

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2017

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

***University Academy Charter High School
Jersey City, New Jersey***

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Prepared by

***University Academy Charter High School
Finance Department***

And

Barre & Company LLC, CPAs

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UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Support Services:					
Salaries	\$ 706,000	\$ -	\$ 706,000	\$ 705,577	\$ 423
Purchased Prof/Tech Services	65,000	-	65,000	90,019	(25,019)
Rental of Land and Buildings	785,300	-	785,300	856,758	(71,458)
Other Purchased Services	92,500	-	92,500	116,189	(23,689)
Transportation-Other Than To/From School	47,500	-	47,500	70,137	(22,637)
Insurance for Property, Liability and Fidelity	86,500	-	86,500	86,792	(292)
Supplies and Materials	15,500	-	15,500	15,203	297
Miscellaneous Expenses	11,500	-	11,500	11,149	351
Total Support Services	1,809,800	-	1,809,800	1,951,824	(142,024)
Capital Outlay:					
Instructional Equipment	79,000	-	79,000	78,871	129
Non-Instructional Equipment	14,500	-	14,500	21,087	(6,587)
Miscellaneous Expenses	4,000	-	4,000	3,939	61
Total Capital Outlay	97,500	-	97,500	103,897	(6,397)
Reimbursed TPAF Social Security					
Contributions (Non-Budgeted)	-	-	-	239,045	(239,045)
On Behalf Reimbursed TPAF Pension Aid (Non-Budgeted)	-	-	-	277,284	(277,284)
On Behalf Reimbursed TPAF Post Retirement Contributions (Non-Budgeted)				231,042	(231,042)
On Behalf Reimbursed TPAF Long-Term Disability Contributions (Non-Budgeted)				769	(769)
Total Expenditures	6,572,440	-	6,572,440	7,177,576	(605,136)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,940)	-	(186,940)	(279,476)	(92,536)
FUND BALANCE, JULY 1	2,286,338	-	2,286,338	2,286,338	-
FUND BALANCE, JUNE 30	\$ 2,099,398	\$ -	\$ 2,099,398	\$ 2,006,862	\$ (92,536)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ 2,099,398	\$ -	\$ 2,099,398	\$ 2,006,862	\$ (92,536)
Total	\$ 2,099,398	\$ -	\$ 2,099,398	\$ 2,006,862	\$ (92,536)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 337,275	\$ -	\$ 337,275	\$ 337,275	\$ -
Total Revenues	339,275	-	339,275	339,275	-
EXPENDITURES:					
Instruction:					
Salaries	90,739	-	90,739	90,739	-
Other Purchased Services	17,801	-	17,801	17,801	-
General Supplies	208,726	-	208,726	208,726	-
Other Objects	2,000	-	2,000	2,000	-
Total Instruction	319,266	-	319,266	319,266	-
Support Services:					
Personal Services - Employee Benefits	20,009	-	20,009	20,009	-
Total Support Services	20,009	-	20,009	20,009	-
Total Expenditures	339,275	-	339,275	339,275	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 Fiscal Year Ended June 30, 2017

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 6,898,100	[C-2] \$ 339,275
 Difference - Budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 6,898,100	[B-2] \$ 339,275
 Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 7,177,576	[C-2] \$ 339,275
 Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		-
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 7,177,576	[B-2] \$ 339,275

REQUIRED SUPPLEMENTARY INFORMATION – PART III

***SCHEDULE L – SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
PENSIONS (GASB 68)***

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST 4 FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,			
	2014	2015	2016	2017
Charter School's proportion of the net pension liability	0.00494267%	0.00519502%	0.005976398%	0.005050396%
Charter School's proportionate share of the net pension liability	\$ 944,642	\$ 944,642	\$ 1,341,582	\$ 1,495,783
Charter School's covered employees payroll	\$ 922,433	\$ 1,042,993	\$ 377,100	\$ 415,847
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	102%	91%	356%	360%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	47.93%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST 4 FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,			
	2014	2015	2016	2017
Contractually required contribution	\$ 37,242	\$ 42,827	\$ 52,484	\$ 52,484
Contributions in relation to the contractually required contribution	(37,242)	(42,827)	(52,484)	(46,210)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ 6,274
Charter School's covered employee payroll	\$ 922,433	\$ 1,042,993	\$ 377,100	\$ 415,847
Contributions as a percentage of covered employee payroll	4.04%	4.11%	13.92%	12.62%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHER'S PENSION AND ANNUITY FUND
 LAST 4 FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,			
	2014	2015	2016	2017
State's proportion of the net pension liability attributable of the Charter School	0.0229637%	0.0234783%	0.02718721%	0.02467427%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 11,605,693	\$ 12,548,369	\$ 17,183,477	\$ 19,410,352
Charter School's covered employees payroll	\$ 2,757,193	\$ 2,898,099	\$ 3,010,989	\$ 3,141,802
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	420.92%	432.99%	570.69%	617.81%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2017

