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January 25, 2018


Charter School Board  
Neighborhood Charter Network, Inc.  
3725 Kiel Ave.  
Indianapolis, IN 46224

We have reviewed the report prepared by Neighborhood Charter Network, Inc. and opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2016 to June 30, 2017. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Neighborhood Charter Network, Inc. as of June 30, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Donovan CPAs prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Neighborhood Charter Network, Inc., was prepared in accordance with the guidelines established by the State Board of Accounts.

The Financial Statements and Independent Auditors' Report and the Supplemental Audit Report are filed in our office as a matter of public record.

  
Paul D. Joyce, CPA  
State Examiner

**NEIGHBORHOOD CHARTER NETWORK, INC.**

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

For the Year Ended June 30, 2017



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# Donovan CPAs

## *Independent Auditors' Report*

The Board of Directors  
Neighborhood Charter Network, Inc.

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

We have audited the accompanying financial statements of Neighborhood Charter Network, Inc., which comprise the statement of financial position as of June 30, 2017, the related statements of activities and change in net assets, functional expenses, and cash flows for the year 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.

### **Auditors' 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. 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 auditors' 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 auditors consider 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.

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## **Opinion**

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

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Financial Position by School on page 14 and the Schedule of Activities and Change in Net Assets by School on page 15 are presented for purposes of additional analysis and are 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, 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.

DONOVAN

A handwritten signature in black ink that reads "DONOVAN". The signature is written in a cursive style with a large, looped 'D' at the beginning.

Indianapolis, Indiana  
December 19, 2017

**NEIGHBORHOOD CHARTER NETWORK, INC.**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 2,470,239
Grants receivable	157,089
Prepaid expenses	<u>10,000</u>
<i>Total current assets</i>	<u>2,637,328</u>

**PROPERTY AND EQUIPMENT**

Furniture and equipment	68,203
Less: accumulated depreciation	<u>(36,828)</u>
<i>Property and equipment, net</i>	<u>31,375</u>

**TOTAL ASSETS**

\$ 2,668,703

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Current portion of notes payable	\$ 105,000
Current portion of capital lease obligation	6,184
Accounts payable and accrued expenses	173,840
Refundable advances	<u>19,730</u>
<i>Total current liabilities</i>	<u>304,754</u>

**LONG-TERM LIABILITIES**

Notes payable, net of current portion	927,571
Capital lease obligation, net of current portion	<u>496</u>
<i>Total long-term liabilities</i>	<u>928,067</u>
<i>Total liabilities</i>	<u>1,232,821</u>

**NET ASSETS**

Unrestricted	1,321,247
Temporarily restricted	<u>114,635</u>
<i>Total net assets</i>	<u>1,435,882</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$ 2,668,703

See independent auditors' report and accompanying notes to the financial statements

**NEIGHBORHOOD CHARTER NETWORK, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**For the Year Ended June 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
State education support	\$ 5,318,698	\$ -	\$ 5,318,698
Grant revenue	1,226,177	325,000	1,551,177
Student fees	3,534	-	3,534
Contributions	12,503	-	12,503
Interest income	75	-	75
Other income	4,778	-	4,778
Net assets released from restrictions	<u>210,365</u>	<u>(210,365)</u>	<u>-</u>
<i>Total revenue and support</i>	<u>6,776,130</u>	<u>114,635</u>	<u>6,890,765</u>
<b>EXPENSES</b>			
Program services	4,455,612	-	4,455,612
Management and general	<u>1,541,425</u>	<u>-</u>	<u>1,541,425</u>
<i>Total expenses</i>	<u>5,997,037</u>	<u>-</u>	<u>5,997,037</u>
<b>CHANGE IN NET ASSETS</b>	779,093	114,635	893,728
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>542,154</u>	<u>-</u>	<u>542,154</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 1,321,247</u></u>	<u><u>\$ 114,635</u></u>	<u><u>\$ 1,435,882</u></u>

See independent auditors' report and accompanying notes to the financial statements

**NEIGHBORHOOD CHARTER NETWORK, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended June 30, 2017**

	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Total</u></b>
<b>FUNCTIONAL EXPENSES</b>			
Salaries and wages	\$ 2,605,944	\$ 843,359	\$ 3,449,303
Employee benefits	482,664	215,094	697,758
Professional services	134,021	179,284	313,305
Books and materials	460,220	47,773	507,993
Food service expense	382,430	-	382,430
Student transportation	224,938	-	224,938
Fee to Indianapolis Public Schools	-	120,000	120,000
Equipment and supplies	116,744	35,878	152,622
Insurance	15,155	8,020	23,175
Advertising	-	720	720
Interest	-	6,909	6,909
Depreciation	13,641	-	13,641
Other	19,855	84,388	104,243
	<u>19,855</u>	<u>84,388</u>	<u>104,243</u>
<i>Total functional expenses</i>	<u>\$ 4,455,612</u>	<u>\$ 1,541,425</u>	<u>\$ 5,997,037</u>

