

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**ENGLEWOOD ON THE PALISADES  
CHARTER SCHOOL  
JUNE 30, 2012**

**PREPARED BY**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
BERGEN COUNTY**

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## **INTRODUCTORY SECTION**

# Englewood On The Palisades Charter School

**ANTHONY BARCKETT, M.ED.**  
Director

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**DR. SHIRL BURNS**  
Principal

November 28, 2012

Commissioner  
New Jersey Department of Education  
100 Riverview Executive Plaza  
CN – 500  
Trenton, New Jersey 08625-0500

Dear Commissioner:

We hereby submit the Comprehensive Annual Financial Report of Englewood on the Palisades Charter School (the "Charter School") for the fiscal year ended June 30, 2012. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to fairly present the financial position and result of operations of the various funds and account groups of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, the basic financial statements, required supplementary information and other supplementary information, as well as the auditor's report thereon. The statistical section includes ten unaudited fiscal years of data. The Charter School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments and Non-Profit Organizations*", and the New Jersey OMB Circular Letter 04-04, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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**1) REPORTING ENTITY AND ITS SERVICES**

The Charter School is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the Charter School are included in this report.

The Charter School provides a full range of educational services appropriate to grade levels K through 6. This includes regular and special needs student enrollment. We do accept special education and handicapped children if appropriate application is made to the Charter School as required by law. The Charter School completed the 2011-2012 fiscal year with an average daily enrollment of 181 students, which is 15 students lower than the previous year's enrollment. The following details the changes in student enrollment of the school over the last 10 years.

<u>Year</u>	<u>Enrollment</u>	<u>Change</u>
2011-2012	181	-8.29%
2010-2011	196	-0.02%
2009-2010	199	9.30%
2008-2009	182	3.74%
2007-2008	175	-5.88%
2006-2007	186	1.07%
2005-2006	184	3.74%
2004-2005	177	-5.35%
2003-2004	187	22.22%
2002-2003	153	7.75%

**2) ECONOMIC CONDITION AND OUTLOOK**

The Charter School concept is experiencing a period of development and expansion which is expected to continue. This expansion is expected to continue which suggests that the Charter School will continue to prosper. The school continues its effort to locate a viable and affordable facility and in that respect and has initiated meetings with the Englewood planning Board, Pastor Taylor and our architects to reach an agreement on the process. This new facility will facilitate expansion through eighth grade.

The poor economic condition of the state of New Jersey has forced the legislative action to balance the state budget and as such that the districts and charter schools have lost some of their funds under the new anticipated state funding reform act. However, the school continues to demonstrate sound fiscal responsibility.

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**Major Initiatives**

The EPCS actively demonstrates its commitment to each student. The classrooms are supportive places where all students are able to express their ideas, explore concepts, think creatively, and develop the critical thinking skills needed to be successful. Encouragement for student growth academically, socially and emotionally is embedded in the curriculum and in daily school activities.

The overall philosophy of EPCS is best represented by the adage "I hear and I forget; I see and I remember; I do, and I understand". This philosophy is implemented through the "key strands of the environment for the learning community" as stated in the charter. They include: active in-depth learning, emphasis on authentic performance, attention to development, appreciation of diversity, opportunities for collaborative learning, collective perspective across the school, structures for caring, support for democratic learning and connections to family and community.

During the 2011-2012 school year, EPCS used the services of a curriculum specialist to provide assistance to the staff as we developed curriculum maps that ensured the continuity of the curriculum, the continuation of student learning within each grade level, and between grade levels. The Curriculum Maps and the update of the Common Core State Standards was the foundation of our curriculum for the new mathematics program; Everyday Math, which was introduced during the 2011-2012 school year.

Each student has an Individual Learning and Growth Plan (ILGP) as identified in the charter outlining the academic plans for that student for the school year. The plan begins with an analysis of the results of the Stanford 10 Assessment that is administered at the end of the previous school year. Teachers note areas of achievement and areas of deficiency for use in the development of lesson plans and activities for each child. Gaps in a students' knowledge base are addressed. Currently all students participate in placement tests for Language Arts and Mathematics at the start of each school year. From the results of these tests teachers utilize Item Analysis Assessments for each student identifying deficient areas. During the school year teachers monitor student assessment results through a detailed list of skills and knowledge that corresponds to the curriculum and the text. These checklists are updated at least once each quarter and are discussed with parents at the report card conferences.

There is a school wide tutoring program in place that provides students remediation and enrichment in Language Arts, Mathematics and Science and preparation for the state assessments.

Communication with parents is also critical to student success. Each marking period parents and teachers meet to discuss the child's progress. All parents participate in this process. Teachers are required to communicate with parents regarding each student's academic growth and needs. Communication is primarily through letters/flyers sent home, personal and group conferences and through phone calls. The school requires teachers to keep a monthly contact log for all communication with parents/guardians and submit it monthly to the Principal. EPCS is

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currently upgrading its website and will add email access for all participants which will enhance communication within the school community.

The EPCS' goals for the third through fifth grade students were to meet or exceed the Adequate Yearly Progress indicators as mandated by the Department of Education. In preparation for the upcoming school year the third, fourth and fifth grade teachers received a copy of their students' previous NJ ASK test results. The results were reviewed and analyzed by the teachers. This allowed the teachers to plan for the upcoming school year based on the needs of their students as a group and individually. The second grades teachers also utilized the New Jersey ASK preparation materials as an introduction to the testing format. In addition, during Common Core Planning Meetings, the second through fifth grade teachers discussed and created a scope and sequence for writing, which was used to enhance our student's test-taking skills.

Administration used the results of each sub group to evaluate our school's proficiency in Language Arts and Mathematics in comparison to the statewide benchmarks. At this time the school has reviewed its procedures for assessing academic goals and objectives and anticipates no refinements or changes to the current procedures.

Englewood on the Palisades Charter School made School-Wide AYP each year meeting all 40 indicators as required by the NJDOE and *No Child Left Behind*. The school continues to review, and if necessary revise any instructional programs and services to bring students' proficiency levels at and above the state's benchmark in the areas of Language Arts Literacy, Mathematics and Science.

The results of the 2011-2012 NJASK Test are as follows:

**Grade 3**

Language Arts Literacy	58.1%
Mathematics	68.0%

**Grade 4**

Language Arts Literacy	68.8%
Mathematics	81.2%
Science	87.5%

**Grade 5**

Language Arts Literacy	92.3%
Mathematics	100%

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**Innovative/Exemplary Programs and Practices**

The Englewood on the Palisades Charter School will continue to use the following innovative programs and practices:

**The Lorraine Monroe Leadership Institute Black Board Configuration**

**Program Description:** The Black Board Configuration is used to get students into the room, settled down, ready to learn and to work. The configuration introduces the students to what they will be learning in class and if used properly, a structured format to transition into a different subject area or concept. It is a visual representation of the teacher's commitment to instruction. It reflects the teacher's plan for a lesson, and it helps both the teacher and students to be organized and stay focused.

**Extent of the Program:** Kindergarten – fifth grade

**Impact on Student Achievement:** The configuration improves school tone, strengthens teachers' skills in planning and pacing and standardizes students' expectations school-wide. It provides leaders with a management tool that makes daily observation possible and meaningful and provides students with an example of how to organize and plan. We have found that the blackboard configuration format has increased our student achievement.

**The Marva Collins Educational Program and Philosophy**

**Program Description:** The Marva Collins program and methodology is based on the Socratic Method. The Socratic Method teaches by using a series of questions and answers by which the logical soundness of a definition, or a point of view, or the meaning of a concept, is tested. The Socratic Method is based on logical analysis; consequently, it develops superb reasoning skills in students.

**Extent of the Program:** Kindergarten – fifth grade

**Impact on Student Achievement:** The Marva Collins methodology of teaching has the advantage of establishing an intellectual environment that promotes the gaining of textual information, conversational information, vocabulary building, idea building, idea sharing and expansion, and it demands the attention of all participants. It alleviates guessing. It teaches abstract thinking. Critical thinking involves a general attitude of questioning and suspended judgment, and it develops the habit of examining before accepting. The teacher and the student now have a common goal, which is the gaining of knowledge and information sharing.

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**Remediation and Enrichment Programs**

**School Wide Tutoring**

**Program Description:** Teachers provide tutorial for remediation and enrichment in language arts, mathematics and science, as well as, test preparation. This program is offered to all students.

**Extent of the Program:** Kindergarten – fifth grade

**Impact on Student Achievement:** Based on the review of results from previous state and local standardized tests, we see an improvement in student achievement. We have also seen an increase in the number of students on the honor roll.

**Basic Skills Program**

**Program Description:** This academic support program was developed to provide academically at-risk students an opportunity to receive additional instructional support in the areas of Reading, Writing and Mathematics.

**Extent of the Program:** Kindergarten – fifth grade

**Impact on Student Achievement:** Based on the review of results from the state and local standardized tests, and formal and informal assessments by the teachers, we see an improvement in student achievement.

**Summer Enrichment Program**

**Program Description:** The EPCS Summer School program is a half day program that consists of thematic academic instruction, music, computers, gym and art. At the conclusion of the summer program the students will put on a performance to showcase what they have learned.

