

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN

**The Elysian Charter School of Hoboken
Hoboken, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

**Comprehensive Annual
Financial Report**

of the

The Elysian Charter School of Hoboken

Hoboken, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

**The Elysian Charter School of Hoboken
Finance Department**

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INTRODUCTORY SECTION

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN

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

October 8, 2013

The Honorable President and Members
of the Board of Trustees
The Elysian Charter School of Hoboken
Hoboken, New Jersey

Dear Board Members:

The comprehensive annual financial report of The Elysian Charter School of Hoboken (the "Charter School") for the fiscal year ended June 30, 2013, 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 Charter, 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 OMB's Circular 04-04, *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 Elysian Charter School of Hoboken 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 Elysian Charter School of Hoboken constitutes the Charter School's reporting entity.

The Honorable President and Members
of the Board of Trustees
The Elysian Charter School of Hoboken
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1) REPORTING ENTITY AND ITS SERVICES: (Cont'd)

The Elysian Charter School of Hoboken operates a comprehensive ten-month school. Students attend classes 8:15 to 2:45. In addition, programs are available from 7:30am to 6:00pm. There is an average of 16 students in a class. Parents are heavily involved in school activities and governance. Students learn to use computers in a state-of-the-art technology lab.

2) MAJOR INITIATIVES:

The Elysian Charter School of Hoboken's approach to learning, teaching and community is based on many of the philosophies taught in the tradition of hands-on and cooperative learning. Our philosophy leads us to teach in a manner that is child-centered, holistic, progressive and academically rigorous.

Our community of no more than 288 students with two classes for each grade from kindergarten to eighth grade (16 students per class), permits us to live the adage "It takes a community to raise a child". We are involved at every level.

The teachers and administrators at the Charter School are open to new ideas, to create new curriculum and to having children become active and responsible for their own learning. In our learning environment, language, conversation and discussion are seen as very important parts of the learning process that lead to the development of critical thinking skills.

The Elysian Charter School of Hoboken's curriculum meets the required New Jersey State Core Curriculum Standards and grows directly out of the work created by teachers who collaborate on a regular basis. We always keep our focus on the whole child who always has strengths on which he or she can learn and grow.

Our goal is to educate children to become curious, lifelong learners with an appreciation of the arts, the diversity of all peoples in the world, and the self-confidence to fulfill his or her life's dreams.

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.

The Honorable Chairperson and Members
of the Board of Trustees
The Elysian Charter School of Hoboken
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October 8, 2013

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 fund and the special revenue fund.

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/or assignments of fund balance at June 30, 2013.

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 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 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 Nisivoccia LLP, CPAs, was selected by the Board of Trustees at its organization meeting. 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 OMB's Circular 04-04, *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 and *Government Auditing Standards* are included in the single audit section of this report.

The Honorable Chairperson and Members
of the Board of Trustees
The Elysian Charter School of Hoboken
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October 8, 2013

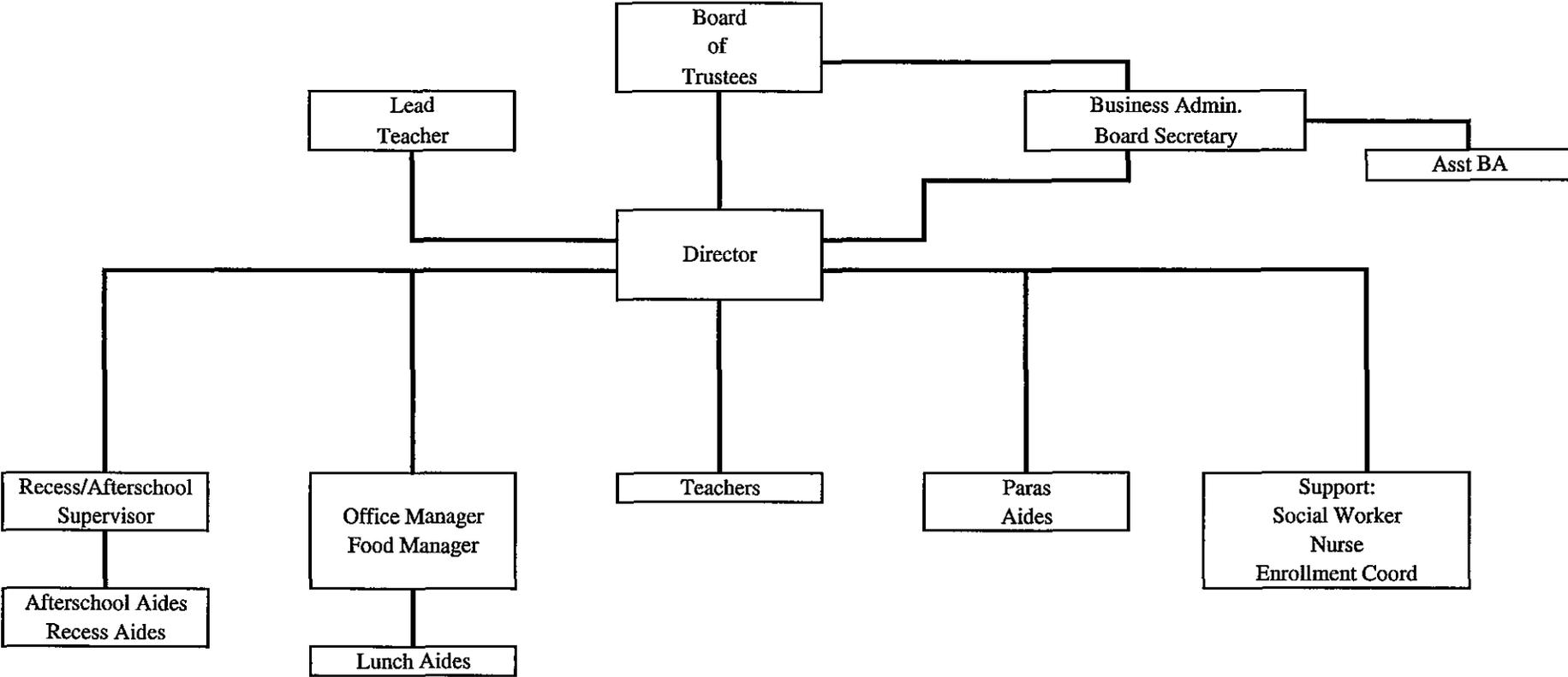
10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Board of Trustees of The Elysian Charter School of Hoboken 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.

Dr. Harry Laub, Ph.D
Director

Robert Donia
Business Administrator

**THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
ORGANIZATIONAL CHART**



THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
ROSTER OF OFFICIALS
JUNE 30, 2013

<u>Members of the Board of Trustees:</u>	<u>Expiration of Term</u>
Andrea Hession, President	03/14
Jeri Slavin, Vice President	03/14
Alison Ziegler	03/15
Anne Marie Schreibner	03/15
Eduardo Gonzalez	03/15
Paul Jung	03/15
Jeremiah Kleckner	03/14
Alicia Weinstein	03/15
David Swift	03/15

<u>Other Officials</u>	<u>Title</u>
Dr. Harry Laub, Ph.D	Director
Robert G. Doria	Business Administrator from July 15, 2013
Diane Macon	Business Manager from July 15, 2013
Kathy Mone	Business Administrator through July 15, 2013
Amanda Tripp	Staff Representative

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs

Mount Arlington Corporate Center

200 Valley Road, Suite 300

Mount Arlington, NJ, 07856

and

Lawrence Business Park

11 Lawrence Road

Newton, NJ 07860

Attorneys

Porzio, Bromberg, Newman, PC

100 Southgate Parkway

Morristown, NJ 07962-1997

Cleary, Giacobbe, Alfieri, Jacobs, LLC

5 Ravine Dr

PO Box 553

Matawan, NJ 07747

Official Depository

TD Bank

47 Newark Street

Hoboken, NJ 07030

PNC Bank

111 River Street

Hoboken, NJ 07030

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Trustees
 The Elysian Charter School of Hoboken
 Hoboken, New Jersey

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 Elysian Charter School (the "Charter School") in the County of Hudson, as of and for the fiscal year ended June 30, 2013, 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.

Auditors' 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 audit requirements as prescribed by the Office of School 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 policies 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.

The Honorable President and Members
of the Board of Trustees
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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 Elysian Charter School, in the County of Hudson, as of June 30, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, and the budgetary comparison information in Exhibits C-1 through C-3 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 Charter School's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards 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 supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members
of the Board of Trustees
The Elysian Charter School of Hoboken
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The accompanying other information such as the introductory and statistical sections has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2013 on our consideration of the 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 Charter School's internal control over financial reporting and compliance.

October 8, 2013
Mount Arlington, New Jersey

NISIVOCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2013

**The Elysian Charter School of Hoboken
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

This section of The Elysian Charter School of Hoboken’s annual financial report presents its discussion and analysis of the Charter School’s financial performance during the fiscal year ending June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the Charter School’s financial statements, which immediately follow this section.

Financial Highlights

- The financial position of the Charter School improved during the current fiscal year.
- Overall revenue was \$4,836,222 and overall expenses were \$4,708,968.

