

**OUR WORLD NEIGHBORHOOD
CHARTER SCHOOL**

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORTS**

JUNE 30, 2017 AND 2016

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

TABLE OF CONTENTS

Independent Auditor's Report on Financial Statements and Supplementary Information

Exhibit

A - Balance Sheet

B - Statement of Activities

C - Statement of Cash Flows

Notes to Financial Statements

Schedule

1 - Schedule of Functional Expenses

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

**TABLE OF CONTENTS
(continued)**

**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**

Schedule of Findings and Questioned Costs

Corrective Action Plan



Independent Auditor's Report on Financial Statements and Supplementary Information

**Board of Trustees
Our World Neighborhood Charter School**

Report on the Financial Statements

We have audited the accompanying financial statements of Our World Neighborhood Charter School, which comprise the balance sheet as of June 30, 2017 and 2016, and the related statements of activities, 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 audit. We conducted our audit 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 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 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

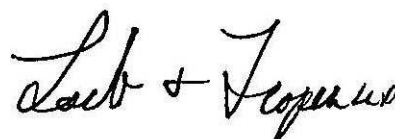
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our World Neighborhood Charter School as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses is presented for purposes of additional analysis and is 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 26, 2017 on our consideration of Our World Neighborhood 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 solely 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 the effectiveness of Our World Neighborhood Charter School's 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 Our World Neighborhood Charter School's internal control over financial reporting and compliance.



October 26, 2017

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

BALANCE SHEET

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash	\$ 3,334,338	\$ 2,204,119
Grants and contracts receivable	668,655	826,030
Accounts receivable	11,978	14,281
Prepaid expenses	<u>103,591</u>	<u>148,411</u>
Total current assets	4,118,562	3,192,841
Investments - certificate of deposits - reserve for dissolution (Note 2)	76,476	76,057
Security deposits	51,386	51,386
Fixed assets - net (Note 3)	<u>3,370,591</u>	<u>3,465,208</u>
Total assets	<u>\$ 7,617,015</u>	<u>\$ 6,785,492</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 192,027	\$ 217,886
Due to New York State Department of Education (Note 8)	677,777	
Accrued salaries, vacations and related liabilities	<u>737,200</u>	<u>952,898</u>
Total current liabilities	1,607,004	1,170,784
Net assets (Exhibit B)		
Unrestricted	<u>6,010,011</u>	<u>5,614,708</u>
Total liabilities and net assets	<u>\$ 7,617,015</u>	<u>\$ 6,785,492</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating revenues and other support		
Resident student enrollment	\$ 10,227,333	\$ 9,833,631
Student with disabilities	<u>750,827</u>	<u>429,521</u>
Total state and local per-pupil operating revenues	10,978,160	10,263,152
Government grants and contracts	848,958	762,908
Food program grants	178,694	177,818
Contributions	29,668	33,466
In-kind contributions	58,971	58,229
Interest income	16,634	8,960
Other revenues	<u>72,124</u>	<u>73,566</u>
Total operating revenues	<u>12,183,209</u>	<u>11,378,099</u>
Expenses (Schedule 1)		
Program services		
Education	8,894,355	8,560,018
Special education	<u>653,587</u>	<u>495,068</u>
Total program services	<u>9,547,942</u>	<u>9,055,086</u>
Supporting services		
Management and general	2,129,011	2,174,155
Fundraising	<u>110,953</u>	<u>107,662</u>
Total supporting services	<u>2,239,964</u>	<u>2,281,817</u>
Total expenses	<u>11,787,906</u>	<u>11,336,903</u>
Change in unrestricted net assets (Exhibit C)	395,303	41,196
Net assets - unrestricted - beginning of year	<u>5,614,708</u>	<u>5,573,512</u>
Net assets - unrestricted - end of year (Exhibit A)	<u>\$ 6,010,011</u>	<u>\$ 5,614,708</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 395,303	\$ 41,196
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	153,616	199,001
Decrease (increase) in assets		
Grants and contracts receivable	157,375	(440,194)
Accounts receivable	2,303	(2,376)
Prepaid expenses	44,820	52,302
Deferred rent costs		9,644
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(25,859)	45,109
Due to New York State Department of Education	677,777	
Accrued salaries, vacations and related liabilities	(215,698)	12,534
Net cash provided (used) by operating activities	<u>1,189,637</u>	<u>(82,784)</u>
Cash flows from investing activities		
Fixed asset acquisitions	(58,999)	(203,097)
Change in cash - reserve for dissolution	(419)	455
Purchase of investments - certificate of deposit - reserve for dissolution		(566)
Net cash used by investing activities	<u>(59,418)</u>	<u>(203,208)</u>
Net change in cash	1,130,219	(285,992)
Cash - beginning of year	<u>2,204,119</u>	<u>2,490,111</u>
Cash - end of year	<u>\$ 3,334,338</u>	<u>\$ 2,204,119</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 1 - NATURE OF ORGANIZATION