**Extent of the Program:** Kindergarten – fifth grade

The Englewood on the Palisades Charter School will continue to use the following innovative programs and practices:

- Pizza Hut Book It Program: Students are rewarded for meeting reading goals.
- Thematic instruction that includes Celebrations Around the World and Fairy Tales/Folk Tales, Myths and Legends : School Wide
- 100<sup>th</sup> Day of School Celebration: Students are given activities to enhance mathematics, reading and writing skills.
- Boys Book Club and Girls Book Club: 5<sup>th</sup> grades
- Pep Rally: Encouragement for NJASK
- Hispanic and Black History Celebration
- History of Migration: Journey to the Caribbean & South America
- Physics is Fun: Sir Isaac Newton's Laws of Physics
- Cuentos: Tales from the Latino World
- Science: Forces and Motion

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- Women In History
- Kindergarten Moving Up Ceremony
- 5<sup>th</sup> Grade Moving Up Ceremony
- 1<sup>st</sup> through 4<sup>th</sup> Grade Awards Ceremony
- 5<sup>th</sup> Grade Space Press Conference
- Scholastic Book Fair
- Catskill Puppet Theatre: Willow Girl
- East African Cultural Extravaganza
- Mother's Day Sale
- Family Game Night

These programs and practices have had a positive impact on student achievement.

**Parent Satisfaction**

The 2011-2012 Parent Satisfaction Survey was distributed in June to assess parent satisfaction with the school's educational program. The survey solicited the opinions of Parents/guardians regarding their views on school safety, quality of instruction, homework, discipline, teacher expectations, and parent/school communication.

Forty-four percent of our parents were surveyed. Ninety-two percent of those who responded indicated a high level of overall satisfaction of the school's performance. Parents strongly agreed that the school provided: a safe environment, teachers held high expectations for their students; parents were satisfied with the overall academic program, the school communicated well with parents, and the school had visible and approachable administrative staff.

**3) INTERNAL ACCOUNTING CONTROLS**

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Charter School is responsible for ensuring that adequate internal controls are in place to comply with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School's Board of Trustees.

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As part of the Charter School’s single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.

**4) BUDGETARY CONTROLS**

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund and Special Revenue Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

**5) ACCOUNTING SYSTEM AND REPORT**

The Charter School’s accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds and account groups. These funds and account groups are explained in “Notes to the Financial Statements”, Note 1. We utilized CDK application to deliver and establish a complete program including encumbrances, general ledger, accounts payable, accounts receivable, budgetary accounts and Board secretary’s monthly report. This system is a core component of our internal control system and has tremendously helped the accountability of our financial structure.

**6) FINANCIAL STATEMENT INFORMATION AT FISCAL YEAR-END**

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, and special revenue funds for the fiscal years ended June 30, 2011 and 2012.

	<u>2012</u>	<u>2011</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Revenue</u>				
Local Sources	\$ 2,559,141	\$ 2,563,511	\$ (4,370)	-0.17%
State Sources	372,774	169,689	203,085	119.68%
Federal Sources	161,824	171,602	(9,778)	-5.70%
Total	<u>\$ 3,093,739</u>	<u>\$ 2,904,802</u>	<u>\$ 188,937</u>	<u>113.81%</u>

The amount of monies received from local sources (Englewood Board of Education and other sending districts) is determined by the per pupil cost of their district. We received

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**7) CASH MANAGEMENT**

The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to the Financial Statements”, Note 2. The Charter School has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Our funds are presently deposited in NVE Bank, Englewood, N.J., in compliance with the state and federal regulations.

**8) RISK MANAGEMENT**

The Board carries various forms of insurance, including, but not limited, to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker’s compensation and student insurance.

**9) OTHER INFORMATION**

**Independent Audit**

State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ilori CPA LLC was appointed by the Charter School Board of Trustees. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor’s report on the basic financial statements, combining and individual fund statements, and schedules are included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

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Commissioner**

**10) ACKNOWLEDGEMENTS**

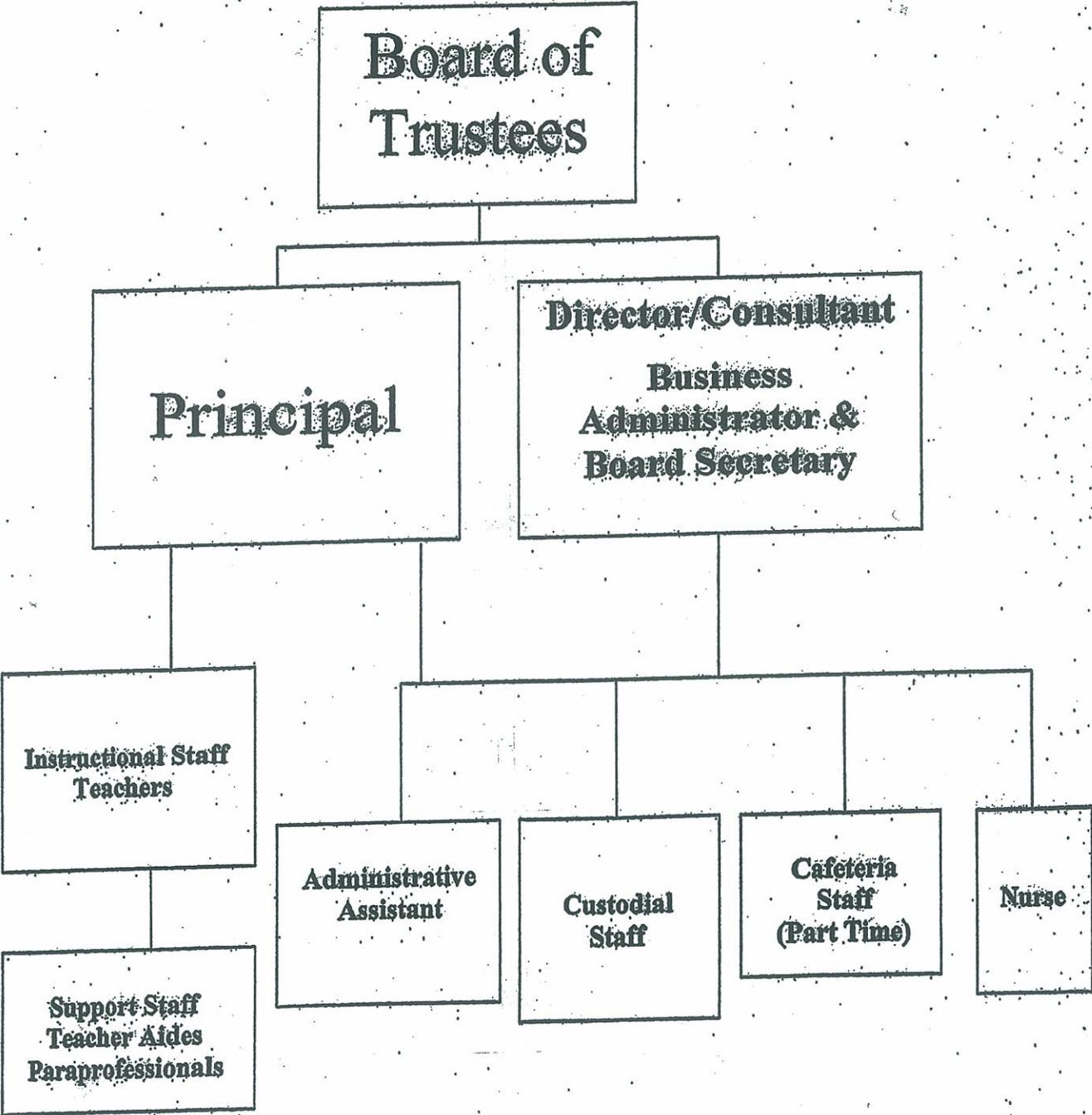
We would like to express our appreciation to the members of Englewood on the Palisades Charter School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and Englewood school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of my administrative assistants.

Respectfully submitted,



Anthony Barckett  
Director, Bus. Admin/ Board Secretary  
Englewood on the Palisades Charter School

# Englewood on the Palisades Charter School Organizational Chart



**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**ROSTER OF OFFICIALS  
JUNE 30, 2012**

**Members of Board of Trustees**

Tracey Baptiste	President
Travis Waller	Vice President
Glenn Coley	Member
Aree Booker	Member
Gregory Samuel	Member

**Other Officials**

Anthony Barckett	Director/Board Secretary/Consultant
Dr. Shirl Burns	Principal

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**CONSULTANTS AND ADVISORS**

**Attorney**

Hardwood Llyod LLC  
130 Main Street  
Hackensack, NJ 07601

**Audit Firm**

Ilori CPA LLC  
744 Broad Street Suite 1005  
Newark, NJ 07102

**Official Depository**

NVE Bank  
76 Engle Street  
Englewood, NJ 07631

## **FINANCIAL SECTION**



**ILORI CPA LLC**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**& MANAGEMENT CONSULTANT**  
*Member of AICPA, NJCPA & MACPA*

**744 BROAD STREET 10<sup>TH</sup> FLOOR**  
**NEWARK, NEW JERSEY 07102**  
**Telephone (973)-621-5780**  
**Fax (973) 404-8858**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
Englewood on the Palisades Charter School  
County of Bergen, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Englewood on the Palisades Charter School, Inc., (the "Charter School") in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the charter school's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter School's management. 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; auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. 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 opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Charter School, as of June 30, 2012, and the respective changes in financial positions and cash flows, where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 28, 2012, on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement and other matters. The purpose of these reports is to describe the scope of our testing and no to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read with the report in considering the results of our audit.

