



ALBANY COMMUNITY CHARTER SCHOOL

*FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION*

JUNE 30, 2014 AND 2013

ALBANY COMMUNITY CHARTER SCHOOL

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Albany Community Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Albany Community Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 entity'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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Albany Community Charter School as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 13-14 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 20 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2014, on our consideration of the Organization'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 Organization's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 23, 2014

ALBANY COMMUNITY CHARTER SCHOOL

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 1,852,049	\$ 2,007,574
Cash - Designated	1,000,000	1,000,000
Grants and Contracts Receivable - Net	664,693	358,216
Accounts Receivable	10	21,549
Inventory	28,732	22,504
Prepaid Expenses	<u>61,775</u>	<u>138,902</u>
Total Current Assets	3,607,259	3,548,745
Property and Equipment - Net	5,128,044	438,985
Other Assets		
Loan Acquisition Costs - Net	<u>67,252</u>	<u>-</u>
Total Assets	<u>\$ 8,802,555</u>	<u>\$ 3,987,730</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Current Portion of Long-Term Debt	\$ 47,611	\$ -
Accounts Payable and Accrued Expenses	153,247	128,002
Accrued Payroll and Benefits	676,364	599,511
Compensated Absences	<u>26,534</u>	<u>13,861</u>
Total Current Liabilities	903,756	741,374
Long-Term Liabilities		
Long-Term Debt, Net of Current Portion	<u>4,205,992</u>	<u>-</u>
Total Liabilities	<u>5,109,748</u>	<u>741,374</u>
Net Assets		
Unrestricted		
Undesignated	2,692,807	2,246,356
Designated	<u>1,000,000</u>	<u>1,000,000</u>
Total Unrestricted	<u>3,692,807</u>	<u>3,246,356</u>
Total Liabilities and Net Assets	<u>\$ 8,802,555</u>	<u>\$ 3,987,730</u>

ALBANY COMMUNITY CHARTER SCHOOL

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenue		
Public School District		
Resident Student Enrollment	\$ 7,624,384	\$ 6,423,761
Students with Disabilities	169,465	98,966
Grants and Contracts		
Federal Grants	245,401	283,649
Food Service/Children Nutrition Program	<u>374,735</u>	<u>364,142</u>
Total Revenue	<u>8,413,985</u>	<u>7,170,518</u>
Expenses		
Program Services		
Regular Education	4,941,340	4,613,854
Special Education	923,059	648,645
Other Programs	<u>895,622</u>	<u>760,024</u>
Total Program Services	6,760,021	6,022,523
Management and General	<u>1,274,627</u>	<u>705,078</u>
Total Operating Expenses	<u>8,034,648</u>	<u>6,727,601</u>
Surplus from School Operations	<u>379,337</u>	<u>442,917</u>
Other Revenue		
Fundraising	621	266
Interest Income	3,878	5,103
E-rate Income	39,507	9,944
Miscellaneous Income	<u>23,108</u>	<u>5,326</u>
Total Other Revenue	<u>67,114</u>	<u>20,639</u>
Increase in Net Assets	446,451	463,556
Net Assets, Beginning of Year, as Restated	<u>3,246,356</u>	<u>2,782,800</u>
Net Assets, End of Year	<u>\$ 3,692,807</u>	<u>\$ 3,246,356</u>

ALBANY COMMUNITY CHARTER SCHOOL

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows Provided by Operating Activities:		
Increase in Net Assets	\$ 446,451	\$ 463,556
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Amortization	873	-
Depreciation	150,917	74,801
Loss on Asset Dispositions	125,435	-
Bad Debt Expense	35,076	-
Changes in Operating Assets and Liabilities:		
<u>(Increase) Decrease in Assets</u>		
Grants and Contracts Receivable	(341,553)	(54,805)
Accounts Receivable	21,539	39,304
Inventory	(6,228)	(4,584)
Prepaid Expense	77,127	306,523
Security Deposits	-	157,500
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	25,244	(18,945)
Accrued Payroll and Benefits	76,853	126,130
Compensated Absences	12,673	1,152
Net Cash Provided by Operating Activities	<u>624,407</u>	<u>1,090,632</u>
Cash Flows Provided by (Used in) Financing Activities		
Repayments of Long-Term Debt	(21,399)	-
Payment for Debt Acquisition Costs	<u>(68,125)</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>(89,524)</u>	<u>-</u>
Cash Flows Used in Investing Activities		
Purchase of Property and Equipment	<u>(690,408)</u>	<u>(297,903)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(155,525)	792,729
Cash and Cash Equivalents, Beginning of Year	<u>3,007,574</u>	<u>2,214,845</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,852,049</u>	<u>\$ 3,007,574</u>
Non-Cash Investing/Financing - Building Acquisition with Debt Proceeds	<u>\$ 4,275,000</u>	<u>\$ -</u>

1. ORGANIZATION AND PURPOSE

Organization

Albany Community Charter School (the “School”) is a New York not-for-profit organization preparing students for a lifetime of opportunity by helping them master a primary rigorous, standards-based curriculum focused on literacy and other foundational knowledge.

