Please refer to utstanding debt and i
y Informat	issue additional of
Capacity	nd its ability to
Debt	ool's debt burden ar
	Charter School

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Ratios of Outstanding Debt by Type Last Two Fiscal Years Unaudited

		<u>Governme</u>	ntal Activities		Business-Type <u>Activities</u>			
Fiscal Year Ended June 30,	General Obligation Bonds	Mortages Payable	Capital Leases	Loan Payable	Capital Leases	Total Charter School	Percentage of Personal Income	Per Capita
2017 2016 (1)	N/A N/A	N/A N/A	N/A N/A	N/A N/A	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.

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

Domographic and Economic Information
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)	Pe P	Union County er Capita ersonal come (4)	Unemployment Rate (5)
2017	Unavailable		Unavailable	Unavailable		Unavailable
2016	50,636	Unavailable		Unavailable		6.7%
2015	51,217	\$	3,077,578,313	\$	60,089	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%

#### 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

		2008 (1)				
Employer (1)	Employees	Rank	Percentage of Total Labor Force	Employees	Rank	Percentage of Total Labor Force

<sup>(1)</sup> 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 Two Fiscal Years
Unaudited

<u>Function/Program</u>	<u>2017</u>	<u>2016 (1)</u>
Instruction:		
Regular	45	25
Special Education	7	3
Support Services:		
Student & Instruction Related Services	2	2
General Administration	0	1
School Administrative Services	2	2
Central Services	2	2
Food Services	5	2
Total	63	37

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 Two Fiscal Years Unaudited

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio Elementary (K-5)	Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
2017	602	\$ 7,031,809.29	\$ 11,680.75	-5.03%	47	12:01	586.4	553.04	71.46%	94.31%
2016 (4)	339	4,169,539.19	12,299.53	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 Two Fiscal Years Unaudited

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

## **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Insurance Schedule June 30, 2017 Unaudited

	Coverage			Deductible	
Policy Level Information		_			
Commercial Property Coverages:					
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			
Commercial General Liability Coverages:					
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			
Fiolessional Elability		1,000,000.00			
Commercial Automobile Schedule:					
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			
Workers' Compensation Coverages:					
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			
Commercial Umbrella Coverages:					
Bodily Injury and Property Damage Combined Single Limit of Liability		2,000,000.00			
Aggregate Limit		2,000,000.00			
Public Officials Bonds					
School Business Administrator		180,000.00			
Schedule of Additional Premier Enhancement Endorsement Coverage and Limits:					
Earthquake Coverage (Each Movement)		25,000			
Earthquake Sprinklers Leakage		25,000			
Newly Acquired Property (180 days)		300,000			
Business Personal Property (within 1500 fee)		000,000			
Flood or Backup of Sewers and Drains		25,000			
Ordinance of Law - Undamaged Portion of the Building (Building Limit)		20,000			
Ordinance of Law - Ordaniaged Fortion of the Building (Building Elimit)		500,000			
Ordinance of Law - Demonition Cost Ordinance of Law - Increased Cost		500,000			
Accounts Receivable		75,000			
Valuable Papers		75,000 75,000			
Personal Effects / Property of Others	10.0	00.00 / 35,000.00			
	10,0				
Computer/EDP Coverage for each Described Premises		35,000			

(Continued)

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Insurance Schedule June 30, 2017 Unaudited

	Coverage	Deductible
Schodula of Additional Bromier Enhancement Endergement Coverage and Limits (Control		
Schedule of Additional Premier Enhancement Endorsement Coverage and Limits (Cont'd) Property Off Premises - Including Stock; Property at Conventions; Fairs; \$	500,000	
Exhibitions or Special Events	75,000	
Property in Transit	50,000	
Outdoor Property Including Playground and Exercise	00,000	
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	