## INDEPENDENT AUDITOR'S REPORT - CONTINUED

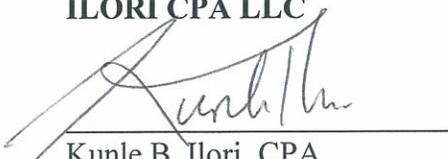
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 17 and 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, consisted of principally of inquiries of management regarding method of measurement of and presentation of the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying introductory section, other supplementary information including combining fund financial schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by, U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**ILORI CPA LLC**



Kunle B. Ilori, CPA  
Licensed Public School Accountant  
No. 20CS00233100

November 28, 2011  
Newark, New Jersey

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**MANGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis (MD&A) provides an analysis of the Charter School's overall financial position and results of operations.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**JUNE 30, 2012**

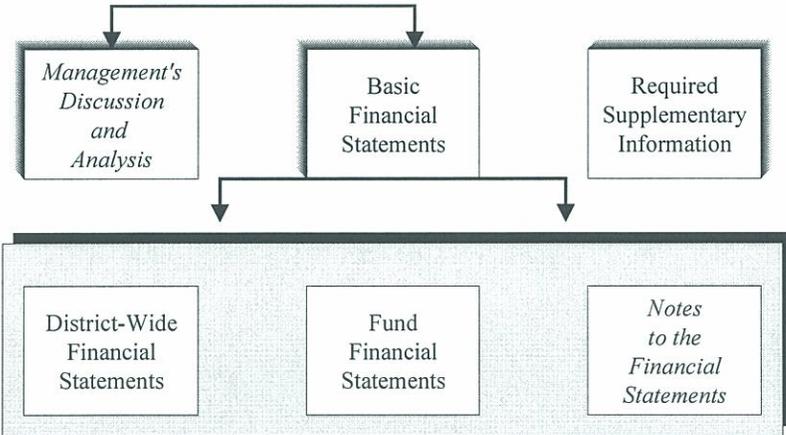
The discussion and analysis of Englewood on the Palisades Charter School’s financial performance provides an overview of the School’s financial activities for the fiscal year ended June 30, 2012. The objective of this overview and analysis is to examine the District’s financial performance as a whole and to disclose important financial commentary that will provide overall understanding of the District’s financial position. However, readers of this document are encouraged to review the CAFR’s Letter of Transmittal in the Introductory Section, and the Basic Financial Statements and Notes to Financial Statements in the Financial Section to enhance their understanding of Board’s financial performance.

The Management’s Discussion and Analysis (MD&A) as a required Supplementary Information Specified in the Governmental Accounting Standard Board’s (GASB) statement No 34, *Basic Financial statements and Management’s Discussion and Analysis for state and local Governments* issued in June 1999; GASB Statement No. 37, *Basic Financial Statement – and Management’s Discussion and Analysis- for State and Local Governments: Omnibus*, an amendment to GASB Statement No 21 and No 34, issued in June 2001, and; in GASB Statement No 38, *Certain Financial Statement Note Disclosures*, issued in 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD & A.

**Overview of the Financial Statements**

This annual report consists of six parts-*management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, *other supplementary information*, *the statistical section*, and *the single audit section*.

Table A-1. Required Components of the School's Annual Financial Report



## ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are charter school *financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the district-wide statements.
  - *Governmental funds* statements tell how *basic* services such as regular and special education were financed in the *short term* as well as what remains for future spending.
  - *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as food service.
  - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain certain information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Table A-1 shows how the required parts of this annual report are arranged and related to one another.

# ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

	School-wide Statements	Fund Financial Statements		
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
Scope	Entire School (except fiduciary funds)	The activities of the School that are not proprietary or fiduciary, such as special education and building maintenance	Activities the School operates similar to private businesses: Food Service Fund and Extended Day Program	Instances in which the School administers resources on behalf of someone else, such as state unemployment insurance, payroll and payroll agency and student activities
Required financial statements	*Statements of Net Assets *Statements of Activities	*Balance Sheet *Statement of revenues, expenditures and changes in fund balances	*Statement of Net Assets *Statement of revenues, expenditures and changes in fund net assets *Statement of cash flows	*Statement of Fiduciary net assets *Statement of changes in fiduciary net assets
Accounting Basis and Measurement Focus	Actual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and dedications during the year; regardless of when cash is received or paid

Table A-2 summarizes the major features of the School's financial statements, including the portion of the School's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements. The basic financial statements include two kinds of statements that present different views of the School:

- Charter School-wide Statements
- Fund Financial Statements

## ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

#### Charter School-wide Statements

The School-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two School-wide statements report the School's *net assets* and how they have changed. Net assets the difference between the School's assets and liabilities is one way to measure the School's financial health or *position*.

- Over time, increases or decreases in the School's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the School, you need to consider additional non-financial factors such as changes in the School's property tax base and the condition of school buildings and other facilities.

The School-wide financial statements of the School are divided into two categories:

- *Governmental activities* - Most of the School's basic services are included here, such as regular and special education, instruction, extracurricular activities, curriculum and staff development, health services, operations and maintenance of plant and administration. Property taxes and state grants finance most of these activities.
- *Business-type activities* - The School charges fees to customers to help it cover the costs of certain services it provides. The School's Food Service Fund and Extended Day Program Fund are included here.

#### Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant *funds*-not the School as a whole. Funds are accounting devices that the School uses to keep track of specific sources of funding and spending for particular programs. The School considers all governmental and proprietary funds to be major funds in accordance with requirements of the Division of Finance, Department of Education, of the State of New Jersey.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

**Fund Financial Statements Cont'd**

The School has three kinds of funds:

- *Governmental funds* - Most of the School's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* - Services for which the School charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the School-wide statements, provide both long- and short-term financial information. In fact, the School's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The School's Enterprise Fund includes the Food Service Program and the Extended Day Program.
- *Fiduciary funds* - The School is the trustee, or *fiduciary*, for assets that belong to others such as the state unemployment insurance, payroll, and student activity funds. The School is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the School's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the School's School-wide financial statements because the School cannot use these assets to finance its operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the School-wide and fund financial statements and can be found starting on page 37 of this report. In addition to the basic financial statements and accompanying notes, this report also includes required supplementary information.

## **ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2012**

#### **FINANCIAL ANALYSIS OF THE CHARTER SCHOOL AS A WHOLE**

The perspective of the Statement of Net Assets is of the Charter School as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The Charter school's financial position is the product of several financial transactions including the net results of activities.

#### **Government Activities**

The Charter School's total revenues were 3,383,897 and \$3,134,728 for the years ended June 30, 2012 and 2011; this includes \$230,483 for 2011 and for \$190,337 of state reimbursed TPAF Social Security Contributions and Pension.

The total cost of all programs and services was \$3,266,460 for 2012 and \$3,250.999 for 2011.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Administration includes expenses associated with administrative and financial supervision of the Charter School.

Support Services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development and the costs associated with operating the facility.

Capital Outlay represents school equipment purchased over the \$2,000 threshold.

# ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

### Business-Type Activities

Revenue for the Charter School's business-type activity "After School" Program for the years ended June 30, 2012 and 2011 amounted to \$ 40, 483 and \$50, 423 respectively. Englewood Public School District is solely responsible for the management and fiscal accountability of the food program.

### **The Charter School's Funds**

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. The net change in fund balance for the years 2012 and 2011 was most significant in the general fund; an increase of \$117,437 and a deficit of \$116,271 respectively in general fund. As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2012 and 2011, and the amount and percentage of increases and decreases in relation to prior year revenues.

	<u>2012</u>	<u>2011</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
<u>Revenue</u>				
Local Sources	\$ 2,559,141	\$ 2,563,511	\$ (4,370)	-0.17%
State Sources	372,774	169,689	203,085	119.68%
Federal Sources	<u>161,824</u>	<u>171,602</u>	<u>(9,778)</u>	<u>-5.70%</u>
Total	<u>\$ 3,093,739</u>	<u>\$ 2,904,802</u>	<u>\$ 188,937</u>	<u>113.81%</u>

### **Governmental Activities**

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2012**

**Governmental Activities- Continued**

It identifies the cost of these services supported by unrestricted state entitlements for the fiscal years ended June 30, 2012 and 2011.

	<u>Total Cost of Services</u>	<u>Grants/ Contributions</u>	<u>2012 Net Cost of Services</u>	<u>2011 Net Cost of Services</u>
Instruction	\$ 1,464,319	\$ 110,773	\$ 1,353,546	\$ 1,347,017
Support Services:	-	-		
Administrative expenses	753,636	-	753,636	629,050
Other support services	789,722	51,051	738,671	881,413
Miscellaneous	10,802	-	10,802	13,074
Total Expenses	<u>\$ 3,018,479</u>	<u>\$ 161,824</u>	<u>\$ 2,856,655</u>	<u>\$ 2,870,554</u>

Changes in expenditures were the results of varying factors. Current expense increased due to salary increases, additional staff and students, and increased health benefit and utility costs.

**General Fund Budgeting Highlights**

The Charter School's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal 2012, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid in its budgeting process. The budgeting system is designed to tightly control total budget, but provide flexibility for Charter School management teams.

For the General Fund, final budgeted revenues and other financing sources were \$2,953,799 which included a local share of \$2,522,180. Expenditures and other financing uses were budgeted at \$3,596,059. The State of New Jersey reimbursed the Charter School \$ 231,483 and \$190,377 during the years ended June 30, 2012 and 2011 for the employer's share of social security contributions and pension for TPAF members. This unbudgeted amount is included in both revenues and expenditures.

# **ENGLEWOOD ON THE PALISADES CHARTER SCHOOL MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2012**

## **Business-Type Activity**

The business-type activity of the Charter School is the food service operation and after school programs. The food program is fully administered by Englewood Board of Education, and such it is included in the Comprehensive Annual Financial Report of the District as of June 30, 2012. However, the Charter School is responsible for screening the participant eligibility into the food program. The result of the eligibility test is included in the report on Auditor's management report. The Charter School also conducted a reasonable size after school program in the course of the academic year to assist the parents that may otherwise not enroll their children in the school due to busy schedule.