By aligning the efforts of all members of the school community - student, parent, teacher, principal, board, and civic organizations - we dramatically increase the chances students will be prepared to succeed when they move on to middle school, high school, college and into the workforce. To achieve that goal, the learning community at the School emphasizes achievement, respect and positive behavior.

A provisional charter, valid for five years, was granted to the School by the University of the State of New York pursuant to Article 56 of the Education Law of the State of New York. The School began providing educational services in the fall of 2006 for K-1st grades. The provisional charter allowed for an additional grade to be added in each subsequent year until the School reaches grades K-4. A charter renewal was granted in 2010 extending the school’s operations for an additional five years and the addition of a 5th grade. In January 2012, the School received approval to modify its charter renewal and add a middle school program to its existing elementary school program, effectively adding grades 6 through 8 in subsequent years through 2014-2015. As of June 30, 2014, the School had an enrollment of 549 students in K to 7th grades.

The School is governed by a Board of Trustees in accordance with the School’s by-laws. The School is a member of the Brighter Choice Foundation, which provides start-up grants, school facilities, revolving loan funds and technical assistance to area charter schools.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION

Financial Statement Presentation

The following summarizes the significant accounting policies consistently applied in the preparation of the School’s financial statements, with references to the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) where applicable.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with FASB ASC “Financial Statements of Not-for-Profit Organizations” utilizing the accrual basis of accounting. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Support and Revenue

Grants and pledges received are measured at their fair values and reported as an increase in net assets. The School reports grants and pledges as restricted when a portion of their value is assigned to a long-term future use, long-term meaning in excess of one year for the purpose of these statements

The School reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenue Recognition

A substantial portion of the School's revenue and related receivables is derived from its billing of Albany City School District in accordance with State law, requiring the District to reimburse the School based on a per capita basis. These revenues are recognized ratably over the related school year during which they are earned.

Revenue from other governmental sources generally represent entitlement grants and are recognized as earned when allowable expenditures are incurred. Costs are subject to audit and changes, if any, are recognized in the year known.

Donated Services

A number of unpaid volunteers have made contributions of their time. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation and it does not meet the reporting requirements of the accounting standards.

Grants, Contracts and Accounts Receivables

Receivables are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded when received. A receivable is considered past due if any portion of the receivable balance is outstanding for more than 90 days. Management has recorded an allowance of \$35,076 and \$0 as of June 30, 2014 and 2013, respectively.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Inventory

Inventory consists of student uniforms and clothing available for use in the school's everyday operation. The inventory is stated at the lower of cost (on a first-in, first-out basis) or market value and is based on a physical inventory taken by management at June 30, 2014 and 2013.

Property, Equipment and Depreciation

Acquisitions of property and equipment in excess of \$500 are capitalized and recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs not improving or extending the lives of property and equipment is charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of activities. Depreciation is provided over the estimated useful life of each class of depreciable assets (ranging from 3 to 15 years) and is computed using the straight-line method.

Conditional and Unconditional Promises to Give

At June 30, 2014 and 2013, the School had not received any conditional or unconditional promises to give.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs benefitted. Salaries are allocated based on estimates of total time spent, while other expenses are allocated based on estimates of the resources used.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Fair Value

Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an "exit" price) in the principal or most advantageous market for the asset or liability between market participants on the measurement date.

2. ACCOUNTING POLICIES AND FINANCIAL STATEMENT PRESENTATION(CONTINUED)

Income Taxes

The School is exempt from Federal and State income tax under §501(c)(3) of the Internal Revenue Code and comparable New York State Law. The School is designated as a publicly supported organization which is not a private foundation under §509(a) of the Internal Revenue Code.

The Accounting Standards Codification requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The School has not recognized any benefits from uncertain tax positions in 2014 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the balance sheet date. Generally, federal, state and local authorities may examine the School's tax-exempt returns for three years from the date of filing; consequently, income tax returns for years prior to 2011 are no longer subject to examination by taxing authorities.

Cash and Cash Equivalents

For purposes of balance sheet classification and the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents. Designated cash represents funds set aside by Board action for future expansion plans.

Advertising Costs

The School expenses advertising costs as they are incurred. Advertising costs for the years ended June 30, 2014 and 2013, were \$34,264 and \$15,161, respectively.

