

**BEN YEHUDA ACADEMY dba  
ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**

**FINANCIAL STATEMENTS**

**August 31, 2016 and 2015**

**BEN YEHUDA ACADEMY**  
**dba ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**  
**August 31, 2016 and 2015**

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**BEN YEHUDA ACADEMY**  
**dba ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**

Federal Employer Identification Number: 46-1694937

Certificate of Board

We, the undersigned, certify that the attached annual financial reports of the above-named charter holder were reviewed and (check one)  approved  disapproved for the year ended August 31, 2016, at a meeting of the Board of Directors of such charter holder on the 18<sup>th</sup> day of January, 2017.

  
Signature of Board Secretary

  
Signature of Board President

If the Board of Directors disapproved the auditor's report, the reason(s) for disapproving it is (are): (attach list as necessary)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Ben Yehuda Academy dba  
Eleanor Kolitz Hebrew Language Academy  
San Antonio, Texas

### **Report on the Financial Statements**

We have audited the accompanying statements of financial position of Ben Yehuda Academy (the Charter Holder) dba Eleanor Kolitz Hebrew Language Academy (a nonprofit organization) as of August 31, 2016 and 2015, and the related statements of activities (with comparative totals for 2015) 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 the Charter Holder as of August 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

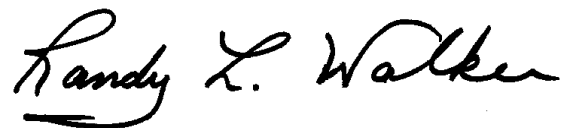
***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The summary of audit findings on page 19 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 January 18, 2017, on our consideration of the Charter Holder’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter Holder’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Randy L. Walker". The signature is written in a cursive style with a prominent underline at the end.

San Antonio, Texas  
January 18, 2017

# **FINANCIAL STATEMENTS**

**BEN YEHUDA ACADEMY**  
**dba ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**  
**STATEMENTS OF FINANCIAL POSITION**  
**August 31, 2016 and 2015**

	2016	2015
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 375,036	\$ 252,079
Due from Texas Education Agency	129,275	113,081
Prepaid Expenses	59,391	43,658
<b>TOTAL CURRENT ASSETS</b>	<b>563,702</b>	<b>408,818</b>
Property and Equipment, net	2,052	4,274
<b>TOTAL ASSETS</b>	<b>\$ 565,754</b>	<b>\$ 413,092</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 16	\$ -
Accrued Expenses	118,116	103,285
Deferred Revenue	7,035	1,651
<b>TOTAL CURRENT LIABILITIES</b>	<b>125,167</b>	<b>104,936</b>
<b>NET ASSETS</b>		
Unrestricted	84,966	69,803
Temporarily Restricted	355,621	238,353
<b>TOTAL NET ASSETS</b>	<b>440,587</b>	<b>308,156</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 565,754</b>	<b>\$ 413,092</b>

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

**BEN YEHUDA ACADEMY**  
**dba ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended August 31, 2016**  
**(with comparative totals for 2015)**

	2016			2015 Total
	Unrestricted	Temporarily Restricted	Total	
<b>REVENUES AND OTHER SUPPORT</b>				
Local Support:				
5744 Donations	\$ 6,539	\$ -	\$ 6,539	\$ 26,466
5749 Athletic Activities	91,288	-	91,288	39,783
5753 Extracurricular Activities	207,620	-	207,620	197,962
Total Local Support	<u>305,447</u>	<u>-</u>	<u>305,447</u>	<u>264,211</u>
State Program Revenues:				
5810 Foundation School Program Act Revenues	-	2,041,951	2,041,951	1,820,852
5820 State Program Revenues Distributed by				
Texas Education Agency	-	3,562	3,562	1,892
Total State Program Revenues	<u>-</u>	<u>2,045,513</u>	<u>2,045,513</u>	<u>1,822,744</u>
Federal Program Revenues:				
5920 Federal Revenues Distributed by				
Texas Education Agency	263	32,386	32,649	234,511
Total Federal Program Revenues	<u>263</u>	<u>32,386</u>	<u>32,649</u>	<u>234,511</u>
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	1,960,631	(1,960,631)	-	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u>2,266,341</u>	<u>117,268</u>	<u>2,383,609</u>	<u>2,321,466</u>
<b>EXPENSES</b>				
11 Instruction	1,061,390	-	1,061,390	1,090,570
12 Instructional Resources and Media Services	2,222	-	2,222	8,005
13 Curriculum Development and Instructional				
Staff Development	4,553	-	4,553	16,382
21 Instructional Leadership	928	-	928	741
23 School Leadership	199,951	-	199,951	144,585
31 Guidance, Counseling, and Evaluation Services	10,911	-	10,911	8,352
33 Health Services	5,083	-	5,083	4,147
34 Student Transportation	-	-	-	-
35 Food Services	13,406	-	13,406	9,146
36 Extracurricular Activities	8,056	-	8,056	11,491
41 General Administration	242,427	-	242,427	265,209
51 Plant Maintenance and Operations	360,638	-	360,638	359,780
52 Security and Monitoring Services	25,027	-	25,027	28,488
53 Data Processing	57,051	-	57,051	42,114
61 Community Service	78	-	78	741
71 Debt Service	-	-	-	-
81 Fundraising	259,457	-	259,457	218,846
<b>TOTAL EXPENSES</b>	<u>2,251,178</u>	<u>-</u>	<u>2,251,178</u>	<u>2,208,597</u>
<b>CHANGE IN NET ASSETS</b>	15,163	117,268	132,431	112,869
<b>NET ASSETS, Beginning of Year</b>	69,803	238,353	308,156	195,287
<b>NET ASSETS, End of Year</b>	<u>\$ 84,966</u>	<u>\$ 355,621</u>	<u>\$ 440,587</u>	<u>\$ 308,156</u>