Our World Neighborhood Charter School (OWN) is an educational corporation that operates as a charter school in the Borough of Queens, New York. On July 18, 2012, the Board of Regents and the Board of Trustees of the State University of New York, on behalf of the State Education Department, granted OWN a charter valid for a term of five years and renewed for an additional five years through June 30, 2022. OWN was organized to increase learning opportunities for students through innovative educational programs and to enable parents to be more involved in their children's education. OWN operated classes for approximately 780 and 700 students in grades K-8, in 2017 and 2016 respectively.

OWN is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. OWN is supported primarily by state and local per-pupil operating revenues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash - reserve for dissolution - The cash reserve for dissolution represents funds held aside for contingency purposes as required by the School's Charter.

Investments - certificates of deposit - reserve for dissolution - Certificates of deposit held for investment that are not debt securities are included in "investments - certificates of deposit." Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as "short-term investments - certificates of deposit." Certificates of deposit with remaining maturities greater than one year are classified as "long-term investments - certificates of deposit." The investments - certificates of deposit - reserve for dissolution represent funds held aside for contingency purposes as required by the School's Charter.

Accounts receivable - Accounts receivable consist of unpaid tuition balances. Accounts receivable are presented net of allowances for doubtful accounts. The allowances are based on management's evaluation of the collectibility of the related accounts. Interest is not accrued or recorded on outstanding receivables.

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2017 AND 2016****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Allowance for doubtful accounts - OWN determines whether an allowance for uncollectibles should be provided for pledges and accounts receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

Prepaid expenses - Payments made to vendors that cover future periods are recorded as prepaid expenses.

Fixed assets - Fixed assets are recorded at cost. Items with a cost of \$5,000 or more and an estimated useful life of more than one year are capitalized.

Due to New York State Department of Education - Tuition for students is recognized on a full time equivalence (FTE) basis. The due to New York State Department of Education reflects the difference between payments made by the New York State Department of Education and the reconciliation actual FTE.

Unrestricted net assets - Unrestricted net assets include funds having no restrictions as to use or purpose imposed by donors.

State and local per-pupil operating revenues - Revenues from the state and local governments resulting from OWN's charter status and based on the number of students enrolled are recorded when services are performed in accordance with the charter agreement. These grants are recorded as revenue by OWN when services are rendered.

Government grants - Revenues from other government grants to which OWN is entitled is recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by OWN.

Food program grants - Food program grants represent both state and local government subsidies to pay for meals for eligible students.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donors. The gifts are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind contributions - In-kind contributions consist of textbooks, library books and software from the NYC Board of Education. These contributions are recorded at fair value at the date of donation.

Other revenues - The nonreimbursable portion of meals served and field trips are included in other revenues.

Depreciation and amortization - Leasehold improvements are amortized on the straight-line basis over the lesser of their useful lives of 37-39 years or the term of the lease, whichever is shorter. Depreciation is computed on the straight-line basis over the estimated useful lives of 3-5 years.

Functional allocation of expenses - The costs of providing services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Uncertainty in income taxes - The School has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending June 30, 2014 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through October 26, 2017, which is the date the financial statements were available to be issued.

Reclassification - State and local per-pupil operating revenues for 2016 have been reclassified to conform to current presentation.

NOTE 3 - FIXED ASSETS

	<u>2017</u>	<u>2016</u>
Leasehold improvements	\$ 3,813,039	\$ 3,801,193
Furniture and equipment	1,507,222	1,480,642
Construction in progress	<u>981,184</u>	<u>981,183</u>
	6,301,445	6,263,018
Accumulated depreciation and amortization	<u>(2,930,854)</u>	<u>(2,797,810)</u>
	<u>\$ 3,370,591</u>	<u>\$ 3,465,208</u>

During 2017 OWN disposed of \$20,572 of fully depreciated fixed assets.