## **The Charter School's Funds**

The Charter School's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues including other financing sources for the years ended June 30, 2012 and 2011 were \$ 3,222,073 and \$\$ 3,371,790 respectively. The expenditures and other financing sources for the years ended June 2012 and 2011 were \$3,104,636 and \$3,250,999 respectively. The Deficit in fund balance for the year reflects the judgment against the Charter School by New Jersey Division of Pension and Benefits for misclassification of certain employees to consultants. The incident is disclosed in the accompanying comprehensive annual financial report.

## **Capital Assets**

At the end of fiscal year 2012, the Charter School had an inventory of all the assets and a depreciation schedule is maintained for assets with acquisition costs more than \$2,000 on individual basis to be consistent with the NJ Department of Education mandate. At June 2012, the total capitalized assets amount was \$27,300.

## **Long-term debt and capitalized lease obligations**

At June 30, 2011, the Charter School had no long-term debt or mortgages on the school building.

## **Economic Factors and Next Year's Budget**

The State of New Jersey continues to face serious budgetary constraints. This impact the amount of state aid allocated to charter schools. This reality was taken into account when adopting the general fund budget for 2011-2012. Nothing was done to compromise the quality of the programs in place in the Charter School during the regular instructional day. The budget was prepared to ensure that all students have textbooks, materials supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2012**

**Contacting the Charter School's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to reflect the Charter School's accountability for the monies it receives. Questions about this report or additional financial information should be directed to:

Mr. Anthony Barckett  
Director  
Englewood on the Palisade Charter School  
65 W. Demarest Avenue  
Englewood, New Jersey 07631

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the Charter School's operation. These financial statements present the financial position and operating results of all funds and account groups as of June 30, 2012.

## **CHARTER SCHOOL –WIDE FINANCIAL STATEMENTS**

**This Statement of Net Assets and the Statement of Activities display information about the Charter School as a whole. The Statement of Net Assets presents the financial condition of the government and business-type activities of the Charter School at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School’s governmental and business-type activities.**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2012 Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,876,330	\$ 161	\$ 2,876,491
Receivables- State	38,042		38,042
Receivables-Federal	30,013		30,013
Other - Security deposit	17,081		17,081
Depreciated capital assets	-		-
Less Accumulated depreciation	16,498	-	16,498
Total Assets	<u>2,977,964</u>	<u>161</u>	<u>2,978,125</u>
<b>LIABILITIES</b>			
Accounts payable	14,450	-	14,450
Payable to federal government	44,061	-	44,061
Payable to state government- Division of pensior	115,000	-	115,000
Other Payable	86,768	-	86,768
	<u>260,279</u>	<u>-</u>	<u>260,279</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	16,498	-	16,498
	-	-	-
Unrestricted	2,701,187	161	2,701,348
<b>Total net assets</b>	<u>\$ 2,717,685</u>	<u>\$ 161</u>	<u>\$ 2,717,846</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction	\$ 1,464,319	\$ -	\$ 110,773	\$ -	(1,353,546)	\$ -	\$ (1,353,546)
Support services:							
Student & instruction related services	753,636	-	-	-	(753,636)	-	(753,636)
School administrative services	789,722	-	51,051	-	(738,671)	-	(738,671)
Miscellaneous	-	-	-	-	-	-	-
Unallocated depreciation	10,802	-	-	-	(10,802)	-	(10,802)
Total governmental activities	<u>3,018,479</u>	<u>-</u>	<u>161,824</u>	<u>-</u>	<u>(2,856,655)</u>	<u>-</u>	<u>(2,856,655)</u>
Business-type activities:							
After Care Service	45,516	40,483	-	-	-	(5,033)	(5,033)
Total business-type activities	<u>45,516</u>	<u>40,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,033)</u>	<u>(5,033)</u>
Total primary government	<u>\$ 3,063,995</u>	<u>\$ 40,483</u>	<u>\$ 161,824</u>	<u>\$ -</u>	<u>\$ (2,856,655)</u>	<u>\$ (5,033)</u>	<u>\$ (2,861,688)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net							
					\$ 2,559,141	\$ -	\$ 2,559,141
					-	-	-
					372,774	-	372,774
					58,675	-	58,675
					-	-	-
					<u>2,990,590</u>	<u>-</u>	<u>2,990,590</u>
					133,935	(5,033)	128,902
					2,583,750	5,194	2,588,944
					<u>2,583,750</u>	<u>5,194</u>	<u>2,588,944</u>
					<u>\$ 2,717,685</u>	<u>\$ 161</u>	<u>\$ 2,717,846</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

Exhibit B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	2010 Total Governmental Funds
<b>Receivables</b>				
Cash and cash equivalents	\$ 2,876,330	\$ -	\$ -	\$ 2,876,330
Receivables- state	38,042	-	-	38,042
Receivables - Other Districts	30,013	-	-	30,013
Other - Security deposit	17,081	-	-	17,081
Total assets	2,961,466	-	-	2,961,466
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	14,450	-	-	14,450
Payable to other Districts	86,768	-	-	86,768
Interfund payable	-	-	-	-
Payable to federal government	-	-	-	-
Payable to state government	44,061	-	-	44,061
Payable -N.J. Division of Pension	115,000	-	-	115,000
Total liabilities	260,279	-	-	260,279
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Encumbrances	-	-	-	-
Legally restricted -- unexpended additional spending proposal	-	-	-	-
Legally restricted -- designated for subsequent year's expenditures	-	-	-	-
Excess surplus	-	-	-	-
Excess surplus -- designated for Subsequent year's expenditures	-	-	-	-
Other purposes	-	-	-	-
<b>Unreserved, reported in:</b>				
General fund	2,701,187	-	-	2,701,187
Special revenue fund	-	-	-	-
Debt service fund	-	-	-	-
Capital projects fund	-	-	-	-
Permanent fund	-	-	-	-
Total Fund balances	2,701,187	-	-	2,701,187
Total liabilities and fund balances	\$ 2,961,466	\$ -	\$ -	-

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Total Aquisition Cost	27,300	
Less Accumulated Depreciation	(10,802)	16,498
		-

Net assets of governmental activities- A-1

\$ 2,717,685

The accompanying Notes to Financial Statements are an integral part of this statement.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012

Exhibit B-2

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenue</b>				
Local sources:				
"Local levy" local share	\$ 2,559,141	\$ -	\$ -	\$ 2,559,141
Miscellaneous	-	-	-	-
Total - Local Sources	2,559,141	-	-	2,559,141
State sources	372,774	-	-	372,774
Other sources	290,158	-	-	290,158
Federal sources	-	161,824	-	161,824
Total revenues	3,222,073	161,824	-	3,383,897
<b>EXPENDITURES</b>				
Current:				
Instruction	1,353,546	110,773	-	1,464,319
Undistributed Expenditures:				
Administrative cost	753,636	-	-	753,636
Support services	715,733	51,051	-	766,784
TPAF reimbursed	231,483	-	-	231,483
Capital outlay	50,238	-	-	50,238
Total expenditures	3,104,636	161,824	-	3,266,460
Excess (Deficiency) of revenues over expenditures	117,437	-	-	117,437
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	117,437	-	-	117,437
Fund balance—July 1	2,583,750	-	-	2,583,750
Fund balance—June 30	<u>\$ 2,701,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,701,187</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

**Total net change in fund balances - governmental funds (from B-2)** \$ 117,437

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which the capital outlays exceeded depreciation expense in the period. -

	Depreciation expense	(10,802)	
	Capital outlays	<u>27,300</u>	
			16,498

**Change in net assets of governmental activities** \$ 133,935

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
**JUNE 30, 2012**

Exhibit B-4

	<b>After Care Program</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 161
Government grants receivable	-
Interfund receivable General Fund	-
Other receivables	-
Inventories	-
Total current assets	161
Noncurrent assets:	
Furniture, machinery & equipment	-
Less accumulated depreciation	-
Total noncurrent assets	-
Total assets	161
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	-
Interfund payable General Fund	-
Deferred Revenue	-
Total current liabilities	-
Total liabilities	-
<b>NET ASSETS</b>	
Invested in capital assets net	-
Unrestricted net assets	161
Total net assets	\$ 161

The accompanying Notes to Financial Statements are an integral part of this statement.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Exhibit B-5

Operating revenues:	
Charges for services:	
Daily sales - non-reimbursable programs	\$ -
Total operating revenues	<u>-</u>
Operating expenses:	
Cost of sales	-
Salaries	40,603
Employee benefits	-
Other purchased services	-
Maintenance	2,194
Bank charges	-
General supplies	2,262
Miscellaneous	457
Total Operating Expenses	<u>45,516</u>
Operating loss	<u>(45,516)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	-
State school breakfast program	-
Federal sources:	
National school breakfast program	-
National school lunch program	-
After School program	40,483
Other income	-
Total nonoperating revenues	<u>40,483</u>
Loss before transfers	-
Transfers in (out)	<u>-</u>
Change in net assets	(5,033)
Total net assets-beginning	<u>5,194</u>
Total net assets-ending	<u>\$ 161</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

Exhibit B-6

	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 40,483
Other receipts	-
Payments to employees	(40,603)
Payments for employee benefits	-
Payments for bank charges	(457)
Payments to suppliers	(4,456)
Net cash used for operating activities	(5,033)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	\$ -
Federal Sources	-
Net cash provided by (used for) non-capital financing activities	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Change in capital contributions	\$ -
Purchases of capital assets	-
Net cash provided by (used for) capital and related financing activities	-
Net increase (decrease) in cash and cash equivalents	(5,033)
Balances-beginning of year	5,194
Balances-end of year	161
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(5,033)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	-
(Increase) decrease in other current assets	-
Increase (decrease) in accounts payable	-
Increase (decrease) in deferred revenue	-
Total adjustments	-
Net cash used for operating activities	\$ (5,033)

The accompanying Notes to Financial Statements are an integral part of this statement.