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



**BEN YEHUDA ACADEMY**  
**dba ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended August 31, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Foundation School Program Payments	\$ 2,027,907	\$ 1,799,610
Grant Payments	34,061	284,152
Contributions and Fund-Raising Activities	214,159	224,428
Miscellaneous Sources	96,672	41,434
Payments to Vendors for Goods and Services Rendered	(960,606)	(1,085,860)
Payments to Charter School Personnel for Services Rendered	(1,289,236)	(1,147,354)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>122,957</b>	<b>116,410</b>
<b>NET INCREASE IN CASH FLOWS</b>	<b>122,957</b>	<b>116,410</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<b>252,079</b>	<b>135,669</b>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 375,036</b>	<b>\$ 252,079</b>
Reconciliation of Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Change in Net Assets	\$ 132,431	\$ 112,869
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	2,222	2,229
Increase in Assets:		
Due from Texas Education Agency	(16,194)	26,507
Prepaid Expenses	(15,733)	(35,426)
Increase in Liabilities:		
Accounts Payable	16	-
Accrued Expenses	14,831	8,580
Deferred Revenue	5,384	1,651
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 122,957</b>	<b>\$ 116,410</b>

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

**BEN YEHUDA ACADEMY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2016 and 2015**

**NOTE 1 – SUMMARY OF ACCOUNTING POLICIES**

***Reporting Entity and Operations***

Ben Yehuda Academy (the Charter Holder) dba Eleanor Kolitz Hebrew Language Academy is a not-for-profit incorporated in the State of Texas in 2012. The Charter Holder is governed by a Board Directors comprised of up to seven members. The Board of Directors is selected pursuant to the bylaws of the Charter Holder and has the authority to make decisions, appoint the chief executive officer, and significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of the Charter Holder.

In 2013, the State Board of Education of the State of Texas granted the Charter Holder an open-enrollment charter pursuant to Chapter 12 of the Texas Education Code. Pursuant to the program described in the charter application approved by the State Board of Education and the terms of the charter application Contract for Charter, Eleanor Kolitz Hebrew Language Academy was opened for the academic year 2013-2014. It was organized to provide educational services with a partial immersion Hebrew Language focus to students in kindergarten through eighth grades, and the Charter Holder's Board of Directors governs its programs, services, activities, and functions.

As of August 31, 2016, the Charter Holder operates one campus located in San Antonio. Since the Charter Holder receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

***Basis of Presentation***

The financial statements of the Charter Holder have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The more significant of the Charter Holder's accounting policies are described below:

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with GAAP.

The Charter Holder is required to report information regarding its financial position and activities according to the absence or existence and nature of donor-imposed restrictions as follows:

- Unrestricted Net Assets- Net assets are net assets that are not subject to donor-imposed stipulations.
- Temporarily Restricted - Temporarily restricted net assets are those resources, subject to donor-imposed restrictions, that will be satisfied by the actions of the Charter Holder and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently Restricted - Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund annual operations. As of August 31, 2016 and 2015, the Charter Holder had no permanently restricted net assets.

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**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2016 and 2015**

**NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)**

***Subsequent Events***

The Charter Holder has evaluated subsequent events through January 18, 2017, which is the date the financial statements were available to be issued.