Subsequent Events

The School has adopted ASC 855, *Subsequent Events*, which establishes general standards of accounting for, and disclosures of, events that occur after the due date of the financial statements but before the financial statements are issued or are available to be issued. In the preparation of these financial statements and notes thereto, management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through October 23, 2014, the date the financial statements were available to be issued. No such events or transactions were identified.

Reclassification

Certain 2013 amounts have been reclassified to conform with the current year presentation.

3. GRANTS, CONTRACTS AND ACCOUNTS RECEIVABLE

At June 30, 2014 and 2013, grants, contracts and accounts receivable were comprised of the following funding sources:

	<u>2014</u>	<u>2013</u>
School District Tuition - Net	\$ 542,772	\$ 280,408
U.S. Department of Agriculture	77,790	69,616
U.S. Department of Education	44,131	8,192
Other Receivables	10	21,549
	<u>\$ 664,703</u>	<u>\$ 379,765</u>

4. PROPERTY AND EQUIPMENT

Property and equipment are reflected at historical cost, net of related depreciation, and are comprised of the following at June 30, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Land	\$ 300,000	\$ -
Building	4,518,885	-
Equipment	297,526	241,231
Furniture/Fixtures	367,891	337,189
Leasehold Improvements	89,628	215,763
Building Improvements	5,206	-
Total at Cost	<u>5,579,136</u>	<u>794,183</u>
Less: Accumulated Depreciation	<u>(451,092)</u>	<u>(355,198)</u>
	<u>\$ 5,128,044</u>	<u>\$ 438,985</u>

Depreciation expense was \$148,600 and \$74,801 for the years ended June 30, 2014 and 2013, respectively.

5. OTHER ASSETS - CLOSING COSTS

Other assets consist of capitalized transaction costs on the financing of certain real property of the School and are being amortized over 28 years. Capitalized costs totaled \$68,125 with accumulated amortization of \$873 as of June 30, 2014. Amortization expense was \$873 for the year ended June 30, 2014.

6. LONG-TERM DEBT

Long-term debt is comprised of the following at June 30,2014:

Loan payable to Local Initiatives Support Corporation, in monthly payments of \$29,019, including interest at 7.10%, maturing in January, 2043.	\$ 4,253,603
Less: current portion	<u>(47,611)</u>
	<u>\$ 4,205,992</u>

Estimated debt maturities at June 30 over the next five (5) years are as follows:

2015	\$	47,611
2016		50,277
2017		54,792
2018		58,811
2019		63,125
Thereafter		<u>3,978,987</u>
		<u>\$ 4,253,603</u>

7. FACILITIES RENTAL

The School leased their primary facilities from the Brighter Choice Foundation. Occupancy costs of the lease for the year ended June 30, 2014 and 2013 were \$899,157 and \$1,094,293, respectively. The Krank Street lease is effective through June 30, 2018. The Dove Street lease ended in December 2013, with the purchase of the building from the Foundation.

Future annual minimum lease payments required under the building leases in the fiscal years ending June 30 are approximated as follows:

2015	\$	741,300
2016		747,300
2017		753,300
2018		800,000

8. RETIREMENT PLAN

The School has adopted a profit-sharing plan under IRC §401(k) covering all eligible employees. The School contributes a matching contribution to each eligible employee's profit-sharing plan at the rate of 4% of the employee's gross compensation for the calendar year. The School's retirement plan expense for the years ended June 30, 2014 and 2013 was \$53,922 and \$42,913, respectively.

9. CONCENTRATION OF RISK

The School receives a substantial portion of its funding from school districts where students reside. Three school districts comprised approximately 91% of total revenue and support for each of the years ended June 30, 2014 and 2013. No other funding sources accounted for more than 10% of total revenue and support.

The School does occasionally maintain deposits in excess of federal insured limits. FASB ASC 850-10 identifies this as a possible concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is further managed by maintaining all deposits in high quality financial institutions.

The School is subject to audits and reviews of reimbursable costs by various governmental agencies. The outcome of the audits and reviews may have the effect of retroactively increasing or decreasing revenue from various sources. These charges, if any, will be recognized in accordance with the rules and guidelines established by the various funding sources.