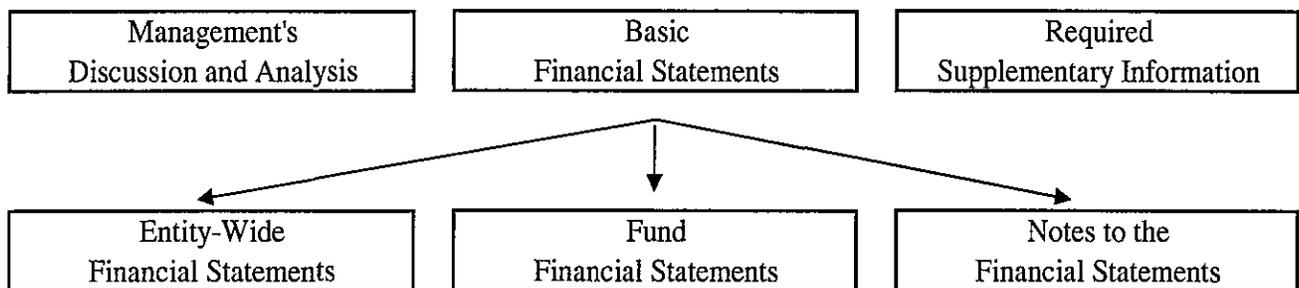
Overview of the Financial Statements

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Charter School:

- The first two statements are *entity-wide financial statements* that provide both *short-term* and *long-term* information about the Charter School’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Charter School, reporting the School’s operations in *more* detail than the Charter School-Wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the School operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the Charter School acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Charter School’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of The Elysian Charter School of Hoboken's Financial Report**



**The Elysian Charter School of Hoboken
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

Figure A-2

Major Features of the Entity-Wide and Fund Financial Statements

	Entity-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire entity (except fiduciary funds)	The activities of the entity that are not proprietary or fiduciary, such as special education and building maintenance	Activities the entity operates similar to private businesses: food services and before and after school program	Instances in which the entity administers resources on behalf of someone else, such as payroll
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**The Elysian Charter School of Hoboken
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

Entity-wide Statements

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

The two entity-wide statements report the Charter School's *net position* and how it has changed. Net position—the difference between the Charter School's assets and liabilities — is one way to measure the Charter School's financial health or *position*.

- Over time, increases or decreases in the School's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Charter School's overall health, you need to consider additional nonfinancial factors such as changes in the Charter School's property tax base and the condition of school buildings and other facilities.

In the entity-wide financial statements, the School's activities are divided into two categories:

- *Governmental activities*: Most of the Charter School's basic services are included here, such as regular and special education, transportation and administration. Local Levy – Charter School Aid and state aid finance most of these activities.
- *Business-type activities*: The Charter School charges fees to help it cover the costs of certain services it provides.

Fund Financial Statements

The fund financial statements provide more detailed information about the Charter School's funds, focusing on its most significant or "major" funds – not the Charter School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The Charter School establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The School has three kinds of funds:

- *Governmental funds*: Most of the Charter School's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Charter School's programs. Because this information does not encompass the additional long-term focus of the Entity-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

**The Elysian Charter School of Hoboken
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

Fund Financial Statements (Cont'd)

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.
- *Fiduciary funds:* The Charter School is the trustee, or *fiduciary*, for assets that belong to others, such as payroll agency funds. The Charter School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The Charter School excludes these activities from the entity-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the entity-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the School as a Whole

Net Position. The Charter School's *combined* net position was \$455,879, on June 30, 2013, \$104,486 or 29.73% more than it was the year before. (See Figure A-3).

**Figure A-3
Condensed Statement of Net Position**

	Government Activities		Business-Type Activities		Total Charter School		Percentage
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	Change
Current and Other Assets	\$ 405,645	\$ 339,903	\$ 19,493	\$ 15,001	\$ 425,138	\$ 354,904	19.79%
Capital Assets	70,534	82,608			70,534	82,608	-14.62%
Total Assets	476,179	422,511	19,493	15,001	495,672	437,512	13.29%
Other Liabilities	35,114	81,218	4,679	4,901	39,793	86,119	-53.79%
Total Liabilities	35,114	81,218	4,679	4,901	39,793	86,119	-53.79%
Net Position:							
Investment in Capital Assets	70,534	82,608			70,534	82,608	-14.62%
Unrestricted	370,531	258,685	14,814	10,100	385,345	268,785	43.37%
Total Net Position	\$ 441,065	\$ 341,293	\$ 14,814	\$ 10,100	\$ 455,879	\$ 351,393	29.73%

Changes in Net Position. The Charter School's net position increased \$104,486 during the year. Net position investment in capital assets decreased \$12,074 as a result of current year depreciation. Unrestricted net position increased \$111,846 in government activities primarily due to unexpended budget appropriations combined with an increase of \$4,714 from the operation of the Charter School's business-type activities.

**The Elysian Charter School of Hoboken
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**Figure A-4
Change in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total Charter School		Percentage
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	Change 2012/2013
Revenue:							
Program Revenue:							
Charges for Services			\$ 124,740	\$ 141,671	\$ 124,740	\$ 141,671	-11.95%
Operating Grants and Contributions	\$ 727,015	\$ 519,479	26,559	28,179	753,574	547,658	37.60%
General Revenue:							
Charter School Aid	2,841,095	2,517,975			2,841,095	2,517,975	12.83%
Unrestricted Federal and State Aid	1,114,905	1,478,394			1,114,905	1,478,394	-24.59%
Other	(2,614)	7,892	4,522	24	1,908	7,916	-75.90%
Total Revenue	<u>4,680,401</u>	<u>4,523,740</u>	<u>155,821</u>	<u>169,874</u>	<u>4,836,222</u>	<u>4,693,614</u>	3.04%
Expenses:							
Instruction	3,125,661	2,401,274			3,125,661	2,401,274	30.17%
General Administration Services	1,002,765	1,166,879			1,002,765	1,166,879	-14.06%
School Support Services	380,717	750,581			380,717	750,581	-49.28%
Other	48,718	12,745	151,107	177,666	199,825	190,411	4.94%
Total Expenses	<u>4,557,861</u>	<u>4,331,479</u>	<u>151,107</u>	<u>177,666</u>	<u>4,708,968</u>	<u>4,509,145</u>	4.43%
Special Item:							
Cancellation of Accounts Receivable	(22,768)				(22,768)	-	100.00%
Increase/(Decrease) in Net Position	<u>\$ 99,772</u>	<u>\$ 192,261</u>	<u>\$ 4,714</u>	<u>\$ (7,792)</u>	<u>\$ 104,486</u>	<u>\$ 184,469</u>	43.36%

Revenue Sources. The Charter School's total revenue for the 2012-2013 school year was \$4,836,222. (See Figure A-5). Charter School Aid accounted for most of the Charter School's revenue (58.75%) (See Figure A-5). Another 38.63 percent came from state and federal aid, charges for services and the remaining 2.62% came from charges for services and miscellaneous sources.

**Figure A-5
Sources of Revenue for Fiscal Year 2013**

Sources of Income	2013	Percentage
Charter School Aid	\$ 2,841,095	58.75%
Unrestricted Federal and State Aid	1,114,905	23.05%
Operating Grants and Contributions	753,574	15.58%
Charges for Services	124,740	2.58%
Other	1,908	0.04%
	<u>\$ 4,836,222</u>	<u>100.00%</u>

**The Elysian Charter School of Hoboken
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(Unaudited)**

Expenses. The total cost of all programs and services was \$4,708,968. The Charter School's expenses are predominantly related to student instruction (66.38%). (See Figure A-6). The Charter School's general administrative expenses accounted for 21.29% of total costs.

**Figure A-6
Expenses for Fiscal Year 2013**

Expense Category	2013	Percentage
Instruction	\$ 3,125,661	66.38%
General Administration Services	1,002,765	21.29%
School Support Services	380,717	8.08%
Other	199,825	4.24%
	<u>\$ 4,708,968</u>	<u>100.00%</u>

Governmental Activities

The financial position of the Charter School improved over the course of the year. Through careful budgeting, the Charter School has managed to maintain programs. Careful management of expenses remains essential for the Charter School to sustain its financial health.

Figure A-7 presents the cost of four major Charter School activities: instruction, administration, support services and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs):

**Figure A-7
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2012/2013	2011/2012	2012/2013	2011/2012
Instruction	\$ 3,125,661	\$ 2,401,274	\$ 1,964,142	\$ 1,881,795
General Administration Services	1,002,765	1,166,879	1,002,765	1,166,879
School Support Services	380,717	750,581	815,221	793,581
Other	48,718	12,745	48,718	12,745
Total	<u>\$ 4,557,861</u>	<u>\$ 4,331,479</u>	<u>\$ 3,830,846</u>	<u>\$ 3,855,000</u>

Governmental Activities

- The cost of all governmental activities this year was \$4,557,861.
- A significant portion (\$2,841,095) of the Charter School's activities was financed through amounts raised by local school district tax levies and transferred to the Charter School in the form of Charter School Aid.
- The federal and state governments subsidized certain programs with \$1,884,090 in grants, and general aid.

**The Elysian Charter School of Hoboken
Management's Discussion and Analysis
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(Unaudited)**

Business-Type Activities

Net position from the District's business-type activity increased \$4,714 is primarily attributable to a transfer from the general fund. (Refer to Figure A-4).

Financial Analysis of the Charter School's Funds

The Charter School's financial position improved on a fund basis through budgetary control. Faculty costs have increased slightly with the addition of new staff. Fringe benefit costs for all staff continue to increase.