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016 in accordance with Paragraph 44 of GASB Statement No. 67.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2017

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SECTION E – SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Special Revenue Fund

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

	Local Grant	NCLB Title I	I.D.E.A. Part B	NCLB Title II	Grand Total
REVENUE SOURCES:					
Local	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000
Federal		232,343	103,627	1,305	337,275
Total Revenues	2,000	232,343	103,627	1,305	339,275
EXPENDITURES:					
Instruction:					
Salaries		20,000	70,739		90,739
Other Purchased Services		2,000	14,496	1,305	17,801
General Supplies		208,726			208,726
Other Objects	2,000			-	2,000
Total Instruction	2,000	230,726	85,235	1,305	319,266
Support Services:					
Personal Services - Employee Benefits		1,617	18,392		20,009
Total Support Services	-	1,617	18,392	-	20,009
Total Expenditures	2,000	232,343	103,627	1,305	339,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**SECTION G – PROPRIETARY FUND
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the charter school’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the Charter School.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND
B-6.**

**SECTION H – FIDUCIARY FUNDS
DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school for a specific purpose.

Unemployment Insurance Compensation Trust Fund – This expendable trust fund is used to account for deductions from employee’s salaries which are utilized to pay unemployment compensation claims as they arise.

Agency Funds are used to account for assets held by the Charter School as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – this agency fund is used to account for payroll transactions of the Charter School.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 As of June 30, 2017

	Payroll Agency	Net Payroll	Student Activities	Total Agency Fund
ASSETS:				
Cash and Cash Equivalents	\$ 10,759	\$ 454,430	\$ 17,015	\$ 482,204
Interfund Accounts Receivable	15,964			15,964
Total Assets	\$ 26,723	\$ 454,430	\$ 17,015	\$ 498,168
LIABILITIES:				
Interfund Accounts Payable	\$ -	\$ 454,430	\$ -	\$ 454,430
Accounts Payable	26,723	-	-	26,723
Due to Student Groups			17,015	17,015
Total Liabilities	\$ 26,723	\$ 454,430	\$ 17,015	\$ 498,168

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Fiduciary Funds

Student Activity Agency Fund

Schedule of Receipts and Disbursements

For the Fiscal Year Ended June 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
UACHS Student Activity Club	\$ 24,382	\$ -	\$ 10,480	\$ 13,902
UACHS Journalism Club	409		344	65
UACHS Student Track Club	102	2,946	-	3,048
Total	<u>\$ 24,893</u>	<u>\$ 2,946</u>	<u>\$ 10,824</u>	<u>\$ 17,015</u>

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Fiduciary Funds
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
ASSETS:				
Cash and Cash Equivalents	\$ 10,756	\$ 3	\$ -	\$ 10,759
Interfund Accounts Receivable	15,967		3	15,964
Total Assets	<u>\$ 26,723</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 26,723</u>
LIABILITIES:				
Accounts Payable	\$ 26,723	\$ 3	\$ 3	\$ 26,723
Total Liabilities	<u>\$ 26,723</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 26,723</u>

STATISTICAL SECTION (UNAUDITED)

GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the charter school's financial performance and well being have changed over time.

Revenue Capacity (Not Applicable)

These schedules contain information to help the reader assess the Charter School's most significant local revenue source, the property tax.

Debt Capacity (Not Applicable)

These schedules present information to help the reader assess the affordability of the Charter School's current levels of outstanding debt and the charter school's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Charter School's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Charter School's financial report relates to the services the Charter School provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The Charter School implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Net Assets/Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt Restricted	\$ 311,576	\$ 352,886	\$ 395,131	\$ 345,123	\$ 345,123	\$ 361,716	\$ 377,429	\$ 395,564	\$ 413,699	\$ 432,716
Designated for Deferred Rent Expense Unrestricted	75,000	75,000	75,000	-	-	-	-	-	-	640,118
	796,989	1,176,622	1,320,734	2,445,733	2,108,792	1,754,207	1,603,227	1,615,199	832,883	301,347
Total Governmental Activities Net Assets/Position	\$ 1,183,565	\$ 1,604,508	\$ 1,790,865	\$ 2,790,856	\$ 2,453,915	\$ 2,115,923	\$ 1,980,656	\$ 2,010,763	\$ 1,246,582	\$ 1,374,181
Business-Type Activities										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt Restricted	\$ 115,127	\$ 115,127	\$ 115,127	\$ 119,505	\$ 119,505	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Designated for Deferred Rent Expense Unrestricted	(45,460)	(27,712)	(6,775)	(4,378)	31,734	1,029	-	(741)	-	-
Total Business-Type Activities Net Assets/Position	\$ 69,667	\$ 87,415	\$ 108,352	\$ 115,127	\$ 151,239	\$ 201,029	\$ -	\$ (741)	\$ -	\$ -
Charter School-wide										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt Restricted	\$ 426,703	\$ 468,013	\$ 510,258	\$ 464,628	\$ 464,628	\$ 561,716	\$ 377,429	\$ 395,564	\$ 413,699	\$ 432,716
Designated for Deferred Rent Expense Unrestricted	75,000	75,000	75,000	-	-	-	-	-	-	640,118
	751,529	1,148,910	1,313,959	2,441,355	2,140,526	1,755,236	1,603,227	1,614,458	832,883	301,347
Total Charter School-wide Net Assets/Position	\$ 1,253,232	\$ 1,691,923	\$ 1,899,217	\$ 2,905,983	\$ 2,605,154	\$ 2,316,952	\$ 1,980,656	\$ 2,010,022	\$ 1,246,582	\$ 1,374,181