**FIDUCIARY FUND FINANCIAL STATEMENTS**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012**

Exhibit B-7

	<b>Unemployment Compensation Trust</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ -
Interfund Receivable	3,595	37,762
	-	-
Total assets	\$ 3,595	\$ 37,762
<b>LIABILITIES</b>		
Payable to the state unemployment	3,595	-
Interfund payable	-	
Payroll deductions and withholdings	-	34,167
	-	-
Total liabilities	\$ 3,595	\$ 34,167
<b>NET ASSETS</b>		
Held in trust for unemployment claims and other purposes	\$ -	

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Exhibit B-8**

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
Plan member	
Contributions to SUI	\$ 3,595
Other	-
Total Contributions	3,595
<b>Investment earnings:</b>	
Net increase (decrease) in fair value of investments	-
Interest	-
Dividends	-
Less investment expense	-
Net investment earnings	-
Total additions	3,595
<b>DEDUCTIONS</b>	
Quarterly contribution reports	3,595
Payroll expense	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	3,595
Change in net assets	-
Net assets—beginning of the year	-
Net assets—end of the year	\$ -

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**NOTES TO FINANCIAL STATEMENTS**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity:**

The school was founded by a coalition of committed parents, educators, professionals and community members of Englewood to support the children and learning. The Charter school was granted its charter to operate and maintain a public school to the residents of Englewood. The charter School has successfully gone through charter renewal four times since its existence. The Charter School is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No. 14. In addition, it must comply with the New Jersey Charter school program Act of 1995 and regulations promulgated thereafter.

The Charter School is an instrument of the State of New Jersey, established to function as an educational institution. Its mission is to provide a nurturing, caring, child-centered, constructivist learning community, modeling skills and habits necessary for attaining higher degree of achievement in our increasing complex, interdependent global society. The School will integrate a holistic curriculum, utilize learner center techniques, family and care giver centered approaches, comprehensive community involvement, cutting-edge technology and an intimate nurturing environment that will enhance positive self-images.

**Component Units**

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB's Codification of Governmental Accounting and Financial Reporting Standards is the degree of oversight responsibility maintained by the Charter School management. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School.

**B Basis of Presentation**

The financial statements of The Charter School have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed for governmental units. The Governmental Accounting Standards Board (GASB) is the accounting standard-setting body responsible for establishing governmental accounting and financial reporting principles.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**B Basis of Presentation- Continued**

In June 1999, the Governmental Accounting Standards Boards unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. In 2004, all charter schools adopted the GASB and the changes. Certain significant changes in the financial statements include the following:

- A Management’s Discussion and Analysis (MD&A) providing an analysis of the District’s overall financial position and results of operations
- Charter School-wide financial statements prepared using full-accrual accounting for all of the District’s activities and the economic resources measurement focus.
- Depreciation expense on the District’s capital assets is reflected in the Charter school-wide statement of activities.
- Fund financial statements to focus on the major funds.

These changes and others have been incorporated in the accompanying financial statements.

**C. Basic Financial Statements:**

The Charter School’s basic financial statements consist of Charter School or government- wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**School -wide Financial Statements**

The statement of net assets and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the Charter School, except for fiduciary funds. The statement of net assets presents the financial condition of the governmental and business-type activities of the Charter School at fiscal year end.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**School-wide Financial Statements- Continued**

The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental and business-type activities. The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**D Fund Financial Statements**

Fund financial statements of the Charter School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Charter School. The Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Charter School at a more detailed level.

**E Governmental Funds**

**General Fund** - The General Fund is the primary operating fund of the Charter School and is always classified as a major fund. It is used to account for all financial resources except those that are legally or administratively required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education, the Charter School included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

# ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

## BERGEN COUNTY

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

#### **E Governmental Funds-Continued**

- 1) Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings,
- 2) Improvement of ground, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major Capital Projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2011 there was no Capital Projects Fund.

**Debt Service Fund** -The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on, bonds issued to finance major property acquisitions, construction, and improvement programs. As of June 30, 2011 there was no debt service fund.

#### **F Proprietary Funds**

The focus of Proprietary Funds' measurement is upon determination of net income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the Proprietary Funds of the Charter School.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Enterprise Funds:**

The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Charter School is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods and services to the students on a continuing basis be financed or recovered primarily through user charges; or where the Charter School has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

**Internal Service (Self-Insurance) Fund:**

The Self-Insurance Fund is used to cover the self-insured limits of the various insurance policies for all funds. The Charter School does not use self insurance fund.

**G Fiduciary Funds**

Fiduciary or trust and Agency Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. This fund category includes:

# ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

## BERGEN COUNTY

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**Expendable Trust Funds** - Expendable Trust Funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. At June30, 2012, the school did not have expendable Trust Fund

**Nonexpendable Trust Funds** - Nonexpendable Trust Funds are used to account for assets held under the terms of a formal trust agreement, whereby the Charter School is under obligations to maintain the trust principal. At June30, 2012, the school did not have Nonexpendable Trust Fund

**Agency Funds** – Agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds

#### **H Measurement Focus and Basis of Accounting**

**Measurement Focus** –A measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. On the government-wide statements of net assets and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds are accounted for on a flow economic resources measurement focus. With this measurement focus, the accounting objectives are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flow. All assets and all liabilities, whether current or noncurrent, associated with their activities are included on the balance sheet. Fund equity (i.e., net total assets) is classified as net assets.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Basis of accounting**

In the government wide statement of net assets and statements of activities, both governmental and business like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting revenues are recognized when earned and expenses are recognized when the liability, resulting from exchange and exchange like transactions, is incurred (i. e. the exchange takes place).

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determine and “available” means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental funds revenues.

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared prior to July 1, for the General Fund. The budget is prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A. 2(m)1. All budget amendments must be approved by the N.J. State Department of Education. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below.

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental funds types. Unencumbered appropriations lapse at fiscal year end.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Ia. Budgets/Budgetary Control - continued**

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized encumbrances as expenditures and also recognized the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. The following presents a reconciliation of the special revenue funds from budgetary basis of accounting to the GAAP basis of accounting:

<u>Budget/Budgetary Control:</u>	<u>2012</u>
Total revenues and expenditures (budgetary basis)	\$161,824
Adjustments:	
Plus: Encumbrances at June 30, 2011	-
Less: Encumbrances at June 30, 2012	<u>-</u>
Total revenue and expenditures (GAAP basis)	<u>\$ 161,824</u>

**Ib. Encumbrance Accounting**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the specified reservations of fund balances at fiscal year end were closed out as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected as deferred Revenue at fiscal year. The encumbered appropriation carries over to the next year by increasing the appropriation for the year by the outstanding encumbrance

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**J. Cash, Cash Equivalent and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investment with a maturity of three months or less at the time of purchases and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchases are stated at cost. All other investment is stated at fair value.

New Jersey Charter Schools are limited as to the types of the investments and types of financial institution they may invest in, New Jersey statute 18A:20-37 provides a list of permissible investment that may be purchased by New Jersey Charter Schools. Additionally, the Charter School has adopted a cash management plan that requires it to deposit public fund in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. established the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan Institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposit of Governmental Units, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**K. Tuition Payable**

The Charter School did not send any of its students to any other Charter Schools during the fiscal year ended June 30, 2012.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**L. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase. Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first- in-first-out (FIFO) Method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

**M. Interfund Assets/Liabilities.**

On the fund financial statement, receivable and payables resulting from short-term Inter-fund loans are classified as Inter-fund Receivable/Payable. Inter-fund balance within governmental activities and within business-type activities are eliminated on the government wide Statements of Net Assets.

**N. Fixed Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Charter School as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation based for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the governmental fund capital assets.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**N. Fixed Assets - continued**

Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of the depreciable capital assets are as follows:

<u>Description</u>	<u>Estimated lives</u>
School Building if owned	50years
Building and Buildings Improvements	15 years
Furniture and Equipment	5 years

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The school policy is to pay as you go, thereby preventing accumulation of accrued sick leave or vacation beyond the current fiscal year. Compensated absences that are related to future services, or that are contingent on specific events that are outside the control of the Charter School and its employees, are accounted for in the period in which such service is rendered or in which such events take place. In governmental and similar trust funds, compensated absences that are expected to be liquidated with the expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. As of June 30, 2012, there were no accrued compensated absences at the Charter school.

**O Deferred Revenue**

Deferred revenue in special revenue fund represents cash that has been received but not yet earned. As of June 30, 2012 the Charter has no deferred income.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Q Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payable, accrued liabilities, and long term- obligations payable from the enterprises fund are reported and the enterprises fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payments during the current year.

**Fund Balance and Equity**

In the fund financial statements, governmental fund report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for specific future use. Designated fund balance represents plans for future use of financial resources.

**Net Assets**

Net Assets on the *Statement of Net Assets* include the following:

**Investments in Capital Assets , net of Related Debt** - the component of net asset there reports the differences between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributed to the acquisition, construction or improvement of those assets.