***Cash and Cash Equivalents***

For financial statement purposes, the Charter Holder considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

***Grant Funds***

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require a refund of all or part of the unused amount.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

***Income Taxes***

Ben Yehuda Academy dba Eleanor Kolitz Hebrew Language Academy is a not-for-profit Charter Holder and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Charter Holder is also exempt from sales taxes. As of August 31, 2016, the tax years that remain subject to examination by taxing authorities begin with 2013.

***Property and Equipment***

Property and equipment are stated at historical cost. Property and equipment are defined as assets with an individual cost of more than \$5,000. Depreciation is computed using the straight-line method over the estimated useful life of 3 years.

***Contributions***

The Charter Holder accounts for contributions as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily restricted or permanently restricted net assets in the reporting period in which the support is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2016 and 2015**

**NOTE 2 – DUE FROM TEXAS EDUCATION AGENCY**

The Charter Holder had \$129,275 and \$113,081 in receivables due from Texas Education Agency (TEA) related to various state grants and Foundation School Program revenue at August 31, 2016 and 2015, respectively. All amounts receivable are due in less than one year and are deemed by management to be fully collectible; therefore, no allowance for uncollectible accounts is considered necessary.

**NOTE 3 – COMMITMENTS AND CONTINGENCIES**

The Charter Holder receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to TEA and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the Charter Holder have complex compliance requirements, and, should state or federal auditors discover areas of noncompliance, funds may be subject to refund if so determined by TEA or the grantor agency.

**NOTE 4 – OPERATING LEASES**

The Charter Holder has a rental lease agreement with The Harry & Jeanette Weinberg Campus of the San Antonio Jewish Community (The Campus) for instructional facilities. In September 2014, the Charter Holder renegotiated the lease with The Campus. The monthly lease payments under the agreement are \$28,350 and increase by 5% thereafter. The agreement is effective until June 30, 2018. The Charter holder also maintains an operating lease for office equipment with monthly lease payments of \$1,338 until June 2021. For the years ended August 31, 2016 and 2015, rental and lease expense was \$366,596 and \$359,726, respectively.

Future minimum lease payments are as follows:

Year Ending August 31,		
2017	\$	376,243
2018		328,614
2019		16,056
2020		16,056
2021		12,042
Total	\$	<u>749,011</u>

**NOTE 5 – PROPERTY AND EQUIPMENT**

At August 31, the cost and accumulated depreciation of property and equipment were as follows:

	<u>2016</u>	<u>2015</u>
Property and Equipment	\$ <b>6,687</b>	\$ 6,687
Less Accumulated Depreciation	<u>(4,635)</u>	<u>(2,413)</u>
Total	<u>\$ <b>2,052</b></u>	<u>\$ 4,274</u>

**BEN YEHUDA ACADEMY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2016 and 2015**

**NOTE 5 – PROPERTY AND EQUIPMENT (continued)**

Depreciation expense was \$2,222 and \$2,229 for the years ended August 31, 2016 and 2015, respectively.

**NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Charter Holder adopted the provisions of ASC 820, “*Fair Value Measurements and Disclosures*” (formerly SFAS 157). ASC 820 defines fair value as the 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, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect the Charter Holder’s financial position or results of operations. The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The Charter Holder has no Level 2 or Level 3 assets or liabilities.

The Charter Holder’s financial instruments (Level 1) were as follows at August 31:

	<u>2016</u>		<u>2015</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<b>Financial Assets:</b>				
Cash and Cash Equivalents	<b>\$ 375,036</b>	<b>\$ 375,036</b>	\$ 252,079	\$ 252,079
Due from Texas Education Agency	<b>\$ 129,275</b>	<b>\$ 129,275</b>	\$ 113,081	\$ 113,081
Prepaid Expenses	<b>\$ 59,391</b>	<b>\$ 59,391</b>	\$ 43,658	\$ 43,658
<b>Financial Liabilities:</b>				
Accounts Payable	<b>\$ 16</b>	<b>\$ 16</b>	\$ -	\$ -
Accrued Expenses	<b>\$ 118,116</b>	<b>\$ 118,116</b>	\$ 103,285	\$ 103,285
Deferred Revenue	<b>\$ 7,035</b>	<b>\$ 7,035</b>	\$ 1,651	\$ 1,651

The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

**BEN YEHUDA ACADEMY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2016 and 2015**

**NOTE 7 – HEALTH INSURANCE PLAN**

During the years ended August 31, 2016 and 2015, employees of the Charter Holder were covered by a health insurance plan. The Charter Holder contributed a maximum of 50 percent of employee premiums to the plan during the years ended August 31, 2016 and 2015. All premiums were paid to licensed insurers. The Charter Holder's contributions towards health insurance were \$26,306 and \$20,471 for the years ended August 31, 2016 and 2015, respectively.