See independent auditors' report and accompanying notes to the financial statements

**NEIGHBORHOOD CHARTER NETWORK, INC.**

**STATEMENT OF CASH FLOWS**

**For the Year Ended June 30, 2017**

**OPERATING ACTIVITIES**

Change in net assets	\$ 893,728
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13,641
Change in certain assets and liabilities:	
Grants receivable	(105,965)
Accounts payable and accrued expenses	110,621
Refundable advances	19,730
	<hr/>
<i>Net cash provided by operating activities</i>	<u>931,755</u>

**FINANCING ACTIVITIES**

Proceeds from note payable	500,000
Principal payments on notes payable	(55,000)
Principal payments on capital lease obligation	(4,879)
	<hr/>
<i>Net cash provided by financing activities</i>	<u>440,121</u>

**NET CHANGE IN CASH**

1,371,876

**CASH, BEGINNING OF YEAR**

1,098,363

**CASH, END OF YEAR**

\$ 2,470,239

**SUPPLEMENTAL INFORMATION**

Cash paid for interest	\$ 3,270
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See independent auditors' report and accompanying notes to the financial statements

# NEIGHBORHOOD CHARTER NETWORK, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Neighborhood Charter Network, Inc. ("NCN") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana, and is the governing body of two charter schools located in Indianapolis, Indiana:

- *Enlace Academy* ("Enlace") commenced operations as a public charter school on July 1, 2013. Enlace is located on the west side of Indianapolis and served approximately 365 students in grades kindergarten through six in fiscal year 2017.
- *Kindezi Academy* ("Kindezi") commenced operations as a public charter school on July 1, 2016. Kindezi is located in the Martindale-Brightwood Neighborhood on the east side of Indianapolis and served approximately 355 students in grades kindergarten through six in fiscal year 2017.

Both Enlace and Kindezi (together referred to as "the Schools") operate under Indiana Code 20-24 and are sponsored by the Office of Education Innovation of the Mayor of the City of Indianapolis ("Mayor's Office").

On July 1, 2015, Enlace entered into an Innovation Network Charter School Agreement with Indianapolis Public Schools ("IPS"). The agreement, under Indiana Code 20-25.5-1, allows IPS to enter into an agreement with Enlace to operate a charter school within an IPS building. The agreement is for a term of five years, with the option to renew the agreement for additional five-year terms. Under the agreement, IPS will pay to Enlace the amount Enlace would receive from the State of Indiana for state basic tuition support and complexity grant funding as if the School were a traditional charter school. For consideration of this agreement, Enlace pays IPS a monthly fee of \$10,000. The agreement can be terminated annually by either party, by providing written notice at least 60 days prior to the end of the school year.

On March 17, 2016, Enlace entered into an Innovation Network Charter School Agreement with Indianapolis Public Schools ("IPS") to operate two schools in a single IPS owned building. During the 2016-2017 school year, kindergarten through second grade operated as Kindezi Academy and grades three through six operated as Joyce Kilmer Academy 69. For each subsequent year, Kindezi Academy will take over one additional grade from Joyce Kilmer Academy 69 until the entire building is operating as Kindezi Academy. The agreement is for a term of five years, with the option to renew the agreement for additional five-year terms. Under the agreement, IPS will pay to Kindezi the amount Kindezi would receive from the State of Indiana for state basic tuition support and complexity grant funding as if both schools were a traditional charter school. The agreement can be terminated annually by either party, by providing written notice at least 180 days prior to the end of the school year.

Both Enlace and Kindezi received valuable in-kind services from IPS for rent and other shared services during the year ended June 30, 2017. The value of these services is unable to be estimated as of the date of these financial statements, and as such, no in-kind contribution or expense has been reflected.

Accounting 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

# NEIGHBORHOOD CHARTER NETWORK, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Financial Statement Presentation – The Schools report their financial position and activities according to two classes of assets as follows:

- *Unrestricted net assets* represents net assets that the Board of Directors has discretionary control to use in carrying on the activities of the Schools in accordance with its articles of incorporation and by-laws.
- *Temporarily restricted net assets* represents net assets restricted by the donor, grantor, or other outside party for a specific purpose or until the passage of time. At June 30, 2017, Kindezi's temporarily restricted net assets consisted of \$114,635 of unspent funds from the \$325,000 Walton Family Foundation grant.

Contributions – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Schools report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restrictions.

