

**GOAL ACADEMY CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS**

June 30, 2010

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Title Page

Table of Contents

FINANCIAL SECTION

Independent Auditors' Report

Management's Discussion and Analysis

i - v

Basic Financial Statements

Statement of Net Assets

1

Statement of Activities

2

Balance Sheet – All Governmental Funds

3

Statement of Revenues, Expenditures and Changes in Fund Balances –
All Governmental Funds

4

Notes to the Financial Statements

5 – 12

Required Supplementary Information

Budgetary Comparison Schedule – General Fund

13

FINANCIAL SECTION



**JOHN CUTLER
& ASSOCIATES**

Board of Directors
GOAL Academy Charter School
Westminster, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of GOAL Academy Charter School, as of and for the nine months ended June 30, 2010, which collectively comprise the basic financial statements of the School, as listed in the table of contents. These financial statements are the responsibility of GOAL Academy Charter School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of GOAL Academy Charter School, as of June 30, 2010, and the respective changes in financial position for the nine months then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

John Cutler & Associates, LLC

December 14, 2010

**Guided Online Academic Learning Academy (GOAL)
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2010**

As management of the GOAL charter School (the "Academy"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2010.

Financial Highlights

- The assets of the Academy exceeded its liabilities as of 6/30/10 by \$666,684 (net assets).
- The financial year has seen a drastic change in the management of the school. GOAL had its charter shifted from the Caesar Chavez School Network (CCSN) to its own independent board.
- This transfer became effective on November 1, 2009 with the establishment of an independent Board under a transfer contract. The independent audit for the fiscal year will be conducted by CCSN to cover the period July 1, 2009 to October 31, 2009 and the additional period November 1, 2009 to June 31, 2010 and is the period that this audit is covering.
- Upon independence of CCSN, the school board along with the new school management enacted immediate financial controls policies and guidelines. Recently the school enhanced the financial management team to include a new Chief Financial Officer and bookkeeper. This new team will continue to revise systems and controls that will ensure that the school follows the rules and requirements under federal and state law as well as GASP-34.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Academy's basic financial statements. The Academy's basic financial statements have three components: 1) Academy-wide financial statements; 2) Fund financial statements; and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Academy-wide Financial Statements: The Academy-wide financial statements are designed to provide readers with a broad overview of the Academy's finances, using accounting methods similar to those used by a private-sector business.

The Statement of Net Assets presents information on all the Academy's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Academy is improving or deteriorating.

The Statement of Activities presents information showing how the Academy's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Academy-wide financial statements distinguish functions of the academy that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion their costs through user fees and charges (business-type activities). The Academy only reports governmental activities.

Governmental Activities: Most of the Academy’s basic services are included here, such as instructional services, support services and student activities. Other services include activities relating to building maintenance and operations, student transportation, technology and administration.

The Academy-wide financial statements can be found on pages 1 and 2 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund financial statements provide more detailed information about the operations of the Academy by fund instead of the Academy as a whole. The majority of the funds of the Academy are governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the Academy-wide financial statements. However, unlike the Academy-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on valances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. The Academy’s most significant, or “major”, governmental fund is the General Fund.

Because the focus of governmental funds is narrower than that of the Academy-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Academy-wide financial statements. By doing so, readers may better understand the long-term impact of the state government’s education funding decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Academy adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided to demonstrate compliance with state budget statutes.

The basic major governmental fund financial statements can be found on pages 3 and 4.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of data provided in the Academy-wide and financial statements. The Notes to the Financial Statements can be found on pages 5 to 12 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning the Academy’s annual appropriated budgets.