**Restricted for Specific Purposes** – the component of net assets that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on their use by either external parties and /or enabling legislation.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Restricted for Debt Service** – the component of net assets that reports the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by creditors.

**Unrestricted** - the difference between the assets and liabilities that is not reported in Net Assets Invested in Capital Assets, net of Related Debt, Net Assets Restricted for Specific Purposes or Net Assets Restricted for Debt Services.

**Contributed Capital**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds.

**Inter-fund Transactions**

Inter-fund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Inter-fund borrowings are reflected as “Due from/to Other Funds” on the accompanying financial statements. All other inter-fund transfers are reported as operating transfer.

**Use of Estimates**

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

**On-Behalf Payments**

Revenues and expenditures of the General Fund include payment made by the state of New Jersey for Pension and social security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the Charter School’s annual budget.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include petty cash, change funds and amounts on deposit with local banks. New Jersey statutes require that Charter School deposit public funds in public depositories located in New Jersey which is insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. As of June 30, 2012 and 2011, cash and cash equivalents consisted of the following:

General Fund	Special Revenue	After Care Program	2012 Total	2011 Total
\$ 2,876,330	\$ -	\$ 161	\$ 2,876,491	\$ 2,686,233
-	-	-	-	-
<u>\$ 2,876,330</u>	<u>\$ -</u>	<u>\$ 161</u>	<u>\$ 2,876,491</u>	<u>\$ 2,686,233</u>

**Custodial credit risk**

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that the School disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2012 the School’s bank balances amounted to \$2,876,330 and were not exposed to custodial credit risk since all deposits were insured by FDIC and GUPDA. In accordance with GASB statement No.3, the school is required to disclose the level of custodial credit risk assumed in its cash and cash equivalents and investments in different categories.

**Category 1** included deposits or investments held by the Charter School’s custodial risk assumed by the charter school in its cash, cash equivalents and investments. The balance of \$2,876,330 is a category 1 as disclosed in the financial statements.

**Category 2** includes uninsured and unregistered deposits or investment held by the charter school’s custodial bank trust department or agent but not in the Charter School name.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS- CONTINUED**

**Custodial credit risk**

Category 3 included uninsured and unregistered deposits or investment held by a broker or dealer or held by the Charter School s custodial bank trust department or agent but not in the Charter School’s name.

**NOTE3. FIXED ASSETS**

The charter school’s capitalization policy is congruent and consistent with New Jersey Department of Education that is to capitalize assets that are \$2,000 or more individually. At June 30, 2012, the Charter school has capital assets as detailed below:

<u>Assets Description</u>	<u>Costs</u>	<u>Accumulated Depreciation</u>	<u>Method</u>	<u>Net Book Value</u>
Smart board	\$27,300	\$10,802	Straight Line	\$16,498

**NOTE 4. OPERATING LEASES**

The Charter School is committed to a lease agreement under a non-cancelable operating lease with an option to renew for two additional terms of five years beginning September 1, 2005 through August 31, 2005. The lease has been amended to expire on August 2011 with annual lease payment to be indexed for inflation. The lease is on the school building located at 65 West Demarest Avenue, Englewood, New Jersey. Minimum annual lease payment was \$18,807 per month with annual adjustment to be agreed on by all parties. The total rent expense for the fiscal ended June 30, 2012 was \$237,686.

A new 5 year lease was entered into in August 2012 effective for July 1, 2012 to June 30, 2017 for annual rent of \$ 260.000 to be indexed for inflation and agreed upon increase in the base rent. The annual lease payments are listed below:

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 4. OPERATING LEASES - CONTINUED**

<u>Year</u>	<u>Annual Amount</u>
2013	260,000
2014	273,000
2015	286,650
2016	300,983
2017	316,032

**NOTE 5 DEFERRED COMPENSATION**

The Charter School has no other deferred compensation other than the New Jersey State TPAF and PERS as mentioned above. Accordingly, no amount has been recorded in the accompanying financial statements.

**NOTE 6 STATE AND FEDERAL AIDS**

Federal and State aids are generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aids. In the opinion of the Charter School's management, any potential adjustments to the Federal or State aid recorded by the Charter School through June 30, 2012, resulting from a review by a responsible government agency will not have a material effect on the Charter School financial statements at June 30, 2012.

**NOTE 7 COMPENSATED ABSENCES**

The Charter school accounts for compensated absences (unused vacations, sick leave ) as directed by Governmental Accounting Standards Board No 16 (GASB 16) ,"accounting for Compensated Absences " A liability for compensated absences attributable to services already rendered and not contingent on any specific event that is outside control of the employer and employee is accrued as employees earn the right to the benefits. The Charter School policy is to forfeit any unused sick days at the end of fiscal year to prevent accumulation of sick days into the future. The unused vacations days are usually accrued if there are any during the course of the year. At June 30, 2012, there were no unused vacation days to be accrued.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 8 PENSIONS PLANS**

**A) Description of Plans**

All eligible employees of the Charter School are covered by either the Public employee's Retirement System or the Teacher's Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirements System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers Pension and Annuity Fund (TPAF)**

The Teachers' Pension and Annuity Fund was established as a January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirements health care to substantially all full time certified teachers or professional staff of the public school systems in the State. The Teacher's Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the systems other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)**

**Significant Legislation**

The public Employees' Retirement Systems (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county municipality, Charter School, or public agency provided the employee is not a member of another state-administered retirement system.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 8 PENSIONS PLANS -CONTINUED**

The public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post retirement health care coverage. P.L. 2010 effective May 21, 2010 made a number of changes to the state administered retirement systems concerning eligibility, the retirement allowance formula, the definition of composition, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor part of the PERS, and employer contributions to the retirement system. The legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service.

**Significant Legislation**

New members of TPAF and PERS will no longer receive from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutors part of the PERS to new members and repealed the law for the new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time of five years of pension service credit is attained. The law also requires the state to make its full pension contribution, defined as 1/7<sup>th</sup> of the required amount, beginning in the fiscal year 2012. TP. L. 2010, c.3 effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the state to individuals enrolled in the state "defined contribution" retirement program.

**C. Contribution requirement**

The contribution policy is set by laws of the State of New Jersey and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 8 PENSIONS PLANS- CONTINUED**

**C. Contribution requirement**

TPAF and PERS provide for employee contributions of 5.5 % and 5.5%, respectively of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS.

The actuarially determined contribution includes funding for cost-of-living adjustment, noncontributory death benefits, and post-retirement medical premiums.

**NOTE 9 POST EMPLOYMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Public law (P.L.) 2007, c 103 amended the law to eliminate the funding of postretirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994. The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**NOTE 10 RISK MANAGEMENT**

The Charter School is exposed to various risks of loss relates to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 10 RISK MANAGEMENT-CONTINUED**

**Property and Liability Insurance**

The Charter School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation**

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Charter School is billed quarterly for the amounts due New Jersey division of labor. The Charter School maintains commercial insurance coverage for property, liability, and student’s accident and surety bonds. The following is a summary of the school contribution to the state for benefits paid and the ending balance of the Charter school’s trust contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the Charter School’s trust fund for the current and the previous years.

<u>Fiscal year</u>	<u>Employee Contributions</u>	<u>Ending Balance</u>
2011-2012	\$3,595	\$ -0-

A complete schedule of insurance coverage can be found in the Statistical Section of this CAFR

**NOTE 11 BUSINESS RISK**

The Charter School receives its support from federal, state and local governments. A significant reduction in the level of support, if it were to occur would have an impact on the Charter School’s programs and activities.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**BERGEN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 12 SOCIAL SECURITY TAX REIMBURSEMENTS**

In accordance with N.J. S.A. 18A: 66-66 of the State of New Jersey reimbursed the school \$123,191 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the accompanying CAFR as revenue and expenditure.

**NOTE 13 COMMITMENTS**

The grant program is subject to financial and compliance audits by the grantors or their representatives. The final determination on the allowability of costs resulting from expenditures funded by New Jersey Department of Education (NJDOE) remains with NJDOE. Management is not aware of any material items of non compliance which would result in disallowance of program expenditures.

**NOTE 14 LITIGATIONS AND CONTINGENCIES**

The Charter school is a defendant to civil proceeding involving reclassification of employment status of certain members of the Charter school's faculty. The administrative judge ruled against the school and ordered one of its consultants to repay to the Teachers Pension Annuity Fund (TPAF) the amount of retirement benefits received during his post retirement employment from year 2000 to present.

On July 9, 2012, the appellate Division released its decision which was unfavorable to the school and the consultant. The matter has since been remanded to the NJ State Pension Board for monetary assessment for the school and the consultant. The school will be liable for the minimum payment at the rate of 3% to 5% of the employee's salaries for the periods in question. Accordingly, the school has made provision in the amount of \$115,000 in the accompanying Comprehensive Annual Financial Report (CAFR).