General Fund Budgetary Highlights

Over the course of the year, the Charter School revised the annual operating budget several times. These budget amendments represented changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Debt Administration

Capital Assets

Capital assets of governmental activities decreased \$12,074 as a result of current year depreciation. (More detailed information about the Charter School's capital assets is presented in the Notes to the Basic Financial Statements, Note 4.)

Figure A-8

Capital Assets (Net of Depreciation)

	Governmental Activities		Percent Change 2011-2012
	2012/2013	2011/2012	
Buildings and Improvements	\$ 8,498	\$ 9,271	-8.34%
Machinery and Equipment	62,036	73,337	-15.41%
Total Capital Assets, Net of Depreciation	<u>\$ 70,534</u>	<u>\$ 82,608</u>	-14.62%

Long-term Liabilities

At year-end, the Charter School has no Long Term Debt.

**The Elysian Charter School of Hoboken
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

Factors Bearing on the Charter School's Future

At the time these financial statements were prepared and audited, The Elysian Charter School of Hoboken was aware of existing circumstances that could significantly affect its financial health in the future:

- The state aid and revenue received from the resident school districts as per the NJDOE Charter School Payment schedule remained flat at the 2007-08 level. Districts received a non-recurring revenue adjustment to fund the school at the 2007-08 per pupil level rather than at the 2007-08 total budget.
- Teachers and all staff except the Director and Business Administrator received a 2% increase in salary. This was achieved through recurring savings generated when the Business Administrator properly enrolled all teachers in the appropriate pension plans. These savings will be realized beginning in Fiscal Year 2013 and were utilized to increase salaries.
- The Charter School is working with its non-profit foundation, the Friends of Elysian Charter School, which holds several main fundraisers in support of the Charter School.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

ENTITY-WIDE FINANCIAL STATEMENTS

Exhibit A-1

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 296,917	\$ 15,895	\$ 312,812
Accounts Receivable - Other		764	764
Interfund Receivable	6,007	871	6,878
Receivable from State Government	34,086	67	34,153
Receivable from Federal Government	673	1,896	2,569
Security Deposit	67,962		67,962
Capital Assets, net:			
Depreciable Building and Building Improvements and Machinery and Equipment	70,534		70,534
Total Assets	476,179	19,493	495,672
LIABILITIES			
Accounts Payable - Vendors		4,679	4,679
Interfund Payable	17,847		17,847
Payable to State Government	16,740		16,740
Unearned Revenue	527		527
Total Liabilities	35,114	4,679	39,793
NET POSITION			
Net Investment in Capital Assets	70,534		70,534
Unrestricted	370,531	14,814	385,345
Total Net Position	\$ 441,065	\$ 14,814	\$ 455,879

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction	\$ 3,125,661		\$ 727,015	\$ (2,398,646)		\$ (2,398,646)
Support Services:						
General Administration Services	1,002,765			(1,002,765)		(1,002,765)
School Support Services	380,717			(380,717)		(380,717)
Capital Outlay	36,644			(36,644)		(36,644)
Unallocated Depreciation Expense	12,074			(12,074)		(12,074)
Total Governmental Activities	<u>4,557,861</u>		<u>727,015</u>	<u>(3,830,846)</u>		<u>(3,830,846)</u>
Business-Type Activities:						
Food Service	71,308	\$ 41,670	26,559		\$ (3,079)	(3,079)
After School Program	79,799	83,070			3,271	3,271
Total Business-Type Activities	<u>151,107</u>	<u>124,740</u>	<u>26,559</u>		<u>192</u>	<u>192</u>
Total Primary Government	<u>\$ 4,708,968</u>	<u>\$ 124,740</u>	<u>\$ 753,574</u>	<u>(3,830,846)</u>	<u>192</u>	<u>(3,830,654)</u>
General Revenue:						
Local Property Taxes - Charter School Aid				2,841,095		2,841,095
Unrestricted Federal and State Aid				1,114,905		1,114,905
Miscellaneous Income				1,908		1,908
Transfers				(4,522)	4,522	
Cancellation of Accounts Receivable				(22,768)		(22,768)
Total General Revenue, Transfers and Special Items				<u>3,930,618</u>	<u>4,522</u>	<u>3,935,140</u>
Change in Net Position				99,772	4,714	104,486
Net Position - Beginning				<u>341,293</u>	<u>10,100</u>	<u>351,393</u>
Net Position - Ending				<u>\$ 441,065</u>	<u>\$ 14,814</u>	<u>\$ 455,879</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

Exhibit B-1

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 296,917		\$ 296,917
Interfund Receivable:			
Special Revenue Fund	146		146
Fiduciary Funds	6,007		6,007
Intergovernmental Receivable:			
Federal		\$ 673	673
State	34,086		34,086
Security Deposit - Property Rental	67,962		67,962
Total Assets	\$ 405,118	\$ 673	\$ 405,791
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Intergovernmental Payable:			
State	16,740		16,740
Unearned Revenue		527	527
Interfund Payable:			
General Fund		146	146
Fiduciary Funds	17,847		17,847
Total Liabilities	34,587	673	35,260
Fund Balances:			
General Fund:			
Unassigned	370,531		370,531
Total Fund Balances	370,531		370,531
Total Liabilities and Fund Balances	\$ 405,118	\$ 673	\$ 405,791

Amounts Reported for *Governmental Activities* in the *Statement of Net Position* (Exhibit A-1) are different because:

Total Fund Balances - Governmental Funds (Above)	\$ 370,531
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$172,871 and the accumulated depreciation is \$102,337.	70,534
Net Position of Governmental Activities	\$ 441,065

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-2

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUE:			
Local Sources:			
Charter School Aid	\$ 2,841,095		\$ 2,841,095
Miscellaneous	1,908	\$ 21,973	23,881
Total - Local Sources	2,843,003	21,973	2,864,976
State Sources	1,723,302		1,723,302
Federal Sources		96,645	96,645
Total Revenue	4,566,305	118,618	4,684,923
EXPENDITURES:			
Current:			
Instruction	2,131,970	118,618	2,250,588
Support Services and Undistributed Costs:			
General Administration Services	1,002,765		1,002,765
School Support Services	815,221		815,221
Unallocated Benefits	440,569		440,569
Capital Outlay	36,644		36,644
Total Expenditures	4,427,169	118,618	4,545,787
Excess of Revenue over Expenditures	139,136		139,136
OTHER FINANCING SOURCES/(USES)			
Operating Transfer Out:			
Food Service Fund	(4,522)		(4,522)
Cancellation of Accounts Receivable	(22,768)		(22,768)
Total Other Financing Sources/(Uses)	(27,290)		(27,290)
Net Change in Fund Balances	111,846		111,846
Fund Balance—July 1	258,685		258,685
Fund Balance—June 30	\$ 370,531	\$ - 0 -	\$ 370,531

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$	111,846
<p>Amounts Reported for <i>Governmental Activities</i> in the <i>Statement of Activities</i> (Exhibit A-2) are Different Because:</p> <p>Capital outlays are reported in Governmental Funds as expenditures. However, in the <i>Statement of Activities</i>, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period.</p>		
Depreciation expense	\$	<u>(12,074)</u>
Change in Net Position (from Exhibit A-2)	\$	<u>99,772</u>

Exhibit B-4

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-Type Activities - <u>Enterprise Funds</u> <u>Non-Major Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 15,895
Accounts Receivable:	
State	67
Federal	1,896
Other	764
Interfund Receivable:	
Fiduciary Funds	<u>871</u>
Total Current Assets	<u>19,493</u>
Total Assets	<u>19,493</u>
 <u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	<u>4,679</u>
Total Current Liabilities	<u>4,679</u>
 <u>NET POSITION:</u>	
Unrestricted	<u>14,814</u>
Total Net Position	<u>\$ 14,814</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-Type Activities - <u>Enterprise Funds</u> <u>Non-Major Funds</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 13,582
Daily Sales - Non-Reimbursable Programs	28,088
Before and After School Revenue	<u>83,070</u>
Total Operating Revenue	<u>124,740</u>
Operating Expenses:	
Cost of Sales	70,323
Salaries and Employee Benefits	55,061
Supplies and Materials	<u>25,723</u>
Total Operating Expenses	<u>151,107</u>
Operating Income/(Loss)	<u>(26,367)</u>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	938
Federal Sources:	
National School Breakfast Program	2,802
National School Lunch Program	22,819
Board Contribution	<u>4,522</u>
Total Non-Operating Revenue	<u>31,081</u>
Change in Net Position	4,714
Net Position - Beginning of Year	<u>10,100</u>
Net Position - End of Year	<u>\$ 14,814</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-Type Activities - <u>Enterprise Funds</u> <u>Non-Major Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 133,197
Payments to Employees	(55,061)
Payments to Suppliers	<u>(96,268)</u>
Net Cash Used for Operating Activities	<u>(18,132)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Reimbursements	29,372
Cash Received from Board Contributions	<u>(39,348)</u>
Net Cash Provided by Noncapital Financing Activities	<u>(9,976)</u>
Net Decrease in Cash and Cash Equivalents	(28,108)
Cash and Cash Equivalents, July 1	<u>44,003</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 15,895</u></u>
Reconciliation of Operating Income to Net Cash Used for Operating Activities:	
Operating Income	\$ (26,367)
Adjustment to Reconcile Operating Income to Cash Used for Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	8,457
(Increase) in Accounts Payable	<u>(222)</u>
Net Cash Used for Operating Activities	<u><u>\$ (18,132)</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Agency		Total
	Student Activities	Payroll	
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 275,390	\$ 6,794	\$ 282,184
Interfund Receivable:			
General Fund	17,847		17,847
Accounts Receivable		1,384	1,384
Total Assets	<u>\$ 293,237</u>	<u>\$ 8,178</u>	<u>\$ 301,415</u>
<u>LIABILITIES:</u>			
Due to Student Groups		\$ 1,300	\$ 1,300
Interfund Payable:			
General Fund		6,007	6,007
Enterprise Fund		871	871
Accrued Salaries and Wages	\$ 189,892		189,892
Payroll Deductions and Withholdings	103,345		103,345
Total Liabilities	<u>\$ 293,237</u>	<u>\$ 8,178</u>	<u>\$ 301,415</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOT APPLICABLE

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of volunteer officials and is responsible for the fiscal control of the Charter School. A Director is appointed by the Board and is responsible for the administrative control of the Charter School.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and Schools by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the Charter School over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

Charter School-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the Charter School's governmental and business-type activities. These statements include the financial activities of the overall Charter School in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between governmental and business type activities of the Charter School. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the Charter School.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the Charter School's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all governmental funds as major is important for public interest and to promote consistency among School financial reporting models.