10. RESTATEMENT OF UNRESTRICTED NET ASSETS

The School's net assets as of June 30, 2012 and 2013 and the change in net assets for the year ended June 30, 2013 have been restated to correct the financial statements for the following activity:

Net Assets for June 30, 2012	\$ 2,737,481
Network Membership Fee, Overreported	68,552
Tuition Revenue, Overreported	<u>(23,233)</u>
Net Assets as of June 30, 2012, as Restated	<u>\$ 2,782,800</u>
Increase in Net Assets for June 30, 2013, as Originally Reported	\$ 745,494
Tuition Revenue, Overreported	<u>(281,938)</u>
Increase in Net Assets as of June 30, 2013, as Restated	<u>\$ 463,556</u>

OTHER FINANCIAL INFORMATION

ALBANY COMMUNITY CHARTER SCHOOL

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Education</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Administrative Personnel	\$ 140,479	\$ -	\$ -	\$ 140,479	\$ 561,918	\$ 702,397
Instructional Personnel	2,500,554	472,523	-	2,973,077	-	2,973,077
Non-Instructional Personnel	-	-	164,874	164,874	54,136	219,210
Total Salaries	<u>2,641,033</u>	<u>472,523</u>	<u>164,874</u>	<u>3,278,430</u>	<u>616,054</u>	<u>3,894,484</u>
Fringe Benefits and Payroll Taxes	621,750	104,705	-	726,455	136,509	862,964
Retirement	38,850	6,542	-	45,392	8,530	53,922
Legal Service	3,752	631	-	4,383	824	5,207
Accounting and Audit Services	11,258	1,896	-	13,154	2,472	15,626
Other Purchased, Professional and Consulting Services	123,022	83,875	-	206,897	38,879	245,776
Building and Land Lease	647,827	109,096	83,261	840,184	58,973	899,157
Interest Expense	-	-	-	-	165,159	165,159
Loss on Disposal of Assets	-	-	-	-	125,435	125,435
Repairs and Maintenance	245,532	41,348	31,557	318,437	22,351	340,788
Insurance	57,348	9,657	7,371	74,376	5,220	79,596
Utilities	88,678	14,934	11,396	115,008	8,073	123,081
Supplies and Materials	92,179	15,523	11,986	119,688	9,744	129,432
Equipment and Furnishings	1,466	247	-	1,713	322	2,035
Staff Development	39,034	6,574	-	45,608	-	45,608
Marketing and Recruitment	24,687	4,157	-	28,844	5,420	34,264
Technology	23,248	3,915	-	27,163	5,104	32,267
Food Service	-	-	185,303	185,303	-	185,303
Student Services	119,265	20,085	393,823	533,173	-	533,173
Office Expense	47,078	7,928	6,051	61,057	4,286	65,343
Bad Debt Expense	-	-	-	-	35,076	35,076
Depreciation and Other	<u>115,333</u>	<u>19,423</u>	<u>-</u>	<u>134,756</u>	<u>26,196</u>	<u>160,952</u>
Total Expenses	<u>\$ 4,941,340</u>	<u>\$ 923,059</u>	<u>\$ 895,622</u>	<u>\$ 6,760,021</u>	<u>\$1,274,627</u>	<u>\$ 8,034,648</u>

ALBANY COMMUNITY CHARTER SCHOOL

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Program Services</u>				<u>Supporting Services</u>	
	<u>Regular Education</u>	<u>Special Education</u>	<u>Other Education</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Administrative Personnel	\$ 100,186	\$ -	\$ -	\$ 100,186	\$ 400,744	\$ 500,930
Instructional Personnel	2,196,180	303,243	-	2,499,423	-	2,499,423
Non-Instructional Personnel	-	-	128,058	128,058	53,570	181,628
Total Salaries	<u>2,296,366</u>	<u>303,243</u>	<u>128,058</u>	<u>2,727,667</u>	<u>454,314</u>	<u>3,181,981</u>
Fringe Benefits and Payroll Taxes	515,329	64,457	-	579,786	96,568	676,354
Retirement	32,696	4,090	-	36,786	6,127	42,913
Legal Service	1,026	128	-	1,154	192	1,346
Accounting and Audit Services	10,053	1,257	-	11,310	1,884	13,194
Other Purchased, Professional and Consulting Services	102,596	68,365	-	170,961	28,475	199,436
Building and Land Lease	833,767	104,286	97,893	1,035,946	58,347	1,094,293
Repairs and Maintenance	231,788	28,992	27,214	287,994	16,221	304,215
Insurance	49,004	6,129	5,754	60,887	3,429	64,316
Utilities	58,142	7,272	6,826	72,240	4,069	76,309
Supplies and Materials	114,556	14,329	14,007	142,892	13,687	156,579
Equipment and Furnishings	2,525	316	-	2,841	473	3,314
Staff Development	22,759	2,847	-	25,606	-	25,606
Marketing and Recruitment	11,551	1,445	-	12,996	2,165	15,161
Technology	15,468	1,935	-	17,403	2,899	20,302
Food Service	-	-	194,069	194,069	-	194,069
Student Services	194,964	24,386	279,706	499,056	-	499,056
Office Expense	55,335	6,921	6,497	68,753	3,872	72,625
Depreciation and Other	<u>65,929</u>	<u>8,247</u>	<u>-</u>	<u>74,176</u>	<u>12,356</u>	<u>86,532</u>
Total Expenses	<u>\$ 4,613,854</u>	<u>\$ 648,645</u>	<u>\$ 760,024</u>	<u>\$ 6,022,523</u>	<u>\$ 705,078</u>	<u>\$ 6,727,601</u>