Academy-wide Financial Analysis:

The following table presents a summary of activities and changes in net assets for the fiscal years ended June 30, 2010 and 2009:

Net Assets					2009		2010
Assets							
	Cash and Equivalents				741,230.00		702,460.00
	Accounts Receivable				2,382.00		115,250.00
	Prepaid Items						9,500.00
	Grants Receivable				88,666.00		
	Lease Deposits				4,600.00		5,900.00
Total Assets					836,878.00		833,110.00
Liabilities							
	Accounts Payable				106,697.00		71,917.00
	Accrued Expenses				53,732.00		
	Accrued Salaries and Benefits				31,192.00		94,509.00
	Deferred Revenues				214,864.00		
Total Liabilities					406,485.00		166,426.00
Net Assets							666,684.00
	Invested in Capital Assets						
	Restricted for TABOR						110,000.00
	Unrestricted						556,684.00
Total Net Assets					430,393.00		666,684.00

Change in Net Assets							
Revenues							
	Per Pupil Revenue			1,694,305.00		2,969,073.00	
	Operating Grants-Instruction			99,013.00		407,762.00	
	Operating Grants-Support Services			72,500.00			
	Interest						
	Other Revenues			123,802.00		24,197.00	
Total Revenues				1,989,620.00		3,401,032.00	
Expenses							
	Instruction			641,300.00		1,633,191.00	
	Support Services			917,927.00		1,743,818.00	
Total Expenses				1,559,227.00		3,377,009.00	
Change in NET ASSETS						24,023.00	
Fund Balance Net Assets (Beginning)				-		642,661.00	Note 1
Fund Balance Net Assets (Ending)				430,393.00		666,684.00	

Note 1: This beginning and ending balance may change based upon the outcome of the 2010 Financial audit of CCA-Pueblo.

Governmental Activities: Net assets from governmental activities (before transfers) increased \$24,023.00. This increase was a result of funding received by granting agencies which significantly increased revenues for the Academy as compared to the prior year.

The majority of the Academy's operation revenues are generated from Total Program Funding as determined by the School Finance Act of 1994 (see further discussion in Economic Factors below). Total State Program Funding is comprised of general fund property taxes, specific ownership taxes, and state equalization as enumerated above.

Financial Analysis of the School's Funds

The Academy utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Academy's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Academy's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Academy's governmental funds reported combined ending fund balances of (\$666,684).

Budget Variances in the General Fund: The Academy's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. Original and final adopted budgets, as well as variances between actual revenues, expenditures, and final budgeted amounts are reflected in the Required Supplementary Information beginning on page 13 of the audited financial statements. The most significant budgeted fund is the General Fund.

Capital Assets: GOAL Academy has limited capital assets the main items are two converted motorhomes, used as mobile classrooms, and two vans and a truck to transport materials from site to site.

Long-Term Debt: GOAL Academy has no long-term debt.

Leases: Goal Academy leases office space in Westminster, CO, within the chartering school district. It additionally has a regional administrative office in Pueblo, CO that supports the southern half of the state. The Academy additionally leases mall spaces in the following locations to provide staff workspace and access for student support: Greeley, Longmont, Littleton, Aurora, Grand Junction, Colorado Springs (two locations) and Pueblo.

These mall locations are drop-in centers where students may receive ad-hoc instructional tutoring, participate in preliminary and annual testing, as well as receive technical support for their laptops and internet connection equipment. These are not sites where instruction is provided to the students. But on occasion, students may meet with admission counselors, their teacher, counselors, Exceptional Student Services providers, and other support personnel..

Additional information can be found in the Notes to the Financial Statements on pages 8 of this report.

Economic Factors:

Enrollment at the end of June 30, 2010 increased to 597 from 273 for the prior school year. The school is estimating their 2011 student enrollment at 1200 which will allow for sustained growth and provide a strong financial base.

Next Year's Budget and Fund Balance: The Academy's General Fund Balance at the end of fiscal year 2010 totaled (\$666,684).

Requested for information

This financial report is designed to provide a general overview of the Academy's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, GOAL Academy Administrative Offices, 3621 W.73rd Ave. Suites C & D Westminster, CO 80030.

BASIC FINANCIAL STATEMENTS

GOAL ACADEMY CHARTER SCHOOL

STATEMENT OF NET ASSETS

As of June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 702,460
Accounts Receivable	115,250
Prepaid Items	9,500
Deposits	5,900
Capital Assets, Depreciated, Net of Accumulated Depreciation	<u>-</u>
TOTAL ASSETS	<u>833,110</u>
LIABILITIES	
Accounts Payable	71,917
Accrued Salaries and Benefits	<u>94,509</u>
TOTAL LIABILITIES	<u>166,426</u>
NET ASSETS	
Restricted for Emergencies	110,000
Unrestricted	<u>556,684</u>
TOTAL NET ASSETS	<u><u>\$ 666,684</u></u>

The accompanying notes are an integral part of the financial statements.