The Charter School reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the Charter School and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the Charter School includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, School taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed 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 expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

The Charter School reports the following proprietary fund:

Enterprise (Food Service and Before and After School Program) Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria and child care operations. The food service fund and before and after school program fund are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Additionally, the Charter School reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the Charter School on behalf of others and includes the Payroll Agency, and the Student Activity Agency Funds.

C. Measurement Focus and Basis of Accounting

The Charter School-Wide financial statements, the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the School gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes (in the form of Charter School Aid) is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The Charter School considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the Charter School's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the Charter School's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Charter School Aid is susceptible to accrual since under the New Jersey State Statute, each constituent school district is required to remit to the Charter School the entire balance of aid in the amount reported to each district by the State Department of Education. The School is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

Under the terms of grant agreements, the Charter School may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the Charter School's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. 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 minimum Chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the 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, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the Charter School has adopted a cash management plan that 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.

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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of 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 full amount of their deposits to the Governmental Units.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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

Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the Charter School's initial year a formal system of accounting for its capital assets was established. Capital assets acquired or constructed are recorded at historical cost including ancillary charges necessary to place the asset into service. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The Charter School does not possess any infrastructure. The Charter School has reviewed capital assets for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the Charter School-Wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the Charter School-Wide statements of net position, long-term debt and other long-term obligations are reported as liabilities in government activities. Debt issuance costs, as well as applicable debt discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize debt discounts, as well as debt issuance costs, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

In the Charter School-Wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due beyond one year.

M. Accrued Salaries and Wages:

Certain Charter School employees, who provide services to the Charter School over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amount earned by these employees but not disbursed was \$189,892.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Unearned Revenue:

Deferred revenue represents cash and/or commodities which have been received but not yet earned. See Note (1D) regarding the Special Revenue Fund.

O. Fund Balance Appropriated:

General Fund: Of the \$370,531 General Fund balance at June 30, 2013, all is unassigned.

P. Net Position:

The Charter School implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, during the current fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

A deferred outflow of resources is a consumption of net position by the Charter School that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the Charter School that is applicable to a future reporting period. The Charter School did not have any deferred inflows or outflows of resources at June 30, 2013.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the Charter School's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Charter School has no funds restricted at June 30, 2013.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

Unassigned fund balance is the residual classification for the Charter School's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

The Board of Trustees has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the members of the Board of Trustees at a public meeting of that governing body. The Board of Trustees must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Trustees at a public meeting of that governing body in order to remove or change the commitment of resources. The Charter School has no committed resources at June 30, 2013.

The assignment of resources is generally made by the Board of Trustees through a motion or a resolution passed by a majority of the members of the Board of Trustees. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Trustees may allow an official of the Charter School to assign resources through policies adopted by the Board of Trustees. The Charter School has no assigned resources at June 30, 2013.

R. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Charter School, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the Charter School receives value without directly giving equal value in return, include property taxes (Charter School Aid), grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes (in the form of Charter School Aid), interest and tuition.

S. Revenue – Operating Revenue and Expenses

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the Charter School, these revenues are sales for Food Service and Before and After School Care. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND CHARTER SCHOOL-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and Charter School-Wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Charter School classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosure*, requires disclosure of the level of custodial credit risk assumed by the Charter School in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the Charter School ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The Charter School limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the investment section of this note.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2013, cash and cash equivalents and investments of the Charter School consisted of the following:

	Cash and Cash Equivalents
Checking & Savings Accounts	\$ 594,996

During the period ended June 30, 2013, the Charter School did not hold any investments. The carrying amount of the Charter School's cash and cash equivalents at June 30, 2013, was \$594,996 and the bank balance was \$642,087.

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2013 were as follows:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 10,044			\$ 10,044
Machinery and Equipment	162,827			162,827
Total Capital Assets Being Depreciated	172,871			172,871
Governmental Activities Capital Assets	172,871			172,871
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(773)	\$ (773)		(1,546)
Machinery and Equipment	(89,490)	(11,301)		(100,791)
Total Accumulated Depreciation	(90,263)	(12,074)		(102,337)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 82,608	\$ (12,074)	\$ - 0 -	\$ 70,534

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 12,074
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THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 5. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers Pensions and Annuity Fund (TPAF) and Public Employees' Retirement Systems (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 post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the Charter School amounted to \$148,923, \$96,313, and \$96,794 for 2013, 2012, and 2011, respectively.

NOTE 6. LONG-TERM LIABILITIES

The Elysian Charter School of Hoboken has no long-term liabilities as of June 30, 2013.

NOTE 7. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. These systems are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other noncontribution employers. The PERS is also considered a cost-sharing, multiple-employer plan.

Employees who are members of TPAF or PERS and retire at or after age according to the relevant tier category for the employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective July 1, 2012, the employee contributions for PERS and TPAF increased from 6.5% to 6.64% of employees' annual compensation, as defined. Subsequent increases are being phased in over 7 years effective each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Charter School contributions to PERS amounted to \$50,103, \$169,169, and \$105,447 for fiscal year 2013, 2012 and 2011, respectively. The Charter School elected to defer \$38,157 of their \$85,800 regular pension liability for the year ended June 30, 2009 and started repaying this deferral during the 2011-2012 school year.

During the fiscal years ended June 30, 2013, 2012 and 2011 the State of New Jersey contributed the following to the TPAF for normal pension benefits on-behalf of the Charter School, \$131,702, \$47,910 and \$-0-, respectively.

NOTE 8. 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.

The Charter School provides employees with health benefit coverage through the State of New Jersey Health Benefits Plan.

New Jersey Unemployment Compensation Insurance

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Charter School is required to remit employee withholdings to the State on a quarterly basis. All of the Charter School's claims are paid by the State.

Property and Liability Insurance

The Charter School is a member of the New Jersey School Boards Association Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of this Group, the Charter School could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 8. RISK MANAGEMENT (Cont' d)

Selected, summarized financial information for the Group as of June 30, 2012 is as follows: The financial statements for the fiscal year ended June 30, 2013 was not available as of the date of this report.

	NJ School Board's Association Insurance Group (NJSBAIG)
Total Assets	\$ 267,924,509
Net Position	\$ 64,143,384
Total Revenue	\$ 85,639,095
Total Expenses	\$ 84,297,968
Change in Net Position	\$ 1,341,127
Member Dividends	\$ -0-

Financial statements for the Group are available at the Group's Executive Director's Office:

New Jersey School Boards Association Insurance Group
450 Veterans Drive
Burlington, NJ 08016
(609) 386-6060
www.njsbaig.org

NOTE 9. ECONOMIC DEPENDENCY

The Charter School receives a substantial amount of its support from state and local governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Charter School's programs and activities.

NOTE 10. DEFERRED COMPENSATION

The Charter School offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by Equitable Financial Companies, permits 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 ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2013.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 6,153	\$ 17,847
Special Revenue Fund		146
Proprietary Fund	871	
Fiduciary Fund	<u>17,847</u>	<u>6,878</u>
	<u>\$ 24,871</u>	<u>\$ 24,871</u>

The interfund receivable in the General Fund consists of funds due from the Fiduciary Funds for expenditures paid on behalf of the Student Activities Fund. The interfund payable in the General Fund consists of funds due to the Fiduciary Fund for the payment of salaries. The interfund receivable in the Proprietary Fund comprises payments made in the Food Service fund on behalf of the Student Activities Fund. The interfund payable in the Special Revenue fund represents funds advanced by the General Fund for the deficit in cash created by the Federal Grants receivable.

NOTE 12. LEASE OF FACILITIES

The Charter School currently leases one of its primary locations under the terms of a non-cancelable lease. The lease was entered into July 15, 1999 and will continue until July 14, 2024, unless the Charter School is no longer in existence. Under the terms of the lease the rent will be set annually and will be paid in monthly installments. At the inception of the lease the Charter School paid a security deposit of \$67,507 which is recorded on the balance sheet. Rent expense for the year ended June 30, 2013 was \$258,443.