# **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 schoools 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

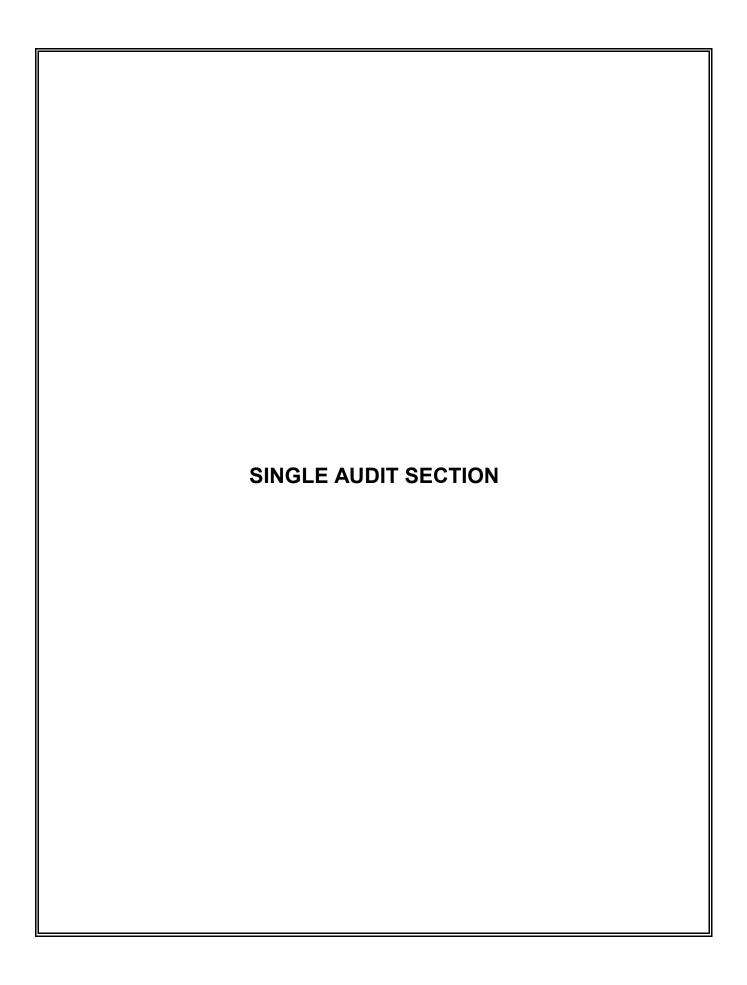
Charter School Performance Framework Financial Indicators - Fiscal Ratios Unaudited

		2015 (1)		2016		2017		
		Audit		Audit		Audit	Source	_
	Cash	NA	\$	186,178.41	\$	297,594.59	Audit: Exhibit A-1	
	Current Assets	NA		302,030.02		724,981.23	Audit: Exhibit A-1	
	Total Assets	NA		305,990.00		728,501.21	Audit: Exhibit A-1	
	Current Liabilities	NA		211,797.42		330,453.67	Audit: Exhibit A-1	
	Total Liabilities	NA		278,098.11		385,738.34	Audit: Exhibit A-1	
	Net Position	NA		27,891.89		342,762.87	Audit: Exhibit A-1	
	Total Revenue	NA		3,962,727.28		7,004,163.56	Audit: Exhibit A-2	
	Total Expenses	NA		3,934,835.39		6,689,292.58	Audit: Exhibit A-2	
	Change in Net Position	NA		27,891.89		314,870.98	Audit: Exhibit A-2	
	Depreciation Expense	NA		440.00		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		342.00		602.0	DOE Enrollment Reports	
	March 30th Budgeted Enrollment	NA		341.30		602.0	Charter School Budget	
		RATIOS ANALYSIS						
Near T	erm Indicators	2015 (1)		2016		2017	3 YR CUM (1)	Source:
1a.	Current Ratio	NA		1.43		2.19	NA	Current Assets/Current Liabilities
1b.	Unrestricted Days Cash	NA		17.27		16.24	NA	Cash/(Total Expenses/365)
1c.	Enrollment Variance	NA		100.2%		100.0%	NA	Average Daily Enrollment/Budgeted Enrollmen
1d.*	Default	NA		NA		NA	NA	Audit
Sustai	nability Indicators							
2a.	Total Margin	NA		1%		4%	NA	Change in Net Position/Total Revenue
2b.	Debt to Asset	NA		0.91		0.53	NA	Total Liabilities/Total Assets
2c. **	Cash Flow	NA		186,178.41		111,416.18	NA	Net change in cash flow from prior years (Change in Net Position+Depreciation+Interes
2d.	Debt Service Coverage Ratio	NA		NA		NA	NA	Expense)/(Principal & Interest Payments)