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental Activities:										
Instruction	\$ 4,380,271	\$ 4,176,562	\$ 4,363,774	\$ 3,916,849	\$ 3,773,299	\$ 3,669,209	\$ 3,418,700	\$ 3,155,142	\$ 3,088,583	\$ 2,857,721
Administration	1,138,349	917,755	889,442	884,556	810,027	912,091	1,038,737	704,588	670,355	680,663
Support Services	2,238,388	1,981,465	1,789,283	1,618,869	1,499,016	1,517,900	1,351,401	1,554,545	1,429,141	1,403,911
Capital Outlay	103,897	61,685	89,238	55,552	160,230	35,288	4,896	37,559	57,777	117,818
Unallocated Depreciation	41,320	41,320	16,592	16,592	16,593	15,713	18,135	18,135	19,017	19,017
Total Governmental Activities Expenses	<u>7,902,195</u>	<u>7,178,787</u>	<u>7,148,329</u>	<u>6,492,418</u>	<u>6,259,165</u>	<u>6,150,201</u>	<u>5,831,869</u>	<u>5,469,969</u>	<u>5,264,873</u>	<u>5,079,130</u>
Business-Type Activities:										
Food Service	151,065	158,508	131,389	164,902	178,865	34,894	33,543	45,715	39,431	-
Total Business-Type Activities Expenses	<u>151,065</u>	<u>158,508</u>	<u>131,389</u>	<u>164,902</u>	<u>178,865</u>	<u>34,894</u>	<u>33,543</u>	<u>45,715</u>	<u>39,431</u>	<u>-</u>
Total Charter School Expenses	<u>\$ 8,053,260</u>	<u>\$ 7,337,295</u>	<u>\$ 7,279,718</u>	<u>\$ 6,657,320</u>	<u>\$ 6,438,030</u>	<u>\$ 6,185,095</u>	<u>\$ 5,865,412</u>	<u>\$ 5,515,684</u>	<u>\$ 5,304,304</u>	<u>\$ 5,079,130</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 270,222	\$ 309,453	\$ 304,504	\$ 310,003	\$ 275,974	\$ 220,709	\$ 223,865	\$ 207,984	\$ 167,952	\$ 138,842
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>270,222</u>	<u>309,453</u>	<u>304,504</u>	<u>310,003</u>	<u>275,974</u>	<u>220,709</u>	<u>223,865</u>	<u>207,984</u>	<u>167,952</u>	<u>138,842</u>
Business-Type Activities:										
Charges for Services	19,810	16,669	19,488	24,744	38,727	1,174	-	447	-	-
Operating Grants and Contributions	113,507	120,902	105,126	104,046	90,348	34,689	15,866	22,032	20,367	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	<u>133,317</u>	<u>137,571</u>	<u>124,614</u>	<u>128,790</u>	<u>129,075</u>	<u>35,863</u>	<u>15,866</u>	<u>22,479</u>	<u>20,367</u>	<u>-</u>