The Charter School currently leases 4 classrooms from Hoboken Board of Education . The term of this lease was one year. Under the terms of the lease the rent was paid in 3 installments during the 2012-2013 school year. Rent expense for the year ended June 30, 2013 was \$50,168.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Grant Programs

The Charter School participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The Charter School is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The Charter School is periodically involved in lawsuits and estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially adversely affect the financial position of the Charter School.

Encumbrances

The Charter School has no encumbrances recorded as of June 30, 2013.

BUDGETARY COMPARISON SCHEDULES

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Levy - Charter School Aid - Local Share	\$ 2,850,118	\$ (9,023)	\$ 2,841,095	\$ 2,841,095	
Miscellaneous		1,737	1,737	1,908	\$ 171
Total - Local Sources	<u>2,850,118</u>	<u>(7,286)</u>	<u>2,842,832</u>	<u>2,843,003</u>	<u>171</u>
State Sources:					
Local Levy - Charter School Aid - State Share	604,496	67,083	671,579	671,579	
Adjustment Aid	478,656	(54,038)	424,618	397,751	(26,867)
Special Education Aid - Charter School Aid	145,347	22,481	167,828	167,828	
Security Aid	51,084	9,794	60,878	45,575	(15,303)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				131,702	131,702
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				148,923	148,923
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				159,944	159,944
Total State Sources	<u>1,279,583</u>	<u>45,320</u>	<u>1,324,903</u>	<u>1,723,302</u>	<u>398,399</u>
Total Revenues	<u>4,129,701</u>	<u>38,034</u>	<u>4,167,735</u>	<u>4,566,305</u>	<u>398,570</u>
Expenditures:					
Instruction:					
Salaries of Teachers	1,849,736	(83,584)	1,766,152	1,766,152	
Other Salaries for Instruction	120,815	145,279	266,094	266,094	
Purchased Professional/Technical Services	52,840	1,560	54,400	54,400	
General Supplies	26,500	4,603	31,103	31,103	
Textbooks	4,000	2,221	6,221	6,221	
Miscellaneous Expenses	8,000		8,000	8,000	
Total Instructional Expense	<u>2,061,891</u>	<u>70,079</u>	<u>2,131,970</u>	<u>2,131,970</u>	

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative:					
Salaries - Administration	\$ 202,000	\$ 7,507	\$ 209,507	\$ 209,507	
Salaries of Secretarial and Clerical Assistants	154,840	(7,269)	147,571	147,571	
Total Benefit Costs	537,262	11,745	549,007	543,130	\$ 5,877
Purchased Professional/Technical Services	31,675	4,919	36,594	36,594	
Purchased Professional Services - Audit	17,000		17,000	17,000	
Other Purchased Services		4,010	4,010	4,010	
Communications	9,827	853	10,680	10,680	
Supplies and Materials	24,000	(1,385)	22,615	22,615	
Judgements	8,000		8,000	8,000	
Miscellaneous Expenses	4,500	(792)	3,708	3,658	50
Total Administrative Expense	989,104	19,588	1,008,692	1,002,765	5,927
Support Services:					
Salaries	294,157	5,947	300,104	300,104	
Purchased Professional/Technical Services	80,127	3,415	83,542	81,483	\$ 2,059
Other Purchased Services	79,584	(27,052)	52,532	48,839	3,693
Rental of Land and Buildings	465,577	(17,253)	448,324	308,166	140,158
Insurance for Property, Liability and Fidelity	41,000	(260)	40,740	40,740	
Supplies and Materials	10,450	(2,145)	8,305	8,305	
Transportation - Other than To/From School	8,000	(2,025)	5,975	5,516	459
Miscellaneous Expenses	21,000	1,096	22,096	22,068	28
Total Support Services	999,895	(38,277)	961,618	815,221	146,397
On-Behalf TPAF Pension Contributions (Non-Budgeted)				131,702	(131,702)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				148,923	(148,923)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				159,944	(159,944)
Total On-Behalf Contributions				440,569	(440,569)

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Instructional	\$ 50,000	\$ (20,736)	\$ 29,264	\$ 29,264	
Non Instructional		7,380	7,380	7,380	
Total Capital Outlay	<u>50,000</u>	<u>(13,356)</u>	<u>36,644</u>	<u>36,644</u>	
Total Expenditures	<u>4,100,890</u>	<u>38,034</u>	<u>4,138,924</u>	<u>4,427,169</u>	<u>\$ (288,245)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,811		28,811	139,136	110,325
Other Financing Sources/(Uses):					
Operating Transfer Out:					
Food Service Fund				(4,522)	(4,522)
Cancellation of Accounts Receivables				(22,768)	(22,768)
Total Other Financing Sources/(Uses):				<u>(27,290)</u>	<u>(27,290)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	28,811		28,811	111,846	83,035
Fund Balance, July 1	<u>258,685</u>		<u>258,685</u>	<u>258,685</u>	
Fund Balance, June 30	<u>\$ 287,496</u>	<u>\$ -0-</u>	<u>\$ 287,496</u>	<u>\$ 370,531</u>	<u>\$ 83,035</u>
Recapitulation:					
Unassigned				<u>\$ 370,531</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 370,531</u>	

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 22,500		\$ 22,500	\$ 21,973	\$ (527)
Federal Sources	96,645		96,645	96,645	
Total Revenue	119,145		119,145	118,618	(527)
Expenditures:					
Instruction:					
Salaries of Teachers	50,257		50,257	50,257	
Other Salaries for Instruction	26,216		26,216	26,216	
Total Instruction	76,473		76,473	76,473	
Support Services:					
Personal Services - Employee Benefits	12,257		12,257	12,257	
Purchased Technical Services	7,915		7,915	7,915	
Purchased Professional/Educational Services	22,500		22,500	21,973	527
Total Support Services	42,672		42,672	42,145	527
Total Expenditures	119,145		119,145	118,618	527
Excess (Deficiency) of Revenue Over (Under)					
Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 4,566,305	\$ 118,618
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 4,566,305</u>	<u>\$ 118,618</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 4,427,169	\$ 118,618
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 4,427,169</u>	<u>\$ 118,618</u>

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. 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 minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the 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, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>No Child Left Behind</u>		<u>IDEA Part B Basic</u>	<u>Local Grants</u>	<u>Totals June 30, 2013</u>
	<u>Title I</u>	<u>Title II Part A</u>			
REVENUE:					
Local Sources				\$ 21,973	\$ 21,973
Federal Sources	\$ 28,222	\$ 7,915	\$ 60,508		96,645
Total Revenue	<u>28,222</u>	<u>7,915</u>	<u>60,508</u>	<u>21,973</u>	<u>118,618</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers			50,257		50,257
Other Salaries for Instruction	26,216				26,216
Total Instruction	<u>26,216</u>		<u>50,257</u>		<u>76,473</u>
Support Services:					
Employee Benefits	2,006		10,251		12,257
Purchased Technical Services		7,915			7,915
Purchased Professional/Educational Services				21,973	21,973
Total Support Services	<u>2,006</u>	<u>7,915</u>	<u>10,251</u>	<u>21,973</u>	<u>42,145</u>
Total Expenditures	<u>\$ 28,222</u>	<u>\$ 7,915</u>	<u>\$ 60,508</u>	<u>\$ 21,973</u>	<u>\$ 118,618</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

Exhibit G-1

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Food Service Program</u>	<u>Before and After School Program</u>	<u>Totals</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 4,303	\$ 11,592	\$ 15,895
Accounts Receivable:			
State	67		67
Federal	1,896		1,896
Other	50	714	764
Interfund Receivable:			
Fiduciary Funds	871		871
Total Current Assets	<u>7,187</u>	<u>12,306</u>	<u>19,493</u>
Total Assets	<u>7,187</u>	<u>12,306</u>	<u>19,493</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors	<u>4,679</u>		<u>4,679</u>
Total Current Liabilities	<u>4,679</u>		<u>4,679</u>
<u>NET POSITION:</u>			
Unrestricted	<u>2,508</u>	<u>12,306</u>	<u>14,814</u>
Total Net Position	<u>\$ 2,508</u>	<u>\$ 12,306</u>	<u>\$ 14,814</u>

Exhibit G-2

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service Program</u>	<u>Before and After School Program</u>	<u>Totals</u>
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 13,582		\$ 13,582
Daily Sales - Non-Reimbursable Programs	28,088		28,088
Before and After School Revenue		\$ 83,070	83,070
Total Operating Revenue	<u>41,670</u>	<u>83,070</u>	<u>124,740</u>
Operating Expenses:			
Cost of Sales	70,323		70,323
Salaries and Employee Benefits		55,061	55,061
Supplies and Materials	985	24,738	25,723
Total Operating Expenses	<u>71,308</u>	<u>79,799</u>	<u>151,107</u>
Operating Income/(Loss)	<u>(29,638)</u>	<u>3,271</u>	<u>(26,367)</u>
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	938		938
Federal Sources:			
National School Breakfast Program	2,802		2,802
National School Lunch Program	22,819		22,819
Board Contribution	4,522		4,522
Total Non-Operating Revenue	<u>31,081</u>		<u>31,081</u>
Change in Net Position	1,443	3,271	4,714
Net Position - Beginning of Year	<u>1,065</u>	<u>9,035</u>	<u>10,100</u>
Net Position - End of Year	<u>\$ 2,508</u>	<u>\$ 12,306</u>	<u>\$ 14,814</u>