FEDERAL AWARD PROGRAM INFORMATION

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Certified Public Accountants LLC
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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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***

To the Board of Trustees
Albany Community Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Albany Community Charter School (the "School"), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows as of and for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 23, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies [reference numbers 2014-1 through 2014-3].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which were described in the accompanying schedule of findings and questioned costs as items [reference numbers 2014-1 through 2014-3].

The School's Response to Findings

The School's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 23, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Trustees
Albany Community Charter School

Report on Compliance for Each Major Federal Program

We have audited the Albany Community Charter School's (the "School") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2014. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal 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; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School 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 federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items [reference numbers 2014-1 through 2014-3]. Our opinion on each major federal program is not modified with respect to these matters.

The School's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [reference numbers 2014-1 through 2014-3], that we consider to be significant deficiencies.

The School's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 23, 2014

ALBANY COMMUNITY CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity/Project Number</u>	<u>Federal Expenditures</u>
<u>Passed Through New York State Education Department:</u>			
<u>U.S. Department of Education</u>			
ESEA Title I	84.010	0021-14-4033	\$ 228,220
Improving Teacher Quality State Grants	84.367	0147-14-4033	<u>8,505</u>
Total U.S. Department of Education Passed Through New York State Education Department			<u>236,725</u>
<u>U.S. Department of Agriculture</u>			
School Breakfast Program	10.553	-	114,497
School Lunch Program	10.555	-	<u>234,471</u>
Total U.S. Department of Agriculture Passed Through New York State Education Department			<u>348,968</u>
Total Federal Assistance			<u><u>\$ 585,693</u></u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards was prepared on the accrual basis of accounting. Grant awards are recorded as revenue when the criteria for earning the revenue is met, generally when the expenditure of grant funds is made. Grant expenditures are recorded when the liability is incurred.

The amounts reported as federal expenditures on the schedule represent expenditures of federal funds as obtained from the appropriate federal financial reports for the applicable programs and periods. The non-federal share of expenditures, if any, is excluded from the schedule.

2. SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

The Albany Community Charter School is an independent non-profit corporation. All federal grant operations of the School are included in the scope of the single audit.

ALBANY COMMUNITY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION I — SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- “Going Concern” explanatory paragraph included in audit report? _____ Yes X No
- Significant deficiency(ies) disclosed? _____ Yes X No
- Significant deficiency(ies) reported as a material weakness? _____ Yes X None reported
- Noncompliance material to financial statements? _____ Yes X No

Federal Awards

Internal Control over major programs:

- Significant deficiency(ies) identified? X Yes _____ No
- Significant deficiency(ies) reported for any major programs as a material weakness(es)? _____ Yes X None reported
- Any known questioned costs reported? _____ Yes X No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X Yes _____ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Clusters</u>
10.553/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ Yes X No

SECTION II — FINANCIAL STATEMENT FINDINGS

N/A

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See pages 23-24 for federal award findings and questioned costs.

SECTION IV — RESOLUTION OF PRIOR YEAR AUDIT FINDINGS

See page 25 for prior year federal award findings and questioned costs resolutions.

For the year ended June 30, 2014, we selected the Child Nutrition Cluster (CFDA Numbers 10.553 and 10.555) as a major program for the Albany Community Charter School's (the School) Single Audit. Our test work involved the inspection of 74 applications (Application for Free and Reduced Price School Meals/Milk) selected systematically (40), randomly (25) and internally (9 Income Verifications) testing various required attributes of the program. The current year findings below, in aggregate, are deemed to be significant deficiencies less than material but warrant the attention of those charged with governance.

Significant Deficiencies:

Criteria (1): Application must disclose income levels within established thresholds designated by the U.S. Department of Agriculture. Criteria (1) is applicable to findings 2014-1 and 2014-2. This criteria falls under Compliance Requirement E of Circular A-133, Eligibility.

Criteria (2): The School must select a pre-determined sample of applications and contact applicants for verification of income. If proof of income requires a change in the student's status in the program, the applicant must be notified and this action completed in the School's software system. Criteria (2) is applicable to finding 2014-3.