GOAL ACADEMY CHARTER SCHOOL

STATEMENT OF ACTIVITIES
For The Nine Months Ended June 30, 2010

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSE)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	REVENUE AND CHANGES IN NET ASSETS
PRIMARY GOVERNMENT					Governmental Activities
Governmental Activities					
Instructional	\$ 1,633,191	\$ -	\$ 407,762	\$ -	\$ (1,225,429)
Supporting Services	1,743,818	-	-	-	(1,743,818)
Total Governmental Activities	<u>\$ 3,377,009</u>	<u>\$ -</u>	<u>\$ 407,762</u>	<u>\$ -</u>	(2,969,247)
		GENERAL REVENUES			
					Per Pupil Revenue 2,969,073
					Other 24,197
					<u>2,993,270</u>
					TOTAL GENERAL REVENUES
					24,023
					CHANGE IN NET ASSETS
					NET ASSETS, Beginning 642,661
					NET ASSETS, Ending <u>\$ 666,684</u>

The accompanying notes are an integral part of the financial statements.

GOAL ACADEMY CHARTER SCHOOL

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	<u>GENERAL FUND</u>
ASSETS	
Cash and Investments	\$ 702,460
Accounts Receivable	115,250
Prepaid Items	9,500
Deposit	<u>5,900</u>
TOTAL ASSETS	<u>\$ 833,110</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 71,917
Accrued Salaries and Benefits	<u>94,509</u>
TOTAL LIABILITIES	<u>166,426</u>
FUND BALANCES	
Reserved for Emergencies	110,000
Unreserved, reported in General Fund	<u>556,684</u>
TOTAL FUND BALANCES	<u>666,684</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 833,110</u>

The accompanying notes are an integral part of the financial statements.

GOAL ACADEMY CHARTER SCHOOL

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Nine Months Ended June 30, 2010

	<u>GENERAL FUND</u>
REVENUES	
Local Sources	\$ 2,993,270
State and Federal Sources	<u>407,762</u>
TOTAL REVENUES	<u>3,401,032</u>
EXPENDITURES	
Current	
Instruction	1,633,191
Supporting Services	<u>1,743,818</u>
TOTAL EXPENDITURES	<u>3,377,009</u>
NET CHANGE IN FUND BALANCES	24,023
FUND BALANCES, Beginning	<u>642,661</u>
FUND BALANCES, Ending	<u><u>\$ 666,684</u></u>

The accompanying notes are an integral part of the financial statements.

GOAL ACADEMY CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
Nine Months ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The GOAL Academy Charter School (the “School”) was organized in 2009 pursuant to the Colorado Charter Schools Act to form and operate a charter school in the State of Colorado. The Academy was part of the Cesar Chavez School Network (“CCSN”) until September 2010. Beginning in October of 2010, the Academy split from CCSN and now receiving its funding directly from the Colorado Charter School Institute (the “Institute”).

The accounting policies of the Academy conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the School and organizations for which the School is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. In addition, any legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the School.

Based on the application of these criteria, the School does not include any organizations within its reporting entity.

Government-Wide and Fund Financial Statements

The School financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the School. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported in separate columns in the fund financial statements.

GOAL ACADEMY CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
Nine Months ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first and the unrestricted resources as they are needed.

The School reports the following major governmental funds:

General Fund— This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

GOAL ACADEMY CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
Nine Months ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Assets

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses – Payments made to vendors for services that will benefit future periods are recorded as prepaid expense. An expenditure is reported in the year in which the services are consumed.

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: vehicles and equipment- 5 years.

Net Assets/Fund Equity – In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Compensated Absences

The School's policy allows employees to accumulate sick leave. Upon termination of employment, no financial compensation is paid for unused sick days. Therefore, no liability for accumulated sick leave is reported in the financial statements.

Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance for these risks of loss, and bills the School for its portion of coverage.

GOAL ACADEMY CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
Nine Months ended June 30, 2010

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for the General on a basis consistent with generally accepted accounting principles.

School management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year end.