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

<sup>2017 = 2017</sup> Cash- 2016 Cash; 2016 = 2016 Cash (First Fiscal Year)

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





## 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 fiscal year ended June 30, 2017. 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 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 fiscal year ended June 30, 2017.

#### **Other Matters**

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the New Jersey Circular 15-08-OMB, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as item 2017-001. Our opinion on each state program is not modified with respect to this matter.

The Charter School's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Charter School's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **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 the 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. We consider the deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance, as item 2017-001 to be a significant deficiency.

The Charter School's response to the internal control over compliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the 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

Townan ? Company LCP

Voorhees, New Jersey December 4, 2017

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL Schedule of Expenditures of Federal Awards, Schedule A For the Fiscal Year Ended June 30, 2017

Federal Grantor/ Pass-through Grantor / Program or Cluster Title	Federal CFDA <u>Number</u>	Federal FAIN <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	Program or Award <u>Amount</u>	<u>Grai</u> <u>From</u>	nt Period <u>To</u>	Balance July 1, 2016
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	NCLB610117	\$ 208,576.00	7/1/2016	6/30/2017	
Total Title I, Part A							
Title II, Part A, Improving Teacher Quality	84.367	S367A150029	NCLB610117	594.00	7/1/2016	6/30/2017	
Total Title II, Part A							
Title III	84.365	S365A150030	NCLB610117	26,558.00	7/1/2016	6/30/2017	
Total Title III							
Total No Child Left Behind (NCLB)							
I.D.E.A. Part B Basic	84.027	H027A150100	IDEA610117	65,755.00	7/1/2016	6/30/2017	
Total I.D.E.A. Part B Cluster							
Public Charter School Program:							
New Jersey Charter School Implementation Grant	84.282A	U282A120015	16-CA87-B-07	275,000.00	11/1/2015	10/31/2017	\$ 27,620.91
Total Public Charter School Program							27,620.91
Total U.S. Department of Education							27,620.91
Total Special Revenue Fund							27,620.91
Enterprise Fund:							
U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster: Cash Assistance:							
National School Lunch Program National School Lunch Program	10.555 10.555	16161NJ304N1099 17161NJ304N1099	N/A N/A	52,972.89 150,181.40	07/01/15 07/01/16	06/30/16 06/30/17	(21,359.70)
School Breakfast Program School Breakfast Program	10.553 10.553	16161NJ304N1099 17161NJ304N1099	N/A N/A	8,888.69 26,338.49	07/01/15 07/01/16	06/30/16 06/30/17	(3,908.52)
Total Enterprise Fund and Child Nutrition Cluster							(25,268.22)
Total Federal Financial Assistance							\$ 2,352.69

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.