Recommendation: We recommend that the School establish a system of internal control which designates a person independent of the application, data entry or internal verification process to review each application for eligibility criteria. This person should also ensure authorized applications are posted correctly to the School's nutrition software. Recommendation is applicable to findings 2014-1 through 2014-3.

Corrective Action Plan (Management's Response to Recommendation):

Management has responded to the above referenced findings by implementing a secondary review of all applications by a person who is independent of the School Lunch function. Management believes this will help to identify discrepancies before being posted to the School's nutrition program.

Reference Number: 2014-1:

Statement of Condition: One application for Free and Reduced Price School Meals/Milk was incorrectly approved for Reduced Meal Plan. Student received benefits under the Reduced Meal Plan but should have been denied due to income listed on the application in excess of USDA guidelines.

Reference Number: 2014-2:

Statement of Condition: One application for Free and Reduced Price School Meals/Milk was correctly approved for Reduced Meal Plan but student received benefits under the Free Meal Plan. This finding is unresolved from prior year and listed as a current finding.

Reference Number: 2014-3:

Statement of Condition: Under USDA guidelines, organizations which are recipients of Child Nutrition funding are required to complete income verification for a pre-determined sample size of applications. The sample size selected by the School was determined to be 9 applications. The income verification process involves contacting the applicant to provide verification of income listed on their original applications and changes to the meal plan must be made based on updated information if necessary. We reviewed all 9 income verifications noting 1 reply was not received and although the School followed up with the applicants, their status was not terminated for non-response.

ALBANY COMMUNITY CHARTER SCHOOL

RESOLUTION OF PRIOR YEAR AUDIT FINDINGS

JUNE 30, 2014

Prior Year Audit Findings:

All prior year findings are considered resolved for the year ended June 30, 2014, except as follows. The School appears to have implemented a system of internal controls over this function to sufficiently process applications within requirements.

Reference Number: 2013-2

Statement of Condition: One application for Free and Reduced Price Meals/Milk was correctly approved for Reduced Meal Plan but student received benefits under the Free Meal Plan. This finding is unresolved and reported as reference number 2014-2 on the Schedule of Federal Award Findings and Questioned Costs. See Page 23.

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CERTIFIED PUBLIC ACCOUNTANTS

October 23, 2014

To the Board of Trustees
Albany Community Charter School
Albany, NY 12202

We have audited the financial statements of Albany Community Charter School for the year ended June 30, 2014, and have issued our report thereon dated November 1, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 1, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Albany Community Charter School are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule (1) summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The attached schedule (2) summarizes corrected misstatements of the financial statements. Management has determined that their effects are material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 23, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

CURRENT YEAR RECOMMENDATIONS

Financial Statement Preparation

Statement of Auditing Standards "Communicating Internal Control Related Matters Identified in an Audit" issued by the American Institute of Certified Public Accountants requires the reporting of a significant deficiency if the Organization does not employ an individual with the necessary qualifications to prepare a complete set of financial statements and related footnotes in accordance with generally accepted accounting principles. The School does not employ such a person. Governance and management have been advised of this previously and have concluded that the cost to rectify this comment would exceed the benefit.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees and management of Albany Community Charter School and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Cusack & Company, CPA's LLC

Passed Journal Entries

Client	ACCS #2515	Year-end	6/30/2014
Prepared by & Date	LMB 10/6/14	Reviewed by & Date	W/P Ref. 1.6

PASSED JOURNAL ENTRIES (JE's passed on because they are below thresholds required for booking entry)

	<i>Ref.</i>	<i>Debit</i>	<i>Credit</i>
(1) < Passed JE related to food inventory not recorded >			
Dr. Food Inventory	D-2	\$ 2,490.18	
Cr. Cost of Goods Sold	D-2		\$ 2,490.18
(2) < Passed JE related to a payroll accrual adjustment >			
Dr. Payroll Accrual	O-1.1	\$ 8,870.62	
Cr. Salaries	O-1.1		\$ 8,870.62
(3) < Passed JE related to a recalss of between Tuition A/R and A/P >			
Dr. Accounts Receivable - Tuition	C-1.1	\$ 4,589.29	
Cr. Accounts Payable	C-1.1		\$ 4,589.29