Revenue Recognition – The majority of the revenue comes from IPS, as part of the Innovation Network Charter School Agreement. Under the agreement with IPS, the Schools receive an amount per student in equal portion as if the Schools acted as traditional charter schools. Funding from IPS is received monthly. Revenue is recognized in the year in which educational services are rendered.

A portion of the Schools' revenue is the product of cost reimbursement grants. Accordingly, the Schools recognize revenue under these grants in the amount of costs and expenses at the time they are incurred.

Grants Receivable – Grants receivable relate primarily to activities funded under federal programs and legislation enacted by the State of Indiana. The Schools believe that they are operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Property and Equipment – Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, and minor replacement costs are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful life of such assets has been determined to be five years.

Taxes on Income – Neighborhood Charter Network, Inc. has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, NCN would be subject to tax on income unrelated to its tax-exempt purpose. For the year ended June 30, 2017, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

# NEIGHBORHOOD CHARTER NETWORK, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Taxes on Income, Continued – Professional accounting standards require NCN to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. NCN has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions.

Subsequent Events – NCN evaluated subsequent events through December 19, 2017, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

### NOTE 2 - PRIOR PERIOD ACTIVITY

Prior to July 1, 2016, Enlace Academy was operated under Enlace Academy, Inc., which was a separate public benefit not-for-profit organization incorporated under the laws of the State of Indiana. On July 1, 2016, the assets and liabilities of Enlace Academy, Inc. were transferred to NCN. The following is a summary of the statement of financial position of Enlace Academy, Inc. that was transferred to NCN:

Current assets	\$	1,159,487
Property and equipment, net		<u>45,016</u>
Total assets	\$	<u>1,204,503</u>
Current liabilities	\$	123,554
Long-term liabilities		<u>538,795</u>
Total liabilities		662,349
Net assets, unrestricted		<u>542,154</u>
Total liabilities and net assets	\$	<u>1,204,503</u>

**NEIGHBORHOOD CHARTER NETWORK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**NOTE 3 - NOTES PAYABLE**

Notes payable consisted of the following at June 30, 2017:

Enlace - note payable to State Board of Education, payable \$25,000 semi-annually (January 1 and July 1) plus interest at 1.00% per annum, advanced in February 2016.	\$ 475,000
Kindezi - Note payable to State Board of Education, payable \$25,000 semi-annually (January 1 and July 1) plus interest at 1.00% per annum, advanced in September 2016, first payment due January 1, 2017.	500,000
Enlace - Note payable to CSDC Property Corporation, monthly payments of \$2,500, non-interest bearing.	<u>57,571</u> 1,032,571
Less: current portion	<u>(105,000)</u>
Long-term portion	\$ <u><u>927,571</u></u>

The notes payable to the State Board of Education is the result of the Common School Funds Charter School Innovation Fund Advancement program. This note is secured by the School's future tuition support payments on the School's basic grant.

In March 2013, Enlace signed an agreement with CSDC Property Corporation, contracting CSDC to begin work on locating and developing a location for a new school facility. Enlace later abandoned this effort after reaching agreement with Indianapolis Public Schools. In November 2014, Enlace negotiated settlement of amounts owed to CSDC for services performed under this contract in the amount of \$137,570.

Principal maturities of the notes payable are as follows for the years ending June 30:

2018	\$ 105,000
2019	127,571
2020	100,000
2021	100,000
2022	100,000
Thereafter	<u>500,000</u>
	\$ <u><u>1,032,571</u></u>

**NEIGHBORHOOD CHARTER NETWORK, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2017**

**NOTE 4 - CAPITAL LEASE OBLIGATION**

Enlace has entered into a capital lease obligation for a copier. At June 30, 2017, the cost and accumulated depreciation of the copier was \$16,133 and \$6,454, respectively.

Following is a schedule of future minimum lease payments under the capital lease and present value of net minimum lease payments as of June 30, 2017:

2018	\$	6,481
2019		<u>499</u>
		6,980
Less: amount representing interest		<u>(300)</u>
	\$	<u>6,680</u>

**NOTE 5 - RETIREMENT PLAN**

The Schools maintain a defined contribution Section 403(b) retirement plan covering substantially all employees. The plan allows employees to make salary deferral contributions and provides that the Schools will make contributions at their discretion. For the year ended June 30, 2017, the Schools contributed 4% of defined compensation for all employees and matched 100% of employee deferral contributions, not to exceed 3% of compensation. Retirement plan expense was \$147,603 for the year ended June 30, 2017.

**NOTE 6 - RISKS AND UNCERTAINTIES**

NCN provides education services to families residing in Marion and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the Schools. Additionally, the Schools are subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the Schools.

Financial instruments that potentially subject NCN to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2017, substantially all of the grants receivable balance was due from the State of Indiana. In addition, deposits are maintained at Key Bank and are insured up to the FDIC insurance limit. At June 30, 2017, funds held at Key Bank exceeded the FDIC insurance limit.