**NOTE 15 SUBSEQUENT EVENT**

The Charter School has evaluated subsequent events through November 28, 2012 the date of financial statements issuance and as such date, no subsequent events required disclosures except for the judgment described above on the litigation as determined by the appellate Court on July 9, 2012.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II  
BUDGETARY COMPARISON**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**  
**BUDGETARY COMPARISON SCHEDULE**  
For the fiscal year ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Levy -Local share	\$ 2,615,249	\$ (93,069)	\$ 2,522,180	\$ 2,559,141	36,961
Miscellaneous	-	-	-	-	-
Total - Local Sources	<u>2,615,249</u>	<u>(93,069)</u>	<u>2,522,180</u>	<u>2,559,141</u>	<u>36,961</u>
<b>Categorical Aid:</b>					
Local Levy -State share	468,792	(222,174)	246,618	215,969	(30,649)
District Security Aid	57,330	(1,876)	55,454	56,258	804
State Non public Aid	-	51,176	51,176	51,176	-
Special Education Aid	37,950	11,421	49,371	49,371	-
Total State Sources	<u>564,072</u>	<u>(161,453)</u>	<u>402,619</u>	<u>372,774</u>	<u>(29,845)</u>
<b>Revenue from Other Sources:</b>					
Interest income	25,000	-	25,000	42,138	17,138
Other Sources	4,000	-	4,000	16,537	12,537
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	123,191	123,191
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	108,292	108,292
Total Revenue from Other Sources	<u>29,000</u>	<u>-</u>	<u>29,000</u>	<u>290,158</u>	<u>261,158</u>
<b>Total Revenues</b>	<u>3,208,321</u>	<u>(254,522)</u>	<u>2,953,799</u>	<u>3,222,073</u>	<u>268,274</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Instruction</b>					
Salaries of Teachers	1,375,135	(80,168)	1,294,967	1,134,348	160,619
Other Salaries for Instruction	190,582	(40,000)	150,582	128,200	22,382
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	30,000	-	30,000	16,880	13,120
Other Purchased Services (400-500 series)	20,000	-	20,000	7,893	12,107
General Supplies	40,800	-	40,800	20,847	19,953
Textbooks	60,800	-	60,800	40,898	19,902
Miscellaneous Expenditures	35,000	-	35,000	4,480	30,520
<b>Total Instruction</b>	<u>1,752,317</u>	<u>(120,168)</u>	<u>1,632,149</u>	<u>1,353,546</u>	<u>278,603</u>

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**  
**BUDGETARY COMPARISON SCHEDULE**  
For the fiscal year ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Undist. Expend. - Administrative Cost</b>					
Salaries	161,411	-	161,411	155,552	5,859
Salaries of Secretarial and Clerical Assistants	91,801	(20,000)	71,801	56,729	15,072
Total Benefit Costs	680,153	(39,353)	640,800	434,596	206,204
Professional/Technical Service	200,000	(60,000)	140,000	52,581	87,419
Other Purchased Services	30,000	-	30,000	18,179	11,821
Communications/Telephone	20,000	-	20,000	7,595	12,405
Supplies and Materials	6,500	-	6,500	3,811	2,689
Judgement	-	-	-	-	-
Miscellaneous Expenditures	25,000	-	25,000	24,593	407
<b>Total Undist. Expend. - Administrative Cost</b>	<u>1,214,865</u>	<u>(119,353)</u>	<u>1,095,512</u>	<u>753,636</u>	<u>341,876</u>
<b>Undist. Expend. - Support Services</b>					
Salaries	218,309	(25,001)	193,308	129,231	64,077
Other Purchased Services and Technical Service	280,000	-	280,000	231,886	48,114
Other Purchased Services (400-500 series)	67,000	10,000	77,000	56,852	20,148
Rental	232,690	5,000	237,690	237,686	4
Insurance-Fidelity, Liability, Property	52,900	(5,000)	47,900	44,120	3,780
Supplies and Materials	20,000	-	20,000	10,576	9,424
Transfer	7,500	-	7,500	3,432	4,068
Miscellaneous Expenditures	5,000	-	5,000	1,950	3,050
<b>Total Undist. Expend. - Support Services</b>	<u>883,399</u>	<u>(15,001)</u>	<u>868,398</u>	<u>715,733</u>	<u>152,665</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>2,098,264</u>	<u>(134,354)</u>	<u>1,963,910</u>	<u>1,469,369</u>	<u>494,541</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>3,850,581</u>	<u>(254,522)</u>	<u>3,596,059</u>	<u>2,822,915</u>	<u>773,144</u>
<b>CAPITAL OUTLAY</b>					
Instructional equipment	25,000	-	25,000	11,423	13,577
Non-instructional equipment	15,000	-	15,000	8,665	6,335
Purchase of land/improvement	50,000	-	50,000	18,036	31,964
Miscellaneous expenses	20,000	-	20,000	12,114	7,886
<b>Total Capital Outlay</b>	<u>110,000</u>	<u>-</u>	<u>110,000</u>	<u>50,238</u>	<u>59,762</u>
<b>ON-BEHALF CONTRIBUTIONS</b>					
On-behalf TPAF pension Contributions (non-budgeted)	-	108,292	108,292	108,292	-
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	123,191	123,191	123,191	-
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>231,483</u>	<u>231,483</u>	<u>231,483</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>3,960,581</u>	<u>(23,039)</u>	<u>3,937,542</u>	<u>3,104,636</u>	<u>832,906</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(752,260)</u>	<u>(231,483)</u>	<u>(983,743)</u>	<u>117,437</u>	<u>1,101,180</u>
<b>Fund Balance, July 1</b>	2,583,750	2,583,750	2,583,750	2,583,750	-
<b>Fund Balance, June 30</b>	<u>\$ 1,831,490</u>	<u>\$ 2,352,267</u>	<u>\$ 1,600,007</u>	<u>\$ 2,701,187</u>	<u>\$ 1,101,180</u>

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
BUDGETARY COMPARISON -SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	171,602	(9,778)	161,824	161,824	-
Hurricane Impact Aid	-	-	-	-	-
Other- Robert foundation Grant	-	-	-	-	-
<b>Total Revenues</b>	<b>171,602</b>	<b>(9,778)</b>	<b>161,824</b>	<b>161,824</b>	<b>-</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	70,000	-	70,000	70,000	-
Other Salaries for Instruction	-	-	-	-	-
Personal Services - Employee Benefits	14,000	-	14,000	14,000	-
Purchased Professional - Educational Services	7,500	(2,500)	5,000	5,000	-
Purchased Professional and Technical Services	7,500	-	7,500	7,500	-
Other Purchased Services	-	-	-	-	-
General Supplies	10,289	(5,289)	5,000	5,000	-
Textbooks	5,000	-	5,000	5,000	-
Other Objects	5,291	(1,018)	4,273	4,273	-
<b>Total Instruction</b>	<b>119,580</b>	<b>(8,807)</b>	<b>110,773</b>	<b>110,773</b>	<b>-</b>
<b>Support Services</b>					
Salaries of Other Professional Staff	32,000	-	32,000	32,000	-
Other Salaries	-	-	-	-	-
Personal Services - Employee Benefits	6,400	-	6,400	6,400	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Professional Services	5,000	-	5,000	5,000	-
Text Books	-	-	-	-	-
Travel	1,000	(250)	750	750	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies & Materials	5,622	(221)	5,401	5,401	-
Instructional Equipment	-	-	-	-	-
Other Objects	2,000	(500)	1,500	1,500	-
<b>Total Support Services</b>	<b>52,022</b>	<b>(971)</b>	<b>51,051</b>	<b>51,051</b>	<b>-</b>
<b>Facilities Acquisition and Construction Services:</b>					
Buildings	-	-	-	-	-
Instructional Equipment	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
<b>Total Facilities Acquisition and Const. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>171,602</b>	<b>(9,778)</b>	<b>161,824</b>	<b>161,824</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>		<b>0</b>			
<b>Other Fin.Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**OTHER SUPPLEMENTARY INFORMATION**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE YEAR ENDED JUNE 30, 2012**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 3,222,073	[C-2] \$ 161,824
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	-	-
	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 3,222,073	[B-2] \$ 161,824
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 3,104,636	[C-2] \$ 161,824
Differences - budget to GAAP		
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		-
	-	-
Total expenditures as reported on the statement of revenues,	[B-2] \$ 3,104,636	[B-2] \$ 161,824

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Title I		Title II		Title II		IDEA		Total
			Part A	Part D	Part B	Part B			
<b>REVENUES</b>									
Local Sources	\$	-	\$	-	\$	-	\$	-	\$
State Sources		-		-		-		-	
Federal Sources		110,773		9,299		1,100		40,652	161,824
<b>Total Revenues</b>		<b>110,773</b>		<b>9,299</b>		<b>1,100</b>		<b>40,652</b>	<b>161,824</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers		70,000		-		-		-	70,000
Other Salaries for Instruction		-		-		-		-	-
Personal Services - Employee Benefits		14,000		-		-		-	14,000
Purchased Professional - Educational Services		5,000		-		-		-	5,000
Purchased Professional and Technical Services		7,500		-		-		-	7,500
Other Purchased Services		-		-		-		-	-
General Supplies		5,000		-		-		-	5,000
Textbooks		5,000		-		-		-	5,000
Other Objects		4,273		-		-		-	4,273
<b>Total instruction</b>		<b>110,773</b>		<b>-</b>		<b>-</b>		<b>-</b>	<b>110,773</b>
<b>Support services:</b>									
Salaries of Other Professional Staff		-		-		-		32,000	32,000
Other Salaries		-		-		-		-	-
Personal Services - Employee Benefits		-		-		-		6,400	6,400
Purchased Professional - Educational Services		-		-		-		-	-
Other Purchased Professional Services		-		5,000		-		-	5,000
Text Books		-		-		-		-	-
Travel		-		750		-		-	750
Other Purchased Services (400-500 series)		-		-		-		-	-
Supplies & Materials		-		2,049		1,100		2,252	5,401
Instructional Equipment		-		-		-		-	-
Other Objects		-		1,500		-		-	1,500
<b>Total support services</b>		<b>-</b>		<b>9,299</b>		<b>1,100</b>		<b>40,652</b>	<b>51,051</b>
<b>Facilities acquisition and construction:</b>									
Buildings		-		-		-		-	-
Instructional Equipment		-		-		-		-	-
Noninstructional Equipment		-		-		-		-	-
<b>Total facilities acquisition and construction</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	<b>-</b>
<b>Total Expenditures</b>		<b>110,773</b>		<b>9,299</b>		<b>1,100</b>		<b>40,652</b>	<b>161,824</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$	-	\$	-	\$	-	\$	-	\$

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by propriety funds. At June 30, 2012, there was no capital project fund.