Prepared by _____
 Reviewed by _____

**Albany Community Charter School
 Adjusting Journal Entries**

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE01	Adjusting	06/30/14					
		4101	Title IA - Grant	41,510.00			
		1111	Grants - Federal		41,510.00		
			ADJUST A/R FOR TITLE I GRANT			(41,510.00)	W-2 (B)
AJE02	Adjusting	06/30/14					
		5653	Mortgage Interest Exp	24,831.91			
		2025	Accrued Expense Other		24,831.91		
			JE to record accrued interest for July mortgage payment			(24,831.91)	M-LEAD
AJE03	Adjusting	06/30/14					
		1085	PR Acct - M&T	140,404.65			
		2010	Accrued PR		140,404.65		
			JE to reclass accrual entry from credit to cash to accrued expenses			0.00	A-4
AJE04	Adjusting	06/30/14					
		2015	Accrued Paid Leave	12,876.34			
		5221.6	Bookkeeper		715.21		
		5221.10	Food Ser. Dir.		2,115.38		
		5221.4	Director - Finance & Operations		2,144.02		
		5221.11	Administrative Asst. - Middle Sch		769.23		
		5221.8	Administrative Asst. - Elementary		1,288.46		
		5221.17	Principal		3,831.81		
		5221.7	Parent Coordinator		2,012.23		
			JE to reverse prior year vacation accrual			12,876.34	O-2.2
AJE05	Adjusting	06/30/14					
		1502	Office Equipment General	100,897.33			
		1500	Office Furn - General	30,701.70			
		1450	Musical Instruments		1,390.31		
		1500	Office Furn - General		11,631.70		
		1502.1	HP Compaq 6910 Ntbk		46,058.43		
		1502.1A	Phone system, cell phones, two wa		2,739.80		
		1502.2	Wireless Access Points		25,478.80		
		1502.3	Portable Projector & Screen		229.99		
		1506	Classroom Furniture		15,275.00		
		1509	Science lab furniture & equip		28,795.00		
			JE to reclass fixed asset additions from sub accounts and small accounts to			0.00	H-1

Prepared by _____

**Albany Community Charter School
Adjusting Journal Entries**

2515
Page 2 / 5
10/16/14

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
			larger account groups				
AJE06	Adjusting	06/30/14					
		1507	Accum Depreciation - Furniture &	51,332.08			
		1502	Office Equipment General		51,515.13		
		6195	Loss on Sale of Asset	183.05			
						(183.05)	H-1.3
			JE to record current year equipment dispositions				
AJE07	Adjusting	06/30/14					
		1507	Accum Depreciation - Furniture &	3,689.80			
		1505.01	Leashold Imp. 42 So. Dove St.		128,942.00		
		6195	Loss on Sale of Asset	125,252.20			
						(125,252.20)	H-3
			JE to dispose of 42 Dove leasehold improvements				
AJE08	Adjusting	06/30/14					
		6110	Depreciation Exp	150,916.40			
		1507	Accum Depreciation - Furniture &		150,916.40		
						(150,916.40)	H-1
			JE to record current year depreciation expense				
AJE09	Adjusting	06/30/14					
		1502	Office Equipment General	6,913.70			
		5401.1	General Supplies		3,399.76		
		5404	Office Supplies & Materials		929.99		
		5415	Small misc furniture for all areas		2,583.95		
						6,913.70	H-1
			JE to record fixed asset additions from search				
AJE10	Adjusting	06/30/14					
		1550	Loan Closing Costs	68,125.00			
		1531	Land	300,000.00			
		1530	Building		373,331.10		
		1532	Building Improvements	5,206.10			
						0.00	H-3
			JE to correct basis in building, record land, improvements, and loan closing costs				