**NOTE 8 – PENSION PLAN OBLIGATIONS**

***Plan Description***

The Charter Holder contributes to the Teacher Retirement System of Texas (TRS), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the Charter Holder, but are the liability of the state of Texas. TRS provides service retirement, disability retirement, and death benefits to plan members and beneficiaries. TRS operates under the authority of provisions contained primarily in Texas Government Code, Title 8, *Public Retirement Systems*, Subtitle C, *Teacher Retirement System of Texas*, which is subject to amendment by the Texas Legislature. TRS's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

The TRS plan differs from a single-employer plan as follows:

- Charter schools are legally separate entities from the state and each other.
- Assets contributed by one charter school or independent school district (ISD) may be used for the benefit of an employee of another ISD or charter school.
- The unfunded obligations get passed along to the other charter schools and ISDs.
- There is no withdrawal penalty for leaving the TRS system.

Total plan assets, accumulated benefit obligations, and % funded are as follows:

Total Plan Assets - \$149,780,061,824  
Accumulated Benefit Obligations - \$163,887,375,172  
The plan is 78.43% funded.

There are no collective-bargaining agreements.

***Funding Policy***

Under provisions in state law, plan members are required to contribute 6.7% of their annual covered salary and the state of Texas contributes an amount equal to 6.0% of the Charter Holder's covered payroll. The Charter Holder's contributions to TRS were \$17,481 and \$16,457 for the years ended August 31, 2016 and 2015, respectively, which include \$16,119 and \$14,727, respectively, in Non-OASDI participating surcharges. The Charter Holder's contributions did not represent more than 5% of the total contributions to the plan (i.e., total plan assets). There have been no changes that would affect the comparison of employer contributions from year to year.

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**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2016 and 2015**

**NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available for the following purposes at August 31:

	<b>2016</b>	2015
Foundation School Program	<b>\$ 353,569</b>	\$ 234,079
Property and Equipment	<b>2,052</b>	4,274
Total	<b>\$ 355,621</b>	\$ 238,353

**NOTE 10 – REGULATED INDUSTRY**

A portion of the Charter Holder's activities and revenues are a result of contracts with TEA. The Charter Holder's operations are concentrated in the education field. As such, the Charter Holder operates in a heavily regulated environment. The operations of the Charter Holder are subject to administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, TEA. Such administrative directives, rules, and regulations are subject to change by an act of Congress, an act of the state legislature, or an administrative change mandated by TEA. Funding may be changed or decreased as a result of the above legislative or administrative changes.

**BEN YEHUDA ACADEMY**  
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**SCHEDULE OF EXPENSES**  
**For the Year Ended August 31, 2016**  
**(with comparative totals for 2015)**

<b>Expenses</b>	<u>2016</u>	<u>2015</u>
6100 Payroll Costs	\$ 1,307,699	\$ 1,155,934
6200 Professional and Contracted Services	574,121	578,636
6300 Supplies and Materials	68,568	199,309
6400 Other Operating Costs	<u>300,790</u>	<u>274,718</u>
<b>Total Expenses</b>	<b>\$ 2,251,178</b>	<b>\$ 2,208,597</b>

See independent auditor's report.



**BEN YEHUDA ACADEMY**  
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**SCHEDULE OF CAPITAL ASSETS**  
**August 31, 2016**

Capital assets acquired with public funds, which constitute public property pursuant to Chapter 12 of the Texas Education Code, are as follows:

	<b>Ownership Interest</b>		
	<b>Local</b>	<b>State</b>	<b>Federal</b>
1110 Cash	\$ -	\$ 375,036	\$ -
1569 Library and Media Assets	-	-	6,687
<b>Total Capital Assets</b>	\$ -	\$ 375,036	\$ 6,687

Reconciliation of Property and Equipment on Schedule of Capital Assets to Statements of Financial Position:

*Per Schedule of Capital Assets:*

1569 Library and Media Assets	\$ 6,687
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*Less Accumulated Depreciation:*

(4,635)