Exhibit G-3

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service Program</u>	<u>Before and After School Program</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 41,687	\$ 91,510	\$ 133,197
Payments to Employees		(55,061)	(55,061)
Payments to Suppliers	(71,530)	(24,738)	(96,268)
Net Cash Used for Operating Activities	<u>(29,843)</u>	<u>11,711</u>	<u>(18,132)</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	29,372		29,372
Cash Received from Board Contributions	3,652	(43,000)	(39,348)
Net Cash Provided by Noncapital Financing Activities	<u>33,024</u>	<u>(43,000)</u>	<u>(9,976)</u>
Net Decrease in Cash and Cash Equivalents	3,181	(31,289)	(28,108)
Cash and Cash Equivalents, July 1	<u>1,122</u>	<u>42,881</u>	<u>44,003</u>
Cash and Cash Equivalents, June 30	<u>\$ 4,303</u>	<u>\$ 11,592</u>	<u>\$ 15,895</u>
Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:			
Operating Income/(Loss)	\$ (29,638)	\$ 3,271	\$ (26,367)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:			
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	17	8,440	8,457
(Increase) in Accounts Payable	(222)		(222)
Net Cash Used for Operating Activities	<u>\$ (29,843)</u>	<u>\$ 11,711</u>	<u>\$ (18,132)</u>

FIDUCIARY FUNDS

Exhibit H-1

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Payroll Agency</u>	<u>Student Activities</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 275,390	\$ 6,794	\$ 282,184
Interfund Receivable:			
General Fund	17,847		17,847
Accounts Receivable		1,384	1,384
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 293,237</u>	<u>\$ 8,178</u>	<u>\$ 301,415</u>
<u>LIABILITIES:</u>			
Due to Student Groups		\$ 1,300	\$ 1,300
Interfund Payable:			
General Fund		6,007	6,007
Enterprise Funds		871	871
Accrued Salaries and Wages	\$ 189,892		189,892
Payroll Deductions and Withholdings	103,345		103,345
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 293,237</u>	<u>\$ 8,178</u>	<u>\$ 301,415</u>

Exhibit H-2

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 71,190	\$ 64,396	\$ 6,794
Accounts Receivable	1,384		1,384
Total Assets	<u>\$ 72,574</u>	<u>\$ 64,396</u>	<u>\$ 8,178</u>
 <u>LIABILITIES:</u>			
Liabilities:			
Due to Student Groups	\$ 65,696	\$ 64,396	\$ 1,300
Interfund Payable:			
General Fund	6,007		6,007
Enterprise Funds	871		871
Total Liabilities	<u>\$ 72,574</u>	<u>\$ 64,396</u>	<u>\$ 8,178</u>

Exhibit H-3

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Elysian Charter School: Student Account	\$ 71,190	\$ 64,396	\$ 6,794
Total	<u>\$ 71,190</u>	<u>\$ 64,396</u>	<u>\$ 6,794</u>

Exhibit H-4

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 380,914	\$ 5,327,071	\$ 5,432,595	\$ 275,390
Interfund Receivable:				
General Fund		17,847		17,847
Total Assets	<u>\$ 380,914</u>	<u>\$ 5,344,918</u>	<u>\$ 5,432,595</u>	<u>\$ 293,237</u>
 <u>LIABILITIES:</u>				
Interfund Payable:				
General Fund	\$ 27,894		\$ 27,894	
Accrued Salaries and Wages	320,766	\$ 189,892	320,766	\$ 189,892
Payroll Deductions and Withholdings	32,254	5,155,026	5,083,935	103,345
Total Liabilities	<u>\$ 380,914</u>	<u>\$ 5,344,918</u>	<u>\$ 5,432,595</u>	<u>\$ 293,237</u>

LONG-TERM DEBT
(NOT APPLICABLE)

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

This part of the School's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.</p>	J-16 thru J-21

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The School implemented GASB Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	Restated 2011	2012	2013
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$ 773,290	\$ 773,813	\$ 726,409	\$ 733,849	\$ 894,556	\$ 866,907	\$ 73,534	\$ 82,608	\$ 70,534
Restricted	285,700	41,900							
Unrestricted	396,143	525,319	399,404	173,015	120,717	59,814	75,498	258,685	370,531
Total Governmental Activities Net Assets	\$ 1,455,133	\$ 1,341,032	\$ 1,125,813	\$ 906,864	\$ 1,015,273	\$ 926,721	\$ 149,032	\$ 341,293	\$ 441,065
Business-Type Activities									
Net Investment in Capital Assets									
Unrestricted	\$ 15,351	\$ 15,351	\$ 5,203	\$ 2,375	\$ 2,057	\$ 4,250	\$ 17,892	\$ 10,100	\$ 14,814
Total Business-Type Activities Net Assets	\$ 15,351	\$ 15,351	\$ 5,203	\$ 2,375	\$ 2,057	\$ 4,250	\$ 17,892	\$ 10,100	\$ 14,814
Entity-Wide:									
Net Investment in Capital Assets	\$ 773,290	\$ 773,813	\$ 726,409	\$ 733,849	\$ 894,556	\$ 866,907	\$ 73,534	\$ 82,608	\$ 70,534
Restricted	285,700	41,900							
Unrestricted	411,494	540,670	404,607	175,390	122,774	64,064	93,390	268,785	385,345
Total Entity Net Position	\$ 1,470,484	\$ 1,356,383	\$ 1,131,016	\$ 909,239	\$ 1,017,330	\$ 930,971	\$ 166,924	\$ 351,393	\$ 455,879

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Charter School Financial Reports

ELYSIAN CHARTER SCHOOL
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:									
Governmental Activities									
Instruction:									
Regular	\$ 1,785,254	\$ 1,848,839	\$ 2,143,744	\$ 2,202,291	\$ 2,223,785	\$ 2,195,343	\$ 2,314,878	\$ 2,401,274	\$ 3,125,661
Support Services:									
General Administrative Services	882,903	905,664	1,076,729	1,200,369	942,158	1,298,718	1,004,587	1,166,879	1,002,765
School Administrative Services	598,776	653,288	744,421	782,677	834,772	838,066	770,944	750,581	380,717
Unallocated Depreciation	48,503	48,503	22,599	24,770	26,210	27,649	27,649	12,745	12,074
Capital Outlay	29,918	36,143	18,766	26,450	186,917	5,435			36,644
Total Governmental Activities Expenses	<u>3,345,354</u>	<u>3,492,437</u>	<u>4,006,259</u>	<u>4,236,557</u>	<u>4,213,842</u>	<u>4,365,211</u>	<u>4,118,058</u>	<u>4,331,479</u>	<u>4,557,861</u>
Business-Type Activities:									
Food Service	73,678	73,678	95,795	139,572	159,218	92,182	60,682	88,091	71,308
Child Care						73,134	66,749	89,575	79,799
Total Business-type Activities Expense	<u>73,678</u>	<u>73,678</u>	<u>95,795</u>	<u>139,572</u>	<u>159,218</u>	<u>165,316</u>	<u>127,431</u>	<u>177,666</u>	<u>151,107</u>
Total Entity Expenses	<u>\$ 3,419,032</u>	<u>\$ 3,566,115</u>	<u>\$ 4,102,054</u>	<u>\$ 4,376,129</u>	<u>\$ 4,373,060</u>	<u>\$ 4,530,527</u>	<u>\$ 4,245,489</u>	<u>\$ 4,509,145</u>	<u>\$ 4,708,968</u>
Program Revenues									
Governmental Activities:									
Operating Grants and Contributions						\$ 179,685	\$ 390,233	\$ 519,479	\$ 727,015
Total Governmental Activities Program Revenues						<u>179,685</u>	<u>390,233</u>	<u>519,479</u>	<u>727,015</u>
Business-Type Activities:									
Charges for Services:									
Food Service	\$ 90,557	\$ 82,243	\$ 161,049	\$ 139,254	\$ 167,509	56,623	44,335	51,157	41,670
Child Care						73,686	68,935	90,514	83,070
Operating Grants and Contributions						37,200	27,745	28,179	26,559
Total Business-type Activities Program Revenues	<u>90,557</u>	<u>82,243</u>	<u>161,049</u>	<u>139,254</u>	<u>167,509</u>	<u>167,509</u>	<u>141,015</u>	<u>169,850</u>	<u>151,299</u>
Total Entity Program Revenues	<u>\$ 90,557</u>	<u>\$ 82,243</u>	<u>\$ 161,049</u>	<u>\$ 139,254</u>	<u>\$ 167,509</u>	<u>\$ 347,194</u>	<u>\$ 531,248</u>	<u>\$ 689,329</u>	<u>\$ 878,314</u>