NOTE 3: CASH AND INVESTMENTS

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

Petty Cash	\$ 100
Deposits	<u>702,360</u>
Total Cash	<u><u>\$ 702,460</u></u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2010, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group.

The market value of the collateral must be at least equal to 102% of the uninsured deposits. The School has no policy regarding custodial credit risk for deposits.

GOAL ACADEMY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
Nine Months ended June 30, 2010

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits

At June 30, 2010, the School had deposits with financial institutions with a carrying amount of \$702,360. The bank balances with the financial institutions were \$753,426. Of these balances, \$250,000 was covered by federal depository insurance and \$503,426 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Interest Rate Risk

The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. Government Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The School has no investments as of June 30, 2010.

GOAL ACADEMY CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
 Nine Months ended June 30, 2010

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the nine months ended June 30, 2010 is summarized below.

	Balance <u>November 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>
Governmental Activities				
Capital Asset, depreciated				
Vehicles	\$ 49,878	\$ -	\$ -	\$ 49,878
Accumulated Depreciation				
Vehicles	49,878	-	-	49,878
Capital Assets, depreciated, net	-	-	-	-
Total Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from July to June. The benefits earned, but unpaid, as of June 30, 2010, were \$94,509 in the General Fund.

NOTE 6: DEFINED BENEFIT PENSION PLAN

Plan Description. The School contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the School are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

GOAL ACADEMY CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
Nine Months ended June 30, 2010

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Funding Policy. The School is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 % and for the School it is 10.15 % of covered salary. A portion of the School's contribution (1.02 % of covered salary) is allocated to the Health Care Trust Fund (See Note 7). If the School rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions on the amounts paid for the retiree, however no member contributions are required. The School is also required to pay an amortization equalization disbursement equal to 3.7 % of the total payroll for the calendar year 2010, (2.8 % of total payroll for the calendar year 2009). For the nine months ending June 30, 2010 the School's employer contribution for the SDTF was \$205,317, equal to the required contribution for the year.

NOTE 7: **POSTEMPLOYMENT HEALTHCARE BENEFITS**

Plan Description. The School contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The School is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. For the nine months ending June 30, 2010 the School's employer contributions to the HCTF was \$15,325, equal to the required contribution for the year.

GOAL ACADEMY CHARTER SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 Nine Months ended June 30, 2010

NOTE 8: COMMITMENTS AND CONTINGENCIES

Operating Lease

The School has entered into operating leases for several facilities. The leases require monthly payments ranging from \$750 to \$3,250. The expiration dates of the leases range from January 2011 through April 2012. The future minimum lease payments are as follows:

Year Ended			
	<u>June 30</u>		
	2011	\$	176,500
	2012		<u>44,400</u>
	Total	\$	<u>220,900</u>

Total rent expense for the nine months ended June 30, 2010 for the leases were \$80,271.

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2010, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2010, the reserve of \$110,000 was recorded as a reservation of fund balance in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

GOAL ACADEMY CHARTER SCHOOL

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 For The Nine Months Ended June 30, 2010

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Per Pupil Revenue	\$ 4,004,523	\$ 2,969,073	\$ (1,035,450)
Grants and Donations	214,864	-	(214,864)
Other	430,000	24,197	(405,803)
State and Federal Sources			
Grants and Donations	602,252	407,762	(194,490)
TOTAL REVENUES	<u>5,251,639</u>	<u>3,401,032</u>	<u>(1,850,607)</u>
EXPENDITURES			
Salaries	2,353,963	1,537,355	816,608
Employee Benefits	616,381	461,359	155,022
Purchased Services	996,887	842,472	154,415
Supplies and Materials	233,439	104,516	128,923
Property	493,156	385,545	107,611
Other	206,226	45,762	160,464
TOTAL EXPENDITURES	<u>4,900,052</u>	<u>3,377,009</u>	<u>1,523,043</u>
CHANGE IN FUND BALANCES	351,587	24,023	(327,564)
FUND BALANCE, Beginning	-	642,661	642,661
FUND BALANCE, Ending	<u>\$ 351,587</u>	<u>\$ 666,684</u>	<u>\$ 315,097</u>

See the accompanying independent auditors' report.