Total Charter School Program Revenues	<u>\$ 403,539</u>	<u>\$ 447,024</u>	<u>\$ 429,118</u>	<u>\$ 438,793</u>	<u>\$ 405,049</u>	<u>\$ 256,572</u>	<u>\$ 239,731</u>	<u>\$ 230,463</u>	<u>\$ 188,319</u>	<u>\$ 138,842</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (7,631,973)	\$ (6,869,334)	\$ (6,843,825)	\$ (6,182,415)	\$ (5,983,191)	\$ (5,929,492)	\$ (5,608,004)	\$ (5,261,985)	\$ (5,096,921)	\$ (4,940,288)
Business-Type Activities	(17,748)	(20,937)	(6,775)	(36,112)	(49,790)	1,029	(17,677)	(23,236)	(19,064)	-
Total Charter School-wide Net Expense	<u>\$ (7,649,721)</u>	<u>\$ (6,890,271)</u>	<u>\$ (6,850,600)</u>	<u>\$ (6,218,527)</u>	<u>\$ (6,032,981)</u>	<u>\$ (5,928,463)</u>	<u>\$ (5,625,681)</u>	<u>\$ (5,285,221)</u>	<u>\$ (5,115,985)</u>	<u>\$ (4,940,288)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
General Purposes	\$ 1,371,124	\$ 1,484,744	\$ 1,453,600	\$ 1,468,750	\$ 1,404,021	\$ 1,328,699	\$ 1,136,229	\$ 1,139,960	\$ 1,015,694	\$ 1,405,973
Capital Projects	-	-	-	-	-	-	-	-	-	-
Federal and State Aid Not Restricted	5,565,238	5,182,707	5,086,696	5,018,191	4,906,065	4,922,515	4,432,845	4,870,364	4,554,387	3,402,278
Investment Earnings	6,092	4,261	3,547	3,165	3,403	4,056	5,677	5,174	9,240	35,456
Tuition Revenue	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	263,745	11,265	220,709	29,250	7,694	9,489	3,146	10,668	5,874	20,609
Transfers	-	-	-	-	-	(200,000)	-	-	-	-
Total Governmental Activities	<u>7,206,199</u>	<u>6,682,977</u>	<u>6,744,552</u>	<u>6,519,356</u>	<u>6,321,183</u>	<u>6,084,759</u>	<u>5,577,897</u>	<u>6,026,166</u>	<u>5,585,195</u>	<u>4,864,316</u>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	200,000	18,418	22,495	19,064	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>18,418</u>	<u>22,495</u>	<u>19,064</u>	<u>-</u>
Total Charter School-wide	<u>\$ 7,206,199</u>	<u>\$ 6,682,977</u>	<u>\$ 6,744,552</u>	<u>\$ 6,519,356</u>	<u>\$ 6,321,183</u>	<u>\$ 6,284,759</u>	<u>\$ 5,596,315</u>	<u>\$ 6,048,661</u>	<u>\$ 5,604,259</u>	<u>\$ 4,864,316</u>
Change in Net Assets/Position										
Governmental Activities	\$ (425,774)	\$ (186,357)	\$ (99,273)	\$ 336,941	\$ 337,992	\$ 135,267	\$ (30,107)	\$ 764,181	\$ 488,274	\$ (75,972)
Business-Type Activities	(17,748)	(20,937)	(6,775)	(36,112)	(49,790)	201,029	741	(741)	-	-
Total Charter School	<u>\$ (443,522)</u>	<u>\$ (207,294)</u>	<u>\$ (106,048)</u>	<u>\$ 300,829</u>	<u>\$ 288,202</u>	<u>\$ 336,296</u>	<u>\$ (29,366)</u>	<u>\$ 763,440</u>	<u>\$ 488,274</u>	<u>\$ (75,972)</u>