**Total Property and Equipment per Statements of Financial Position:**

\$ 2,052

**BEN YEHUDA ACADEMY**  
**dba ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended August 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES AND OTHER SUPPORT</b>				
Local Support:				
5740 Other Revenues from Local Sources	\$ 65,320	\$ 112,470	\$ 97,827	\$ (14,643) (1)
5750 Revenue from Cocurricular/Enterprising	139,405	186,555	207,620	21,065
<b>Total Local Support</b>	<u>204,725</u>	<u>299,025</u>	<u>305,447</u>	<u>6,422</u>
State Program Revenues:				
5810 Foundation School Program Act Revenues	2,034,441	2,013,367	2,041,951	28,584
5820 State Program Revenues Distributed by Texas Education Agency	60,479	46,440	3,562	(42,878) (2)
<b>Total State Program Revenues</b>	<u>2,094,920</u>	<u>2,059,807</u>	<u>2,045,513</u>	<u>(14,294)</u>
Federal Program Revenues:				
5920 Federal Revenues Distributed by Texas Education Agency	-	6,000	32,649	26,649
<b>Total Federal Program Revenues</b>	<u>-</u>	<u>6,000</u>	<u>32,649</u>	<u>26,649</u>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u>2,299,645</u>	<u>2,364,832</u>	<u>2,383,609</u>	<u>18,777</u>
<b>EXPENSES</b>				
11 Instructional	999,241	1,082,481	1,061,390	21,091
12 Instructional Resources and Media Services	-	2,300	2,222	78
13 Curriculum Development and Instructional Staff Development	3,000	4,500	4,553	(53)
21 Instructional Leadership	-	-	928	(928) (3)
23 School Leadership	212,638	206,638	199,951	6,687
31 Guidance, Counseling, and Evaluation Services	7,500	3,500	10,911	(7,411) (3)
33 Health Services	-	5,000	5,083	(83)
35 Food Services	-	12,400	13,406	(1,006)
36 Extracurricular Activities	7,529	9,409	8,056	1,353
41 General Administration	230,324	240,124	242,427	(2,303)
51 Plant Maintenance and Operations	350,588	360,988	360,638	350
52 Security and Monitoring Services	35,230	24,230	25,027	(797)
53 Data Processing Services	62,625	57,625	57,051	574
61 Community Services	749	90	78	12
81 Fundraising	218,416	260,086	259,457	629
<b>TOTAL EXPENSES</b>	<u>2,127,840</u>	<u>2,269,371</u>	<u>2,251,178</u>	<u>18,193</u>
<b>CHANGE IN NET ASSETS</b>	171,805	95,461	132,431	584
<b>NET ASSETS, Beginning of Year</b>	<u>308,156</u>	<u>308,156</u>	<u>308,156</u>	<u>-</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 479,961</u>	<u>\$ 403,617</u>	<u>\$ 440,587</u>	<u>\$ 584</u>

See independent auditor's report.

**BEN YEHUDA ACADEMY**  
**dba ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**August 31, 2016**

- (1) The Charter School focused efforts on fundraising more than individual contributions during the year.**
  
- (2) Estimates for Instructional Materials Allotment funds were based on materials received during the fiscal year. As the materials were not received until after the fiscal year, the funds were budgeted but not used in the 2015-2016 school year and will be utilized in the 2016-2017 school year.**
  
- (3) The Charter School was provided with revenue and expenditures related to co-op agreement after the year-end amendment was made. Will anticipate these expenditures in future year budgets.**

## **OTHER REPORTING REQUIRED**

**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 Directors  
Ben Yehuda Academy dba  
Eleanor Kolitz Hebrew Language Academy  
San Antonio, Texas

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 Ben Yehuda Academy (the Charter Holder) dba Eleanor Kolitz Hebrew Language Academy (a nonprofit organization), which comprise the statement of financial position as of August 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 18, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Charter Holder'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 Charter Holder's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Holder'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.

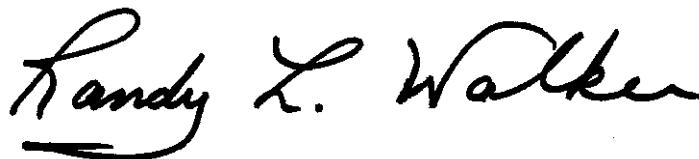
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter Holder'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*.

## **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 Charter Holder'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 Charter Holder's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Randy L. Walker". The signature is written in a cursive style with a large, sweeping initial "R" and a distinct "L" and "W".

San Antonio, Texas

January 18, 2017

## **SUPPLEMENTARY INFORMATION**

**BEN YEHUDA ACADEMY**  
**dba ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY**  
**SUMMARY OF AUDIT FINDINGS**  
**For the Year Ended August 31, 2016**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Noncompliance material to the financial statements	None