		Budge	tary Expe					<u>B</u>	alance June 30, 201	<u>7</u>
Carryover / (Walkover) <u>Amount</u>	Cash <u>Received</u>	Pass-Through <u>Funds</u>	Direct <u>Funds</u>	Total Budgetary <u>Expenditures</u>	Passed - Through to <u>Subrecipients</u>	<u>Adjustments</u>	Repayment of Prior Years' <u>Balances</u>	(Accounts Receivable)	Unearned <u>Revenue</u>	Due to <u>Grantor</u>
	\$ 104,300.00	\$ (208,576.00)		\$ (208,576.00)				\$ (104,276.00)		
	104,300.00	(208,576.00)		(208,576.00)				(104,276.00)		
	594.00	(594.00)		(594.00)						
	594.00	(594.00)		(594.00)						
	13,250.00	(26,558.00)		(26,558.00)				(13,308.00)		
	13,250.00	(26,558.00)		(26,558.00)				(13,308.00)		
	118,144.00	(235,728.00)		(235,728.00)				(117,584.00)		
	32,500.00	(65,755.00)		(65,755.00)				(33,255.00)		
	32,500.00	(65,755.00)		(65,755.00)				(33,255.00)		
		(57,620.91)		(57,620.91)				(30,000.00)		
		(57,620.91)		(57,620.91)				(30,000.00)		
	150,644.00	(359,103.91)		(359,103.91)				(180,839.00)		
	150,644.00	(359,103.91)		(359,103.91)				(180,839.00)		
	21,359.70 105,296.96 3,908.52	(150,181.40)		(150,181.40)				(44,884.44)		
	19,736.37	(26,338.49)		(26,338.49)				(6,602.12)		
	150,301.55	(176,519.89)		(176,519.89)				(51,486.56)		
\$ -	\$ 300,945.55	\$ (535,623.80)	\$ -	\$ (535,623.80)	\$ -	\$ -	\$ -	\$ (232,325.56)	\$ -	\$ -

COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2017

State Grantor/ Program Title General Fund:	Grant or State Project <u>Number</u>	Program or Award <u>Amount</u>	<u>Grant Period</u> <u>From</u> <u>To</u>		Balance July 1, 2016	Carryover / (Walkover) <u>Amount</u>
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  Local Levy Equalization Aid - State and Local Share	16-495-034-5120-078 17-495-034-5120-078	\$ 3,776,011.00 6,585,353.00	7/1/15 7/1/16	6/30/16 6/30/17	\$ (30,603.00)	
Special Education Categorical Aid Security Aid Security Aid	17-495-034-5120-089 16-495-034-5120-084 17-495-034-5120-084	156,149.00 104,093.00 154.088.00	7/1/16 7/1/15 7/1/16	6/30/17 6/30/16 6/30/17	(1,196.00)	
Total State Aid Public	11 400 004 0120 004	104,000.00	771710	0,00,11	(31,799.00)	
Total Passed-Through Local Education Agencies					(31,799.00)	
Charter School Aid Non-public State Aid	17-495-034-5120-078	47,996.00	7/1/16	6/30/17		
Total Charter School Aid					(31,799.00)	
Reimbursed T.P.A.F. Social Security Contributions	17-495-034-5094-003	92,833.93	7/1/16	6/30/17		
Total General Fund					(31,799.00)	
Food Service Enterprise Fund:						
New Jersey Department of Agriculture: National School Lunch Program (State Share)	17-100-010-3350-023	2,966.08	7/1/16	6/30/17	(445.39)	
Total State Financial Assistance					\$ (32,244.39)	\$ -

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>Balar</u>	nce June 30, 20	<u>17</u>	<u>Memo</u>		
Cash	Total Budgetary	Passed - Through	A diverture and a	Repayment of Prior Years'	(Accounts	Unearned	Due to	Budgetary Receivable	Cumulative Total	
Received	<u>Expenditures</u>	Subrecipients	<u>Adjustments</u>	<u>Balances</u>	Receivable)	Revenue	<u>Grantor</u>	June 30, 2017	<u>Expenditures</u>	
\$ 58,863.00 6,570,721.00	\$ (6,585,353.00)				\$ (7,829.00) (99,961.00)		\$ 36,089.00 102,430.00		\$ 3,776,011.00 6,585,353.00	
150,568.00	(156,149.00)				(5,581.00)		102,430.00		156,149.00	
1,196.00 150,530.00	(154,088.00)				(3,558.00)				104,093.00 154,088.00	
6,931,878.00	(6,895,590.00)				(116,929.00)		138,519.00		10,775,694.00	
6,931,878.00	(6,895,590.00)				(116,929.00)		138,519.00		10,775,694.00	
52,397.00	(47,996.00)						4,401.00		47,996.00	
6,984,275.00	(6,943,586.00)				(116,929.00)		142,920.00		10,823,690.00	
78,444.87	(92,833.93)				(14,389.06)					
7,062,719.87	(7,036,419.93)				(131,318.06)		142,920.00		10,823,690.00	
2 542 45	(2.066.00)				(869.02)				2.066.00	
2,542.45	(2,966.08)				(009.02)				2,966.08	
\$ 7,065,262.32	\$ (7,039,386.01)	\$ -	\$ -	\$ -	\$ (132,187.08)	\$ -	\$ 142,920.00	\$ -	\$ 10,826,656.08	