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,642	\$ -	\$ 4,425	\$ -	\$ -
Designated for Deferred Rent Expense	75,000	75,000	75,000	-	-	-	-	-	-	640,118
Unreserved	1,931,862	2,211,338	2,279,872	2,395,725	2,108,792	1,745,565	1,603,227	1,610,774	832,883	301,347
Total General Fund	\$ 2,006,862	\$ 2,286,338	\$ 2,354,872	\$ 2,395,725	\$ 2,108,792	\$ 1,754,207	\$ 1,603,227	\$ 1,615,199	\$ 832,883	\$ 941,465

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year Ending June 30,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Local Sources:										
Local Tax Levy	\$ 1,371,124	\$ 1,484,744	\$ 1,453,600	\$ 1,468,750	\$ 1,404,021	\$ 1,328,699	\$ 1,136,229	\$ 1,139,960	\$ 1,015,694	\$ 1,405,973
Interest In Investments	6,092	4,261	3,547	3,165	3,403	4,056	5,677	5,174	9,240	35,456
Miscellaneous	26,699	11,265	220,709	29,250	7,694	9,489	3,146	10,668	5,874	20,609
State Sources	5,496,185	5,155,470	5,034,015	4,992,065	4,926,919	4,811,413	4,219,049	4,598,366	4,408,513	3,200,770
Federal Sources	337,275	336,690	337,185	336,129	255,120	331,811	438,561	479,982	313,826	340,350
Total Revenues	7,237,375	6,992,430	7,049,056	6,829,359	6,597,157	6,485,468	5,802,662	6,234,150	5,753,147	5,003,158
Expenditures:										
Instruction	3,346,605	3,248,242	3,214,611	3,030,450	2,996,498	2,865,146	2,757,951	2,555,634	2,504,085	2,338,539
Administration	2,094,516	1,977,581	2,180,402	1,881,792	1,699,920	1,854,472	1,805,849	1,439,651	1,383,389	1,326,635
Support Services	1,971,833	1,773,456	1,565,263	1,491,383	1,385,924	1,579,582	1,245,938	1,418,990	1,300,605	1,277,121
Capital Outlay	103,897	61,685	129,633	138,801	160,230	35,288	4,896	37,559	57,777	117,818
Total Expenditures	7,516,851	7,060,964	7,089,909	6,542,426	6,242,572	6,334,488	5,814,634	5,451,834	5,245,856	5,060,113
Net Change in Fund Balance	\$ (279,476)	\$ (68,534)	\$ (40,853)	\$ 286,933	\$ 354,585	\$ 150,980	\$ (11,972)	\$ 782,316	\$ 507,291	\$ (56,955)

Source: Charter School records

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

General Fund - Other Local Revenue by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Donations	Miscellaneous Revenue	Annual Total
2017	\$ -	\$ 24,699	\$ 24,699
2016	4,094	7,171	11,265
2015	2,827		2,827
2014	-	29,250	29,250
2013	-	7,694	7,694
2012	-	9,489	9,489
2011	-	3,146	3,146
2010	-	10,668	10,668
2009	-	5,874	5,874
2008	-	20,609	20,609

Source: Charter School records

DEMOGRAPHIC AND ECONOMIC INFORMATION

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2017	N/A	N/A	N/A	N/A
2016	248,928	N/A	N/A	9.7%
2015	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2013	247,597	N/A	\$30,490	11.6%
2012	241,800	\$37,862	N/A	11.5%
2011	241,700	\$50,843	N/A	9.30%
2010	242,389	\$48,543	N/A	5.80%
2009	241,791	N/A	N/A	4.60%
2008	N/A	\$45,223	N/A	5.20%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Principal Employers
Last Year and Ten Years Ago

Employer	2014			2001		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Pershing LLC/Mellon Bank	2,000		N/A	-		N/A
Morgan Stanley Smith Barney	1,200		N/A	-		N/A
Fidelity Investments	1,000		N/A	-		N/A
ICAP Services North America, LLC	1,061		N/A	-		N/A
Deutsche Bank Trust Co	1,200		N/A	-		N/A
Chase Bank	1,592		N/A	-		N/A
Citigroup	1,500		N/A	-		N/A
Christ Hospital	1,200		N/A	-		N/A
US Postal Service	2,200		N/A	-		N/A
	<u>12,953</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

OPERATING INFORMATION

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Full-Time Equivalent Charter School Employees by Function
 Last Ten Fiscal Years

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction	42	39	43	42	41	41	39	39	39	37
Administrative	7	6	6	6	6	6	5	5	4	4
Support Services	17	13	13	13	12	11	10	8	11	11
Clerical	6	-	6	6	6	6	5	5	-	-
Total	72	58	68	67	65	64	59	57	54	52

Source: Charter School Personnel Records

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	Senior High School				
2017	424	\$ 7,412,954	\$ 17,483	10.41%	42	N/A	N/A	424	409	-0.47%	96.46%	
2016	442	6,999,279	\$ 15,835	-5.58%	43	N/A	N/A	426	410	2.65%	96.24%	
2015	415	6,960,276	16,772	8.17%	42	N/A	N/A	415	400	0.48%	96.39%	
2014	413	6,403,625	15,505	5.54%	41	N/A	N/A	413	398	0.24%	96.37%	
2013	414	6,082,342	14,692	-2.74%	41	N/A	N/A	412	390	-1.20%	94.66%	
2012	417	6,299,200	15,106	8.94%	39	N/A	N/A	417	397	-0.48%	95.20%	
2011	419	5,809,738	13,866	6.79%	39	N/A	N/A	419	395	0.48%	94.27%	
2010	417	5,414,275	12,984	5.11%	39	N/A	N/A	417	386	-0.71%	92.57%	
2009	420	5,188,079	12,353	1.22%	36	N/A	N/A	420	391	3.70%	93.10%	
2008	405	4,942,295	12,203	N/A	35	N/A	N/A	405	373	N/A	92.10%	

Sources: Charter School records

Note: Enrollment based on annual October Charter School count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certified staff.

c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS).