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 4 - LEASE COMMITMENT

On July 15, 2002, OWN entered into a sublease agreement with Mosaica Education, Inc. (the Sublandlord) for premises located at 36-12 35th Avenue, Astoria, New York (Lower School) for a term ending September 30, 2010, which was extended to September 30, 2020.

OWN entered into a five-year lease of a school building located at 31-20 37th Street, Astoria, NY (Middle School), which expires on July 31, 2018.

The future minimum lease payments are as follows:

<u>Year Ending June 30</u>	
2018	\$ 819,030
2019	482,349
2020	464,067
2021	<u>116,868</u>
	<u>\$ 1,882,314</u>

Rent expense for the years ended June 30, 2017 and 2016 was \$860,624 and \$872,988, respectively.

NOTE 5 - PENSIONS

OWN maintains a 401(k) plan for its employees. OWN provides a 100% match of salary deferral up to 3% of eligible compensation and a discretionary profit sharing of up to 3% of eligible compensation. Pension expense for the years ended June 30, 2017 and 2016 was \$298,943 and \$276,039, respectively.

NOTE 6 - CONTINGENCIES

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

OWN is party to various litigations which, in the opinion of management, will not have a material adverse impact on its financial position.

-continued-

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2017 AND 2016****NOTE 7 - CONCENTRATIONS**

Financial instruments which potentially subject OWN to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.

OWN obtained approximately 90% of its operating revenues in 2017 and 2016, respectively, through its charter from New York State.

NOTE 8 - DUE TO NEW YORK STATE DEPARTMENT OF EDUCATION

In 2017, OWN overclaimed for per pupil revenue by \$677,777. OWN filed corrected claims and has recorded a liability for the amount overclaimed.

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

SCHEDULE 1

SCHEDULE OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2017 AND 2016

	No. of Positions	2017						Total
		Program Services			Supporting Services			
		Education	Special Education	Total	Management and General	Fundraising	Total	
Personnel service costs								
Administrative staff personnel	23	\$ 770,106	\$ 80,769	\$ 850,875	\$ 1,090,790	\$ 77,035	\$ 1,167,825	\$ 2,018,700
Instructional personnel	74	4,319,910	438,706	4,758,616				4,758,616
Non-instructional personnel	1	91,962		91,962				91,962
Total personnel service costs	98	5,181,978	519,475	5,701,453	1,090,790	77,035	1,167,825	6,869,278
Payroll taxes and employee benefits		1,153,138	100,627	1,253,765	456,176	18,435	474,611	1,728,376
Occupancy (Note 4)		891,856		891,856	219,406		219,406	1,111,262
Contracted services		249,930		249,930	41,925	7,500	49,425	299,355
Supplies and equipment		447,217	18,036	465,253	61,130	333	61,463	526,716
Repairs and maintenance		221,095		221,095	82,196		82,196	303,291
Printing and postage		4,382		4,382	1,296	6,090	7,386	11,768
Professional fees					77,497		77,497	77,497
Security		65,345		65,345	16,336		16,336	81,681
Insurance		79,123		79,123	19,781		19,781	98,904
Advertising		26,440		26,440		1,500	1,500	27,940
Telephone		86,727		86,727	27,902		27,902	114,629
Travel		890		890	203		203	1,093
Food services		219,441		219,441				219,441
Professional development		82,843	15,449	98,292	1,274	60	1,334	99,626
Depreciation and amortization		140,564		140,564	13,052		13,052	153,616
Miscellaneous expenses		43,386		43,386	20,047		20,047	63,433
Total expenses (Exhibit B)		\$ 8,894,355	\$ 653,587	\$ 9,547,942	\$ 2,129,011	\$ 110,953	\$ 2,239,964	\$ 11,787,906