**NEIGHBORHOOD CHARTER NETWORK, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2017**

**NOTE 7 - FUNCTIONAL EXPENSE REPORTING**

The costs of providing the educational activities have been summarized on a functional basis in the statement of activities and change in net assets. Accordingly, certain expenses have been allocated between program and management services.

**NEIGHBORHOOD CHARTER NETWORK, INC.**  
**OTHER REPORT**  
**For the Year Ended June 30, 2017**

The reports presented herein were prepared in addition to other official reports prepared for the Schools as listed below:

Supplemental Audit Report of Neighborhood Charter Network, Inc.

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.

**NEIGHBORHOOD CHARTER NETWORK, INC.**  
**SCHEDULE OF FINANCIAL POSITION BY SCHOOL**  
**June 30, 2017**

	<u>Enlace</u>	<u>Kindezi</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 1,465,447	\$ 1,004,792	\$ 2,470,239
Grants receivable	129,261	27,828	157,089
Prepaid expenses	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<i>Total current assets</i>	<u>1,604,708</u>	<u>1,032,620</u>	<u>2,637,328</u>
<b>PROPERTY AND EQUIPMENT</b>			
Furniture and equipment	68,203	-	68,203
Less: accumulated depreciation	<u>(36,828)</u>	<u>-</u>	<u>(36,828)</u>
<i>Property and equipment, net</i>	<u>31,375</u>	<u>-</u>	<u>31,375</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,636,083</u></u>	<u><u>\$ 1,032,620</u></u>	<u><u>\$ 2,668,703</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of notes payable	\$ 80,000	\$ 25,000	\$ 105,000
Current portion of capital lease obligation	6,184	-	6,184
Accounts payable and accrued expenses	80,976	92,864	173,840
Refundable advances	<u>19,730</u>	<u>-</u>	<u>19,730</u>
<i>Total current liabilities</i>	<u>186,890</u>	<u>117,864</u>	<u>304,754</u>
<b>LONG-TERM LIABILITIES</b>			
Notes payable, net of current portion	452,571	475,000	927,571
Capital lease obligation, net of current portion	<u>496</u>	<u>-</u>	<u>496</u>
<i>Total long-term liabilities</i>	<u>453,067</u>	<u>475,000</u>	<u>928,067</u>
<i>Total liabilities</i>	<u>639,957</u>	<u>592,864</u>	<u>1,232,821</u>
<b>NET ASSETS</b>			
Unrestricted	996,126	325,121	1,321,247
Temporarily restricted	<u>-</u>	<u>114,635</u>	<u>114,635</u>
<i>Total net assets</i>	<u>996,126</u>	<u>439,756</u>	<u>1,435,882</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,636,083</u></u>	<u><u>\$ 1,032,620</u></u>	<u><u>\$ 2,668,703</u></u>

See independent auditors' report

**NEIGHBORHOOD CHARTER NETWORK, INC.**  
**SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS BY SCHOOL**  
**For the Year Ended June 30, 2017**

	<b>Enlace</b>	<b>Kindezi</b>			<b>Total NCN</b>		
	<b>Unrestricted</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>							
State education support	\$ 2,739,190	\$ 2,579,508	\$ -	\$ 2,579,508	\$ 5,318,698	\$ -	\$ 5,318,698
Grant revenue	799,147	427,030	325,000	752,030	1,226,177	325,000	1,551,177
Student fees	3,534	-	-	-	3,534	-	3,534
Contributions	6,366	6,137	-	6,137	12,503	-	12,503
Interest income	75	-	-	-	75	-	75
Other income	4,248	530	-	530	4,778	-	4,778
Net assets released from restrictions	-	210,365	(210,365)	-	210,365	(210,365)	-
<i>Total revenue and support</i>	3,552,560	3,223,570	114,635	3,338,205	6,776,130	114,635	6,890,765
<b>EXPENSES</b>							
Program services	2,249,441	2,206,171	-	2,206,171	4,455,612	-	4,455,612
Management and general	849,147	692,278	-	692,278	1,541,425	-	1,541,425
<i>Total expenses</i>	3,098,588	2,898,449	-	2,898,449	5,997,037	-	5,997,037
<b>CHANGE IN NET ASSETS</b>	453,972	325,121	114,635	439,756	779,093	114,635	893,728
<b>NET ASSETS, BEGINNING OF YEAR</b>	542,154	-	-	-	542,154	-	542,154
<b>NET ASSETS, END OF YEAR</b>	\$ 996,126	\$ 325,121	\$ 114,635	\$ 439,756	\$ 1,321,247	\$ 114,635	\$ 1,435,882

See independent auditors' report