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

School Building Information
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Charter School Buildings										
Professional Studies Building New Jersey City University 2039 Kennedy Blvd. Jersey City, NJ	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (Student)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charter School Building 275 West Side Avenue Jersey City, NJ	29,651	29,651	29,651	29,651	29,651	29,651	29,651	29,651	25,200	14,800
Square Feet	425	425	425	425	425	425	425	425	350	250
Capacity (Student)	424	415	418	420	420	420	405	393	416	323
Enrollment										

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Insurance Schedule
June 30, 2017

	<u>Coverage</u>	<u>Deductible</u>
COMMERCIAL PACKAGE		
New Jersey School Board Association Insurance Group		
Property		
Blanket Personal Property Limit	\$500,000	\$1,000
Blanket Extra Expense	\$50,000,000	\$1,000
Blanket Valuable Papers & Record	\$10,000,000	\$1,000
Fire Department Service Charge	\$10,000	\$1,000
Pollutant Clean Up & Removal	\$250,000	\$1,000
Computer Coverage:		
- EDP	\$250,000	\$1,000
- Transit	\$25,000	\$1,000
- Loss of Income	\$10,000	\$1,000
Flood:		
- Zones A&V	\$10,000,000	\$1,000
- All Other Zones	\$50,000,000	\$1,000
Earthquake:		
- Fund Limit	\$50,000,000	\$1,000
Equipment Breakdown:		
- Limit	\$100,000,000	\$1,000
Public Employee Dishonesty with Faithful Performance	\$100,000	
Theft, Disappearance & Destruction - Loss of Money & Securities	\$10,000	
Forgery or Alteration	\$100,000	
Board Secretary/Business Administrator	\$100,000	
Board Treasurer	\$100,000	
Computer Fraud	\$100,000	
General Liability		
Per Occurrence	\$6,000,000	
Personal Injury & Advertising Injury	\$6,000,000	
Premises Medical Payments - Per Person	\$5,000	
Premises Medical Payments - Per Accident	\$10,000	
Employee Benefits Liability	\$6,000,000	
Abuse/Molestation		
Per Occurrence	\$6,000,000	
Annual Aggregate	\$6,000,000	
Pollution Liability		
- Per Occurrence	\$1,000,000	\$500
- Aggregate Per named Insured Sub-Limit	\$2,000,000	
- Policy Aggregate	\$11,000,000	
Deductible per Incident		\$25,000
Business Automobile		
Liability Limit includes Hired and Non-Owned Auto	\$6,000,000	

Source: Charter School's Records

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Insurance Schedule
June 30, 2017

	<u>Coverage</u>	<u>Deductible</u>
COMMERCIAL PACKAGE		
New Jersey School Board Association Insurance Group		
<i>School Leaders Professional Liability</i>		
Limit of Liability Coverage	\$6,000,000	
Aggregate	\$6,000,000	
Limit of Liability Coverage B - Each Claim	\$100,000	
Each Policy Period	\$300,000	
Deductible - Each Claim		\$5,000
<i>Workers' Compensation</i>		
Bodily Injury by Accident	\$2,000,000	
Bodily Injury by Disease - Each Employee	\$2,000,000	
Bodily Injury by Disease Aggregate Limit	\$2,000,000	

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Charter School Performance Framework Financial Indicators
 Fiscal Ratios
 Last Three Fiscal Years

	2015	2016	2017	Source
	Audit	Audit	Audit	
Cash	\$ 3,435,853	\$ 3,372,970	\$ 2,289,726	Audit: Exhibit A-1
Current Assets (includes CASH)	550,120	685,706	3,152,701	Audit: Exhibit A-1
Total Assets	4,546,753	4,821,473	3,533,076	Audit: Exhibit A-1
Current Liabilities	1,616,901	1,766,398	1,144,971	Audit: Exhibit A-1
Total Liabilities	1,674,886	1,787,968	2,640,754	Audit: Exhibit A-1
Net Assets	1,899,217	1,691,923	1,253,232	Audit: Exhibit A-1
Total Revenue	7,173,670	7,130,001	7,609,738	Audit: Exhibit A-2
Total Expenses	7,279,718	7,337,295	8,053,260	Audit: Exhibit A-2
Change in Net Assets	(106,048)	(207,294)	(443,522)	Audit: Exhibit A-2
Depreciation Expense	41,320	41,320	41,320	Financial Statements/Audit Workpapers
Interest Expense	-	-	-	Financial Statements/Audit Workpapers
Principal Payments	-	-	-	Financial Statements/Audit Workpapers
Interest Payments	-	-	-	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	412.00	426.00	424.00	DOE Enrollment Reports
March 30th Budgeted Enrollment	415	415		Charter School Budget