ELYSIAN CHARTER SCHOOL
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue									
Governmental Activities	\$ (3,345,354)	\$ (3,492,437)	\$ (4,006,259)	\$ (4,236,557)	\$ (4,213,842)	\$ (4,185,526)	\$ (3,727,825)	\$ (3,812,000)	\$ (3,830,846)
Business-type Activities	16,879	8,565	65,254	(318)	8,291	2,193	13,584	(7,816)	192
Total Entity-wide Net Expense/Revenues	<u>\$ (3,328,475)</u>	<u>\$ (3,483,872)</u>	<u>\$ (3,941,005)</u>	<u>\$ (4,236,875)</u>	<u>\$ (4,205,551)</u>	<u>\$ (4,183,333)</u>	<u>\$ (3,714,241)</u>	<u>\$ (3,819,816)</u>	<u>\$ (3,830,654)</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Local Property Taxes - Charter School Aid	671,263	724,095	2,248,197	2,362,908	2,017,123	3,189,583	2,289,186	2,517,975	2,841,095
Unrestricted Federal and State Aid	2,513,585	2,675,499	1,567,774	1,599,063	2,102,519	735,510	1,424,153	1,478,394	1,114,905
Special Item - Increases/(Decreases) in Capital Assets			11,195	32,210	186,917		(158,128)		
Special Item - Cancellation of Accounts Receivable									(22,768)
Transfers									(4,522)
Miscellaneous Income	153,757	96,162	41,774	23,427	15,702	171,881	2,521	7,892	1,908
Total Governmental Activities	<u>3,338,605</u>	<u>3,495,756</u>	<u>3,868,940</u>	<u>4,017,608</u>	<u>4,322,261</u>	<u>4,096,974</u>	<u>3,557,732</u>	<u>4,004,261</u>	<u>3,930,618</u>
Business-Type Activities:									
Transfer									4,522
Miscellaneous Income							58	24	
Total Business-Type Activities							<u>58</u>	<u>24</u>	<u>4,522</u>
Total Entity-Wide	<u>\$ 3,338,605</u>	<u>\$ 3,495,756</u>	<u>\$ 3,868,940</u>	<u>\$ 4,017,608</u>	<u>\$ 4,322,261</u>	<u>\$ 4,096,974</u>	<u>\$ 3,557,790</u>	<u>\$ 4,004,285</u>	<u>\$ 3,935,140</u>
Change in Net Position:									
Governmental Activities	\$ (6,749)	\$ 3,319	\$ (137,319)	\$ (218,949)	\$ 108,419	\$ (88,552)	\$ (170,093)	\$ 192,261	\$ 99,772
Business-type Activities	16,879	8,565	65,254	(318)	8,291	2,193	13,642	(7,792)	4,714
Total Entity	<u>\$ 10,130</u>	<u>\$ 11,884</u>	<u>\$ (72,065)</u>	<u>\$ (219,267)</u>	<u>\$ 116,710</u>	<u>\$ (86,359)</u>	<u>\$ (156,451)</u>	<u>\$ 184,469</u>	<u>\$ 104,486</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: Charter School Financial Reports

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:									
Reserved/Restricted	\$ 285,700	\$ 41,900							
Unreserved	396,143	425,319	\$ 399,404	\$ 173,015	\$ 120,717	\$ 59,814			
Unassigned							\$ 75,498	\$ 258,685	\$ 370,531
Total General Fund	<u>681,843</u>	<u>467,219</u>	<u>399,404</u>	<u>173,015</u>	<u>120,717</u>	<u>59,814</u>	<u>75,498</u>	<u>258,685</u>	<u>370,531</u>
Total All Governmental Funds	<u>\$ 681,843</u>	<u>\$ 467,219</u>	<u>\$ 399,404</u>	<u>\$ 173,015</u>	<u>\$ 120,717</u>	<u>\$ 59,814</u>	<u>\$ 75,498</u>	<u>\$ 258,685</u>	<u>\$ 370,531</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: Charter School Financial Reports

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:									
Tax Levy (Charter School Aid)	\$ 2,041,997	\$ 2,334,758	\$ 2,248,197	\$ 2,362,908	\$ 2,017,123	\$ 3,189,583	\$ 2,289,186	\$ 2,517,975	\$ 2,841,095
Miscellaneous	33,044	28,710	41,774	131,304	15,702	186,766	5,058	13,946	23,881
State Sources	1,028,145	1,226,955	1,450,685	1,526,186	1,997,548	735,510	1,724,901	1,891,566	1,723,302
Federal Sources	530,525	127,903	116,059	104,254	104,961	165,100	86,948	100,253	96,645
Total Revenue	<u>3,633,711</u>	<u>3,718,326</u>	<u>3,856,715</u>	<u>4,124,652</u>	<u>4,135,334</u>	<u>4,276,959</u>	<u>4,106,093</u>	<u>4,523,740</u>	<u>4,684,923</u>
Expenditures:									
Instruction:									
Regular Instruction	1,682,151	1,873,805	1,935,032	1,999,492	2,004,765	2,030,964	2,058,963	2,116,969	2,250,588
Support Services:									
General Administration Services	768,484	895,050	1,056,729	1,199,369	938,826	1,158,123	1,004,587	1,166,879	1,002,765
School Administration Services	384,742	736,241	744,421	782,677	834,772	838,066	770,944	750,581	815,221
Unallocated Benefits	108,084	106,685	111,623	99,545	117,391	125,289	255,915	284,305	440,569
Food Service				139,572					
Capital Outlay	5,651	5,466	18,766	26,450	186,917	5,435		21,819	36,644
Special Revenue	534,525	131,903	116,059	104,254	104,961	179,985			
Total Expenditures	<u>3,483,637</u>	<u>3,749,150</u>	<u>3,982,630</u>	<u>4,351,359</u>	<u>4,187,632</u>	<u>4,337,862</u>	<u>4,090,409</u>	<u>4,340,553</u>	<u>4,545,787</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	150,074	(30,824)	(125,915)	(226,707)	(52,298)	(60,903)	15,684	183,187	139,136
Other Financing Sources/(Uses):									
Cancellation of Accounts Receivable									(22,768)
Transfers Out									(4,522)
Total Other Financing Sources/(Uses)									<u>(27,290)</u>
Net Change In Fund Balances	<u>\$ 150,074</u>	<u>\$ (30,824)</u>	<u>\$ (125,915)</u>	<u>\$ (226,707)</u>	<u>\$ (52,298)</u>	<u>\$ (60,903)</u>	<u>\$ 15,684</u>	<u>\$ 183,187</u>	<u>\$ 111,846</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: Charter School Financial Reports

Exhibit J-5

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST NINE FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

Fiscal Year Ended June 30,	Local Levy - Charter School Aid	Other	Total
2005	\$ 671,263	\$ 153,757	\$ 825,020
2006	724,095	96,162	820,257
2007	2,248,197	41,774	2,289,971
2008	2,362,908	23,427	2,386,335
2009	2,017,123	15,702	2,032,825
2010	3,189,583	186,766	3,376,349
2011	2,289,186	2,521	2,291,707
2012	2,517,975	7,892	2,525,867
2013	2,841,095	1,908	2,843,003

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: The Elysian Charter School of Hoboken Financial Reports.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction:									
Regular	21.0	21.0	22.0	22.0	22.0	22.0	22.0	21.8	21.8
Special Education	4.0	4.0	5.0	5.0	5.0	4.4	3.2	3.3	3.3
Support Services:									
Student & Instruction Related Services	5.0	6.0	8.0	8.0	8.0	8.0	5.0	5.5	5.5
School Administrative Services	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
General and Business Administrative Services	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Plant Operations and Maintenance	1.0	1.0	1.0	1.0	1.0				
Other Support Services			2.0	2.0	2.0	2.0	2.0	2.0	2.0
Food Service	4.0	4.0	4.0	4.0	4.0	2.5	2.5	2.0	2.0
Child Care			2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	<u>41.0</u>	<u>42.0</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	<u>46.9</u>	<u>40.7</u>	<u>40.6</u>	<u>40.6</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Charter School Personnel Records

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
OPERATING STATISTICS
LAST NINE FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil^b</u>	<u>Percent Change</u>	<u>Teaching Staff^c</u>	<u>Pupil/Teacher Ratio Middle</u>	<u>Average Daily Enrollment (ADE)^d</u>	<u>Average Daily Attendance (ADA)^d</u>	<u>% Change Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2005	270.0	\$ 2,949,112	\$ 10,923	16.31%	21.0	13.0	264.0	260.3	0.00%	98.60%
2006	270.0	3,617,247	13,397	6.23%	21.0	13.0	264.0	260.3	0.00%	98.60%
2007	274.0	4,024,530	14,688	9.64%	22.0	12.0	270.0	265.9	2.27%	98.48%
2008	266.0	3,954,762	14,868	1.22%	22.0	12.0	270.0	265.9	0.00%	98.48%
2009	273.0	3,983,801	14,593	-1.85%	22.0	12.0	273.0	268.9	1.11%	98.50%
2010	286.0	4,337,862	15,167	3.94%	22.0	12.0	286.0	276.0	4.76%	96.50%
2011	288.0	4,090,409	14,203	-6.36%	26.0	16.0	288.0	279.9	0.70%	97.19%
2012	288.0	4,318,734	14,996	5.58%	25.1	16.0	288.0	265.2	0.00%	92.08%
2013	288.0	4,509,143	15,657	4.41%	25.1	16.0	288.0	269.7	0.00%	93.65%

Note: Enrollment is based on the annual October Student count.