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance For the Fiscal Year Ended June 30, 2017

#### 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. 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, with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are 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.

#### 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		\$ 7,036,419.93	\$ 7,036,419.93
Special Revenue	\$ 359,103.91		359,103.91
Food Service	176,519.89	2,966.08	179,485.97
Total Awards and Financial Assistance	\$ 535,623.80	\$7,039,386.01	\$ 7,575,009.81

#### 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: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2017, the Charter School was the recipient of state assistance that represented a reimbursement to the Charter School. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year.

#### Note 6: 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 Fiscal Year Ended June 30, 2017

Section 1- Summary of Auditor's Results							
Financial Statements							
Type of auditor's report issued			Ur	nmodified			
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 n	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 with Section 516 of Title 2 U.S. Code of Fede Uniform Administrative Requirements, Cost Requirements for Federal Awards (Uniform Comments of Comm	yes	no					
Identification of major programs:							
CFDA Number(s)	FAIN Number(s)	Name of Federal Program o	or Cluster				
		_					
Dollar threshold used to determine Type A progra	ams						
Auditee qualified as low-risk auditee?			yes	no			

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2017

#### Section 1- Summary of Auditor's Results (Cont'd) **State Financial Assistance** Internal control over major programs: \_\_yes \_X no Material weakness(es) identified? X yes \_\_\_\_none reported Significant deficiency(ies) identified? Type of auditor's report issued on compliance for major programs Unmodified Any audit findings disclosed that are required to be reported in X yes \_\_\_\_no accordance with New Jersey Circular 15-08-OMB? Identification of major programs: GMIS Number(s) Name of State Program State Aid Public Cluster: 17-495-034-5120-078 **Equalization Aid** 17-495-034-5120-089 Special Education Categorical Aid 17-495-034-5120-084 Security Aid Dollar threshold used to determine Type A programs \$750,000.00

yes X no

Auditee qualified as low-risk auditee?

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2017

#### 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 Fiscal Year Ended June 30, 2017

#### 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 Fiscal Year Ended June 30, 2017

#### 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.

#### Finding No. 2017-001

#### Information on the State Program

Equalization Aid (GMIS No. 495-034-5120-078); Special Education Categorical Aid (GMIS No. 495-034-5120-089); Security Aid (GMIS No. 495-034-5120-084)

#### Criteria or Specific Requirement

The reporting of low income status for a student should be supported by an application for free or reduced lunch which has met the low income level requirements or other factors for eligibility.

#### Condition

Our audit of enrollment disclosed several instances where the reporting for low income was not in agreement with the documentation on file.

#### **Questioned Costs**

None.

#### Context

The audit of enrollment included the low income status for 392 students. The results were that for 43 of these students, either the eligibility was not properly calculated or an application was not available for audit.

#### **Effect**

Inaccurate enrollment data can have a material effect on the revenues where low income status is a factor.

#### <u>Cause</u>

Information reported for enrollment was not properly reviewed with supporting records.

#### Recommendation

That the reporting of students with low income status be supported by complete and accurate documentation as required by the New Jersey Department of Education.

#### **View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

#### **COLLEGE ACHIEVE CENTRAL CHARTER SCHOOL**

Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management

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 FINDING	S
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None.

**FEDERAL AWARDS** 

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.