Near Term Indicators	RATIOS ANALYSIS...			3 YR CUM	Source:	Target
	2013	2014	2015			
1a. Current Ratio	0.34	0.39	2.75		Current Assets/Current Liabilities	> 1.1
1b. Unrestricted Days Cash	172.27	167.79	103.78		Cash/(Total Expenses/365)	30-60
1c. Enrollment Variance	99%	103%	0%		Average Daily Enrollment/Budgeted Enrollment	>95%
1d.* Default	N/A	N/A	N/A		Audit	not in default
Sustainability Indicators						
2a. Total Margin	-1%	-3%	-6%		Change in Net Assets/Total Revenue	positive
2b. Debt to Asset	0.37	0.37	0.75		Total Liabilities/Total Assets	<.9
2c.** Cash Flow	(100,109)	(62,883)	(1,083,244)		Net change in cash flow from prior years	3 yr cum positive
2d. Debt Service Coverage Ratio	N/A	N/A	N/A		(Change in Net Assets+Depreciation+Interest Expense)/(Principal & Interest Payments)	>1.10

* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 ** 2017 = 2017 Cash - 2016 Cash; 2016 = 2016 Cash; 2015 = 2015 Cash; 2014 = 2014 Cash

Refer questions to charterfinance@doe.state.nj.us

SINGLE AUDIT SECTION

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**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
University Academy Charter High School
County of Hudson
Jersey City, New Jersey

We have audited, in accordance with the 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 Office of School 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 University Academy Charter High School (Charter School), in the County of Hudson, 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 November 30, 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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 matter that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School 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 Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


Richard M. Barre
Public School Accountant
PSA Number CS-01181

Union, New Jersey
November 30, 2017

BARRE & COMPANY LLC
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB
CIRCULAR 15-08**

Honorable President and
Members of the Board of Trustees
University Academy Charter High School
County of Hudson
Jersey City, New Jersey

Report on Compliance for Each Major State Program

We have audited the University Academy Charter High School’s compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2017. The University Academy Charter High 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

The Charter School’s management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Charter School’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular 15-08 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 Charter School’s 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 University Academy Charter High School, in the County of Hudson, 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 year ended June 30, 2017.

Report on Internal Control over Compliance

Management of University Academy Charter High School 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey
OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the University Academy Charter High School, 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. We issued our report thereon dated November 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibilities of management and was derived from and relates directly to the underlying accounting and other records used to prepare basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants



Richard M. Barre
Public School Accountant
PSA Number CS-01181

Union, New Jersey
November 30, 2017

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2017 Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
No Child Left Behind:														
Title I Part A:	84.010A	NCLB - 8060 - 17	232,343	9/1/16	8/31/17	\$ (63,193)	\$ -	275,404	\$ (232,343)	\$ -	\$ -	\$ (20,132)	\$ -	\$ -
Title II Part A:	84.367A	NCLB - 8060 - 17	1,305	9/1/16	8/31/17	(1,938)	-	1,938	(1,305)	-	-	(1,305)	-	-
Total No Child Left Behind						(65,131)		277,342	(233,648)			(21,437)		
Individuals with Disabilities Cluster:														
I.D.E.A. Part B Basic	84.027	IDEA - 8060 - 17	103,627	9/1/16	8/31/17	(28,485)	-	62,719	(103,627)			(69,393)		
I.D.E.A. Part B Basic Carryover	84.027	IDEA - 8060 - 16	-	9/1/15	8/31/16	(28,485)	-	62,719	(103,627)			(69,393)		
Total Individuals with Disabilities Cluster														
Total Special Revenue Fund						(93,616)	-	340,061	(337,275)			(90,830)		
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
Enterprise Fund:														
School Breakfast Program	10.553	N/A	24,785	7/1/16	6/30/17	(1,587)	-	23,402	(24,785)			(1,383)		
School Breakfast Program	10.553	N/A	-	7/1/15	6/30/16	-	-	1,587	-			-		
National School Lunch Program	10.555	N/A	85,406	7/1/16	6/30/17	(4,408)	-	81,819	(85,406)			(3,587)		
National School Lunch Program	10.555	N/A	-	7/1/15	6/30/16	-	-	4,408	-			-		
Total Enterprise Fund						(5,995)	-	112,890	(111,936)			(5,041)		
Total Federal Financial Awards						(99,611)	-	452,951	(449,211)			(95,871)		