Prepared by _____

**Albany Community Charter School
Adjusting Journal Entries**

2515
Page 3 / 5
10/16/14

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE11	Adjusting	06/30/14					
		6145	Network Membership Fee	68,551.58			
		3003	Retained Earnings		68,551.58		
						(68,551.58)	
			JE to record net asset restatement for prepaid BCF network fees				X-4
AJE12	Adjusting	07/01/13					
		2010	Accrued PR	227,431.99			
		5310	Social Security - FICA/MED		16,162.14		
		5221.5	Safety Inerv./Behavior Spec.		4,779.81		
		5222.04	Garner, Monay		2,653.86		
		5222.05	Jackson, Johnnye		3,461.55		
		5222.06	Lane, Mitchell		2,653.83		
		5222.07	Waklatsi, Tyrone		2,884.62		
		5222.10	CT - Pennick, Kim		3,060.36		
		5222.11	CT - Ruffin, Francine		3,074.64		
		5222.13	CT - Waring, Damin		3,305.07		
		5222.14	CT - Woods, Freddy		3,427.50		
		5222.15	CT - Lajas, Jonathon		2,815.50		
		5222.17	CT - Avery-Boone, Carolyn		3,208.86		
		5222.18	CT - Brown, Linda		3,565.38		
		5222.20	CT - Mall, Zabine		3,565.38		
		5222.21	CT - Jones, Kyl		2,733.45		
		5222.24	CT - Mojica, Nicholas		2,733.45		
		5222.25	CT - Carr, melissa		3,461.55		
		5222.3	CT - Burt, Katisha		3,213.57		
		5222.5	CT - Ford, Aricka		3,213.57		
		5222.6	CT - Hickson, Priscilla		4,120.00		
		5222.7	CT - Mason, Ciara		3,015.81		
		5223.2A	K Teacher - Egnaczyk, Amy		6,368.55		
		5223.2C	K Teacher - Martin, Lisa		5,825.64		
		5223.2D	K Teacher - Glickman, Amy		5,141.31		
		5223.3A	1st G Teacher - Ciprioni, Jennifer		5,560.74		
		5223.3B	1st G Teacher - McNamara, Nicole		6,368.55		
		5223.3D	1st G Teacher - Santiago, Raquel		5,386.14		
		5223.4A	2nd G Teacher - Ellis, Andrea		5,899.62		
		5223.4D	2nd G Teacher - Davis, Brandi		5,191.14		
		5223.4E	2nd G Teacher - Pichardo Heidy		4,846.14		
		5223.5B	3rd G Teacher - Lare, Cristen		6,146.64		
		5223.5C	3rd G Teacher - Vanderheyden, M		6,047.07		
		5223.5D	3rd G Teach Dempsey, Christina		5,076.93		
		5223.6A	4th G Teacher - Keator, Amy		5,820.93		
		5223.6C	4th Grade Teacher - James, Tiffany		5,507.31		
		5223.6E	Webb, Elizabeth		4,991.55		
		5223.7A	Carter, Cathy		6,699.69		
		5223.7B	Moore-Boakye, Sherrmaine		6,476.07		
		5223.7C	Swain, Emily		5,769.24		
		5225.3	Coord Spec Ed - Schnakenberg		6,621.45		
		5225.5	Teacher - Spec Ed - Wendling		5,644.38		
		5225.6	Spec Ed - Olivet, Nicole M.		3,565.38		
		5228.1	Literacy Specialist - Connors		5,728.86		
		5228.2	Technical Teacher - Lewis-Jones		4,455.81		
		5228.3	Art Teacher - Hamilton		4,991.55		
		5228.4	Physical Ed Teacher - Parker		5,825.64		
		5228.6	AIS Teacher - Gordon, Michelle		6,365.76		

227,431.99

JE to reverse the PY 10 month

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**Albany Community Charter School
Adjusting Journal Entries**

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Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
			employee accrual				
AJE13	Adjusting	06/30/14					
		1113	Schools	69,608.00			
		4006	Troy SD - Spec Ed		69,608.00		
						69,608.00	
			Move Invoice #2740 to 13-14 (JANE CHANGE DATE ONLY)				C-1
AJE14	Adjusting	06/30/13					
		3003	Retained Earnings	220,676.56			
		3003	Retained Earnings	1,073.50			
		3003	Retained Earnings	26,642.93			
		3003	Retained Earnings	22,159.00			
		1113	Schools		305,170.38		
		3003	Retained Earnings	34,618.39			
						0.00	
			Restate Net Assets for Incorrect A/R Setup (JANE CREDIT MEMO)				C-1.3
AJE15	Adjusting	06/30/14					
		4001	Albany SD	239,223.68			
		4005	Troy SD	69,394.78			
		1113	Schools		308,618.46		
						(308,618.46)	
			Remove Incorrect A/R Balances from 13-14				C-1.3
AJE16	Adjusting	06/30/14					
		6130	Amortization Expense	873.40			
		1521	Accumulated Amortization		873.40		
						(873.40)	
			JE to record amortization expense				H-2A & H-2
AJE17	Adjusting	06/30/14					
		6400	Bad Debt Expense	35,076.00			
		1118	Allowance for Doubtful Accounts		35,076.00		
						(35,076.00)	
			JE to record an allowance for doubtful accounts				C-4

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**Albany Community Charter School
Adjusting Journal Entries**

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Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE18	Adjusting	06/30/14					
		5311	Bonus	182,520.95			
		5310	Social Security - FICA/MED	13,962.85			
		2020	Accrued Bonus		196,483.80		
						(196,483.80)	
			JE to record accrual for bonus paid in October 2014				O-3.1
AJE19	Adjusting	06/30/14					
		2020	Accrued Bonus		17,122.15		
		5310	Social Security - FICA/MED		14,980.41		
		5311	Bonus	32,102.56			
						(17,122.15)	
			JE to correct prior year accrual reversal entry error				O-3
		TOTAL		<u>2,306,756.43</u>	<u>2,306,756.43</u>	<u>(652,588.92)</u>	