-continued-

SCHEDULE OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2017 AND 2016

	No. of Positions	2016						Total
		Program Services			Supporting Services			
		Education	Special Education	Total	Management and General	Fundraising	Total	
Personnel service costs								
Administrative staff personnel	16	\$ 759,096	\$ 88,440	\$ 847,536	\$ 1,082,004	\$ 74,638	\$ 1,156,642	\$ 2,004,178
Instructional personnel	79	4,112,434	299,237	4,411,671				4,411,671
Non-instructional personnel	2	81,150		81,150				81,150
Total personnel service costs	97	4,952,680	387,677	5,340,357	1,082,004	74,638	1,156,642	6,496,999
Payroll taxes and employee benefits		1,180,392	106,686	1,287,078	445,014	18,648	463,662	1,750,740
Occupancy (Note 4)		800,422		800,422	274,142		274,142	1,074,564
Contracted services		268,636		268,636	24,307	6,000	30,307	298,943
Supplies and equipment		396,471	705	397,176	61,103	4,812	65,915	463,091
Repairs and maintenance		249,281		249,281	100,173		100,173	349,454
Printing and postage		4,570		4,570	2,223	1,005	3,228	7,798
Professional fees					62,460		62,460	62,460
Security		75,124		75,124	18,781		18,781	93,905
Insurance		76,656		76,656	19,363		19,363	96,019
Advertising		15,897		15,897		1,529	1,529	17,426
Telephone		82,432		82,432	26,432		26,432	108,864
Travel		3,155		3,155	179		179	3,334
Food services		218,524		218,524				218,524
Professional development		17,761		17,761	3,969	990	4,959	22,720
Depreciation and amortization		184,390		184,390	14,611		14,611	199,001
Miscellaneous expenses		33,627		33,627	39,394	40	39,434	73,061
Total expenses (Exhibit B)		\$ 8,560,018	\$ 495,068	\$ 9,055,086	\$ 2,174,155	\$ 107,662	\$ 2,281,817	\$ 11,336,903

See independent auditor's report.

The accompanying notes are an integral part of these statements.



**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

Independent Auditor's Report

**Board of Trustees
Our World Neighborhood 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 Our World Neighborhood Charter School, which comprise the balance sheet as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. 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 (2017-001).

Compliance and Other Matters

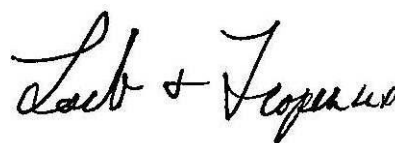
As part of obtaining reasonable assurance about whether Our World Neighborhood Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

Our World Neighborhood Charter School's Response to Findings

Our World Neighborhood Charter School's response to the findings identified in our audit are described in the accompanying *Corrective Action Plan*. Our World Neighborhood Charter 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



October 26, 2017

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

2017-001 Per pupil revenue

Criteria

OWN has a requirement to submit bi-monthly claims to the NYS Department of Education for all students enrolled in the school including the start and end dates of enrollment.

Condition

In 2017, management submitted incorrect claims including students who were discharged prior to the start of the year as well as incorrect start and end dates of some students.

Context

There were 780 full time equivalent students originally recorded by OWN. We tested 40 students of which 10 had errors.

Cause

Management oversight.

Effect

OWN claimed \$677,777 in excess of the actual amounts earned.

View of Responsible Officials and Planned Corrective Actions

See corrective action plan.



Our World Neighborhood Charter School

Elementary School
Kindergarten to Grade 5
36-12 35th Avenue
Astoria, NY 11106

Middle School
Grade 6 to Grade 8
31-20 37th Street
Astoria, NY 11103

OUR WORLD NEIGHBORHOOD CHARTER SCHOOL

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2017

2017-001 Per pupil revenue

OWNCS submits six invoices per school year via a Vendor Portal operated by the NYC Department of Education. The invoices are populated based on information that is included in ATS, a NYC board of Education student enrollment computer system. OWNCS reviews the student enrollments prior to submitting the invoice for payment. In prior year however, a number of students from the prior school year was inadvertently submitted for payment and both the NYC Board of Education and OWNCS personnel uncover the error at the end of the fiscal year. As part of OWNCS corrective action, OWNCS will pull a report from its internal PowerSchool Enrollment Report and cross reference with students generated in the invoice by ATS to confirm current enrollment of all students. OWNCS will also review its internal withdrawal and new enrollment reports for incoming and outgoing students for proper inclusion and exclusion for each invoice. OWNCS will pull the Special Education Report from ATS, confirm those students with other internal reports from the Director of Special Education and subsequently ensure those special education students are properly included and classified in their correct category on the invoice. As part of OWNCS overall verification, OWNS will ensure the correct dates of enrollment for all students in order for the vendor portal to calculate the correct Full Time Equivalency (FTE) for each student. We believe this process will be robust and ensure that student enrollment data for each period is correct.

Grades K-5
Grades 6-8

Tel: (718) 392-3405 Fax: (718) 392-2840
Tel: (718) 274-2902 Fax: (718) 274-7146
www.owncs.org