- ^a Operating expenditures equal total expenditures less debt service and capital outlay.
- ^b Cost per pupil is calculated based upon enrollment and operating expenditures presented and may not be the same as other cost per pupil calculations.
- ^c Teaching staff includes only full-time equivalents of certificated staff.
- ^d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Charter School Business Office

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
SCHOOL BUILDING INFORMATION
LAST NINE FISCAL YEARS
UNAUDITED

<u>Building</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Main Campus									
Square Feet	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Capacity (students)	180	180	186	192	192	224	224	224	224
Enrollment	180	180	182	172	177	224	224	224	224
Second Campus									
Square Feet	12,000	12,000	12,000	12,000	12,000	10,000	10,000	10,000	10,000
Capacity (students)	90	90	96	96	96	64	64	64	64
Enrollment	90	90	90	94	94	64	64	64	64

Number of Schools at June 30, 2013
Charter School (K-8) = 2

Note: Enrollment is based on the annual October student count.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Charter School Business Office

Exhibit J-20

THE ELYSIAN CHARTER SCHOOL OF HOBOKENINSURANCE SCHEDULEJUNE 30, 2013UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy: NJSBAIG		
Commercial Property	\$ 50,000,000	\$ 10,000
Boiler and Machinery	100,000,000	500
General Automotive Liability	16,000,000	1,000
School Board Legal Liability	16,000,000	5,000
Umbrella	5,000,000	
Workers' Compensation	2,000,000	
Public Officials	300,000	
Public Official Bond - NJSBAIG		
School Business Administrator	150,000	

Source: Charter School Business Office

Exhibit J-21

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
FINANCIAL PERFORMANCE
JUNE 30, 2013
UNAUDITED

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Cash	\$ 271,709	\$ 170,544	\$ 312,812
Current Assets	145,522	184,360	112,472
Capital Assets, Net	<u>681,130</u>	<u>82,608</u>	<u>70,534</u>
Total Assets	<u>1,098,361</u>	<u>437,512</u>	<u>495,818</u>
Current Liabilities	<u>323,841</u>	<u>86,119</u>	<u>39,939</u>
Total Liabilities	<u>323,841</u>	<u>86,119</u>	<u>39,939</u>
Net Position	<u>\$ 774,520</u>	<u>\$ 351,393</u>	<u>\$ 455,879</u>
Total Revenue	\$ 4,089,038	\$ 4,693,614	\$ 4,813,454
Total Expenses	<u>4,245,489</u>	<u>4,509,145</u>	<u>4,708,968</u>
Change in Net Position	<u>\$ (156,451)</u>	<u>\$ 184,469</u>	<u>\$ 104,486</u>
Depreciation Expense	27,649	\$ 12,745	\$ 12,074
Interest Expense	N/A	N/A	N/A
Principal Payments	N/A	N/A	N/A
Interest Payments	N/A	N/A	N/A
Final Average Daily Enrollment	288	286	287
March 30th Budgeted Enrollment	288	288	288

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Near Term Indicators:			
Current Ratio	0.45	2.14	2.82
Unrestricted Days Cash	90.29	142.28	230.28
Enrollment Variance	100%	100%	100%
Default	No	No	No
Sustainability Indicators:			
Total Margin	-4%	4%	2%
Debt to Asset	0.29	0.20	0.08
Cash Flow	(265,010)	(101,165)	142,268
Debt Service Coverage Ratio	N/A	N/A	N/A

N/A - Not Applicable

Source: Charter School Business Office

SINGLE AUDIT SECTION



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 200 Valley Road, Suite 300
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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey OMB's Circular 04-04

Independent Auditors' Report

The Honorable President and Members
 of the Board of Trustees
 The Elysian Charter School of Hoboken
 Hoboken, New Jersey

Report on Compliance for Each Major State Program

We have audited the Elysian Charter School (the "Charter School's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2013. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 require that 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 District'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 District's compliance.

The Honorable President and Members
of the Board of Trustees
The Elysian Charter School of Hoboken
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of 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*.

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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 8, 2013
Mount Arlington, New Jersey

NISIVOCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey OMB's Circular 04-04

Independent Auditors' Report

The Honorable President and Members
 of the Board of Trustees
 The Elysian Charter School of Hoboken
 Hoboken, New Jersey

Report on Compliance for Each Major State Program

We have audited the Elysian Charter School (the "Charter School's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2013. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 require that 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 District'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 District's compliance.

The Honorable President and Members
of the Board of Trustees
The Elysian Charter School of Hoboken
Page 2

Opinion on Each Major State Program

In our opinion, the District 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, 2013.

Report on Internal Control Over Compliance

Management of the District 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 District'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 OMB Circular A-133 and NJOMB 04-04, 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 District'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 federal or 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 federal or 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 federal or 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 OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

October 8, 2013
Mount Arlington, New Jersey

NISIVOCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	June 30, 2012			Balance, June 30, 2013		
					Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Due to Grantor
<u>General Fund</u>										
U.S. Department of Agriculture Passed-through										
State of New Jersey Department of Agriculture										
<u>Child Nutrition Cluster</u>										
National School Breakfast Program	10.553	N/A	7/1/11-6/30/12	\$ 2,524	\$ 196	\$ 196				
National School Breakfast Program	10.553	N/A	7/1/12-6/30/13	2,802		2,611	\$ (2,802)		\$ 191	
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	24,628	4,514	4,514				
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	22,819		21,114	(22,819)		1,705	
Total U.S. Department of Agriculture					4,710	28,435	(25,621)		1,896	
<u>Special Revenue Fund:</u>										
US Department of Education Passed-through State										
of New Jersey Department of Education										
Special Education Cluster:										
IDEA- Part B, Basic	84.027	IDEA 6420-13	9/1/12-8/31/13	60,508		59,835	(60,508)		673	
No Child Left Behind:										
Title I - Part A	84.010A	NCLB 6420-13	9/1/12-8/31/13	28,222		28,222	(28,222)			
Title II - Part A	84.367A	NCLB 6420-13	9/1/12-8/31/13	7,915		7,915	(7,915)			
Total U.S. Department of Education						95,972	(96,645)		673	
Total Federal Awards					\$ 4,710	\$ 124,407	\$ (122,266)	\$ - 0 -	\$ 2,569	\$ - 0 -

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2012			Budgetary Expenditures	Paid to Grantor	June 30, 2013			MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			Unearned Revenue	Budgetary/ GAAP Receivable	Due to Grantor	
State Department of Education:												
General Fund:												
Local Levy - State Share	12-495-034-5120-071	7/01/11-6/30/12	\$ 645,017	\$ 27,580	\$ 2,657	\$ 27,580		\$ 2,657				\$ 645,017
Adjustment Aid	12-495-034-5120-085	7/01/11-6/30/12	761,542									761,542
Security Aid	12-495-034-5120-084	7/01/11-6/30/12	45,176	537	184	537		184				45,176
Special Education Aid	12-495-034-5120-089	7/01/11-6/30/12	128,867	10,784	2,808	10,784		2,808				128,867
Nonpublic Aid	12-999-999-9999-960	7/01/11-6/30/12	26,659	26,659		26,659						26,659
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/01/11-6/30/12	140,082	5,504		5,504						140,082
Local Levy - State Share	13-495-034-5120-071	7/1/12-6/30/13	671,579			644,712	\$ (671,579)		\$ 26,867			671,579
Adjustment Aid	13-495-034-5120-085	7/1/12-6/30/13	424,618			424,618	(424,618)					424,618
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	60,878			60,878	(60,878)					60,878
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	167,828			167,828	(167,828)					167,828
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13	159,944			152,725	(159,944)		7,219			159,944
Total General Fund				71,064	5,649	1,521,825	(1,484,847)	5,649		34,086		3,232,190
Enterprise Fund												
State Department of Agriculture												
State School Lunch	12-100-010-3350-023	7/01/11-6/30/12	1,027	66		66						1,027
State School Lunch	13-100-010-3350-023	7/01/12-6/30/13	938			871	(938)			67		938
Total Enterprise Fund				66		937	(938)			67		1,965
Total State Awards				\$ 71,130	\$ 5,649	\$ 1,522,762	\$ (1,485,785)	\$ 5,649	\$ - 0 -	\$ 34,153	\$ - 0 -	\$ 3,234,155

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal and state awards include the federal and state grant activity of The Elysian Charter School of Hoboken under programs of the federal and state governments for the fiscal year ended June 30, 2013. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Charter School, they are not intended to and do not present the financial position, changes in net position or cash flows of the Charter School.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the accompanying schedules of expenditures of federal and state awards are reported 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 bases of accounting are described in Note 1 to the Charter School's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in Federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

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

The Schedule of Expenditures of State Awards does not include the On-Behalf TPAF Pension Contributions and Post-Retirement Medical Benefits contributions in the amount of \$148,923 and \$131,702, respectively. Revenue from Federal and State awards is reported on the Charter School's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,765,472	\$ 1,765,472
Special Revenue Fund	\$ 96,645		96,645
Food Service Fund	25,621	938	26,559
	<u>\$ 122,266</u>	<u>\$ 1,766,410</u>	<u>\$ 1,888,676</u>

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2013.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the Charter School which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey OMB's Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2013 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The Charter School's programs tested as major state programs for the current fiscal year consisted of the following state aid:

<u>Program Title</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Local Levy - State Share	13-495-034-5120-071	7/01/12-6/30/13	\$ 671,579	\$ 671,579
Adjustment Aid	13-495-034-5120-085	7/01/12-6/30/13	424,618	424,618
Security Aid	13-495-034-5120-084	7/01/12-6/30/13	167,828	167,828
Special Education Aid	13-495-034-5120-089	7/01/12-6/30/13	60,878	60,878

- The threshold for distinguishing between Type A and Type B state programs was \$300,000.
- The Charter School was determined to be as a "low risk" auditee for state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Findings and Questioned Costs for Federal Awards:

- Not applicable since expenditures of Federal awards were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04.

THE ELYSIAN CHARTER SCHOOL OF HOBOKEN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Status of Prior Year Findings:

There were no prior year audit findings.