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Due to Grantor	Carryover/(Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments/Reversals of Prior Year's Balance	Balance at June 30, 2017		MEMO
			From	To						(Accounts Receivable)	Deferred Payable	
State Department of Education												
General Fund:												
State Aid - Public Cluster												
Equalization Aid	17-495-034-5120-078	3,650,573	7/1/16	6/30/17			3,650,573	(3,650,573)				3,650,573
Special Education Categorical Aid	17-495-034-5120-089	270,222	7/1/16	6/30/17			270,222	(270,222)				270,222
Security Aid	17-495-034-5120-084	150,119	7/1/16	6/30/17			150,119	(150,119)				150,119
Adjustment Aid	17-495-034-5120-085	677,131	7/1/16	6/30/17			607,432	(677,131)	(69,699)			677,131
Total State Aid - Public Cluster		4,748,045					4,678,346	(4,748,045)	(69,699)			4,748,045
On-Behalf TPAF Post-Retirement Medical Contributions	17-495-034-5095-001	231,042	7/1/16	6/30/17			231,042	(231,042)				231,042
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	277,284	7/1/16	6/30/17			277,284	(277,284)				277,284
On-Behalf TPAF Long-Term Disability Contributions	17-495-034-5095-004	769	7/1/16	6/30/17			137,814	(769)				769
Reimbursed TPAF - Social Security	17-495-034-5094-003	239,045	7/1/16	6/30/17	(135,046)		139,046	(239,046)	(101,231)		101,231	239,045
Reimbursed TPAF - Social Security	16-495-034-5095-002	216,166	7/1/15	6/30/16	(135,046)							
Total General Fund							5,459,532	(5,486,185)	(170,930)		170,930	5,498,185
State Department of Agriculture												
Enterprise Fund:												
National School Lunch Program (State Share)	17-100-010-3350-023	1,571	7/1/16	6/30/17	(80)		1,506	(1,571)	(65)		65	1,571
National School Lunch Program (State Share)	16-100-010-3350-023	1,284	7/1/15	6/30/16	(80)		80					
Total Enterprise Fund							1,586	(1,571)	(65)		65	1,571
Total All Funds							5,461,118	(5,487,756)	(170,995)		170,995	5,497,756
State Financial Assistance Not Subject to Major Program Determination:												
General Funds:												
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	277,284	7/1/16	6/30/17			277,284	(277,284)				277,284
On-Behalf TPAF Post-Retirement Medical Contributions	17-495-034-5095-001	231,042	7/1/16	6/30/17			231,042	(231,042)				231,042
On-Behalf TPAF Long-Term Disability Contributions	17-495-034-5095-004	769	7/1/16	6/30/17				(769)				769
Total State Financial Assistance Subject to Single Audit							4,952,792	(4,988,661)	(170,995)		170,995	4,988,661

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes to the Schedules of Expenditures Of Awards and Financial Assistance
June 30, 2017

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Trustees, University Academy Charter High School. The Board of Trustees is defined in Note 1 to the board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO 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 with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes to the Schedules of Expenditures Of Awards and Financial Assistance
June 30, 2017

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is none for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 5,496,185	\$ 5,496,185
Special Revenue Fund	337,275	-	337,275
Food Service Fund	111,936	1,571	113,507
Total Awards & Financial Assistance	<u>\$ 449,211</u>	<u>\$ 5,497,756</u>	<u>\$ 5,946,967</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

University Academy Charter High School has no loan balances outstanding at June 30, 2017.

NOTE 6. OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions TPAF Post-Retirement Medical Benefits Contributions and TPAF Long-Term Disability Insurance represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2017. 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 year ended June 30, 2017.

NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits Contributions and Long-Term Disability payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the Charter School's basic financial statements and the amount subject to State single audit and major program determination.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes to the Schedules of Expenditures Of Awards and Financial Assistance
June 30, 2017

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The Charter School does not have a schoolwide program.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies identified?	_____ Yes	<u> X </u> None Reported
Noncompliance material to basic financial statements noted?	_____ Yes	<u> X </u> No

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes	_____ No
Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies that are not considered to be material weaknesses?	_____ Yes	<u> X </u> None Reported
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJ Circular Letter 15-08 OMB, as applicable?	_____ Yes	<u> X </u> No

Identification of major state programs:

GMIS Number(s)	Name of State Program
	<u>STATE AID-PUBLIC CLUSTER:</u>
<u>17-495-034-5120-078</u>	<u>EQUALIZATION AID</u>
<u>17-495-034-5120-089</u>	<u>SPECIAL EDUCATION CATEGORICAL AID</u>
<u>17-495-034-5120-084</u>	<u>SECURITY AID</u>
<u>17-495-034-5120-085</u>	<u>ADJUSTMENT AID</u>

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Part II –Schedule of Financial Statement Findings

The section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Summary Schedule of Prior Year Audit Findings and Questioned Costs
as Prepared by Management
For the Fiscal Year Ended June 30, 2017

***Part III – Schedule of Federal and State 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 and state programs, as required by U.S Uniform Guidance and New Jersey OMB's Circular Letter 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

No Current Year Findings

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2017

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

STATUS OF PRIOR YEAR FINDINGS

No Prior Year Findings