**ENTERPRISE FUNDS  
DETAIL STATEMENTS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Charter School is that the costs of providing goods and services be financed through user charges. Food Service Fund - provides for the operation of food services for the Charter School.

At June 30, 2012, Food Service was administered by Englewood Board of Education while the Charter administered the afterschool care program through enterprise fund.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2012**

		<b>After Care Program</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	161
Government grants receivable		-
Interfund receivable General Fund		-
Other receivables		-
Inventories		-
Total current assets		161
Noncurrent assets:		
Furniture, machinery & equipment		-
Less accumulated depreciation		-
Total noncurrent assets		-
Total assets		161
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		-
Interfund payable General Fund		-
Deferred Revenue		-
Total current liabilities		-
Total liabilities		-
<b>NET ASSETS</b>		
Invested in capital assets net		
Unrestricted net assets		161
Total net assets	\$	161

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>After Care Program</b>
Operating revenues:	
Charges for services:	
Daily sales - non-reimbursable programs	\$ -
Total operating revenues	-
Operating expenses:	
Cost of sales	-
Salaries	40,603
Employee benefits	-
Other purchased services	-
Maintenance	2,194
Bank charges	-
General supplies	2,262
Miscellaneous	457
Total Operating Expenses	45,516
Operating loss	(45,516)
Nonoperating revenues:	
State sources:	
State school lunch program	-
State school breakfast program	-
Federal sources:	
National school breakfast program	-
National school lunch program	-
After School program	40,483
Other income	-
Total nonoperating revenues	40,483
Loss before transfers	-
Transfers in (out)	
Change in net assets	(5,033)
Total net assets-beginning	5,194
Total net assets-ending	\$ 161

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$	40,483
Other receipts		-
Payments to employees		(40,603)
Payment of bank charges		(457)
Payments to suppliers		(4,456)
Net cash used for operating activities		<u>(5,033)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State Sources	\$	-
Federal Sources		-
Net cash provided by (used for) non-capital financing activities		<u>-</u>

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Change in capital contributions	\$	-
Purchases of capital assets		-
Net cash provided by (used for) capital and related financing activities		<u>-</u>

Increase in Cash and Cash Equivalents	(5,033)
Balances-beginning of year	<u>5,194</u>
Balances-end of year	<u>161</u>

**Reconciliation of operating income (loss) to net cash provided  
(used) by operating activities:**

Operating income (loss)	<u>(5,033)</u>
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation expense	-
(Increase) decrease in other current assets	-
Increase (decrease) in accounts payable	-
Increase (decrease) in deferred revenue	-
Total adjustments	<u>-</u>
Net cash used for operating activities	<u>\$ (5,033)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**FIDUCIARY FUNDS  
DETAIL STATEMENTS**

Trust funds are used to account for gifts and bequests to the Charter School for specific purposes.

Unemployment Compensation Insurance Trust Fund is an expendable trust fund used to account for unemployment transactions of the Charter School.

At June 30, 2012 there was no non-expendable trust fund utilized by the Charter School.

Agency funds are used to account for assets held by the Charter School as an agent for individuals, private organizations, governmental and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the Charter School.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2012**

Exhibit H-1

	<u>Unemployment Compensation Insurance</u>	<u>Agency</u>		<u>Total Agency Fund</u>
		<u>Payroll Agency</u>	<u>Student Activity</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Interfund Receivable	<u>3,595</u>	<u>34,167</u>	<u>-</u>	<u>37,762</u>
Total assets	<u>3,595</u>	<u>34,167</u>	<u>-</u>	<u>37,762</u>
<b>LIABILITIES</b>				
Interfund Payable				
Account Payable	-	-	-	-
Payable to State	3,595	-	-	3,595
Payroll deductions and withholdings	-	34,167	-	34,167
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,595</u>	<u>34,167</u>	<u>-</u>	<u>37,762</u>
<b>NET ASSETS</b>				
Reserved for unemployment claims and other purposes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>	
Contributions	\$ 3,595
Other Revenues	-
	-
Total Contributions	3,595
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Payment to NJ unemployment compensation fund	3,595
	-
	-
Total deductions	3,595
Change in net assets	-
Net assets-beginning of the year	-
Net assets-end of the year	\$ -

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 PAYROLL AGENCY FUND  
 FOR THE YEAR ENDED JUNE 30, 2012**

<u>Assets</u>	<u>Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2012</u>
Interfund receivable	\$ 34,297	\$ 1,543,995	\$ 1,544,125	34,167
	-	-	-	-
Total assets	<u>\$ 34,297</u>	<u>\$ 1,543,995</u>	<u>\$ 1,544,125</u>	<u>\$ 34,167</u>
 <b><u>Liabilities</u></b>				
Interfund payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	34,297	1,543,995	1,544,125	34,167
Other payable	-	-	-	-
Total liabilities	<u>\$ 34,297</u>	<u>\$ 1,543,995</u>	<u>\$ 1,544,125</u>	<u>\$ 34,167</u>

## **LONG-TERM DEBT**

The long-term debt is used to record the outstanding principal balances of the long term liabilities of the charter school. This includes the outstanding principal balance on capital lease, the accrued liability for insurance claims and the liability for compensated absences and the outstanding principal balance on certificates of participation outstanding. As of June 30, 2012 there were no activities to be reported in this section.

## **STATISTICAL SECTION**

Englewood on the Palisades Charter School has been in operation for more than ten years. GASB requires that 10 years of statistical data be presented. State law usually grants charter for less than 10 years.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
NET ASSETS BY COMPONENT  
LAST SEVEN YEARS  
UNAUDITED  
*(accrual basis of accounting)*

Exhibit J-1

Fiscal Year Ending June 30,

	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities								
Invested in capital assets, net of related debt	\$ 16,498	\$ -	\$ 53,710	\$ -	\$ -	\$ -	\$ 14,473	\$ 14,473
Restricted								
Unrestricted	2,701,187	2,583,750	2,700,021	2,461,135	1,899,553	1,253,759	1,034,763	704,338
Total governmental activities net assets	<u>\$ 2,717,685</u>	<u>\$ 2,583,750</u>	<u>\$ 2,753,731</u>	<u>\$ 2,461,135</u>	<u>\$ 1,899,553</u>	<u>\$ 1,253,759</u>	<u>\$ 1,049,236</u>	<u>\$ 718,811</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4
Restricted								
Unrestricted	161	5,194	3,166	800	2,923	102	130	130
Total business-type activities net assets	<u>\$ 161</u>	<u>\$ 5,194</u>	<u>\$ 3,166</u>	<u>\$ 800</u>	<u>\$ 2,923</u>	<u>\$ 102</u>	<u>\$ 130</u>	<u>\$ 134</u>
District-wide								
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 53,710	\$ -	\$ -	\$ -	\$ 14,473	\$ 14,473
Restricted								
Unrestricted	2,717,846	2,588,944	2,703,187	2,461,935	1,902,476	1,253,861	1,034,893	704,468
Total district net assets	<u>\$ 2,717,846</u>	<u>\$ 2,588,944</u>	<u>\$ 2,756,897</u>	<u>\$ 2,461,935</u>	<u>\$ 1,902,476</u>	<u>\$ 1,253,861</u>	<u>\$ 1,049,366</u>	<u>\$ 718,941</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

CHANGES IN NET ASSETS  
UNAUDITED  
LAST SEVEN YEARS  
(accrual basis of accounting)

Exhibit J-2

Fiscal Year Ending June 30,

	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>								
Governmental activities								
Instruction	\$ 1,464,319	\$ 1,458,816	\$ 1,458,816	\$ 1,285,686	\$ 1,002,432	\$ 929,827	\$ 903,363	\$ 817,022
Administration	753,636	792,675	792,675	618,725	579,009	685,346	590,961	542,663
Support Services:	766,784	831,689	831,689	715,827	521,124	494,706	451,111	457,707
Capital Outlay	50,238	37,801	62,798	58,677	-	-	-	-
	3,034,977	3,120,981	3,145,978	2,678,915	2,102,565	2,109,879	1,945,435	1,817,392
<b>Total governmental activities expenses</b>								
Business-type activities:								
Food service	-	-	-	-	0	-	-	-
After Child Care	45,516	50,423	47,484	60,238	0	-	-	-
Total business-type activities expense	45,516	50,423	47,484	60,238	-	-	-	-
<b>Total district expenses</b>	<b>\$ 3,080,493</b>	<b>\$ 3,171,404</b>	<b>\$ 3,193,462</b>	<b>\$ 2,739,153</b>	<b>\$ 2,102,565</b>	<b>\$ 2,109,879</b>	<b>\$ 1,945,435</b>	<b>\$ 1,817,392</b>
<b>Program Revenues</b>								
Governmental activities:								
Revenue	\$ -	\$ 66,784	\$ 66,784	\$ -	0	\$ -	\$ -	\$ -
Operating grants and contributions	161,824	171,602	275,424	161,954	165,574	166,400	187,598	211,686
Capital grants and contributions	-	-	-	-	0	-	-	-
<b>Total governmental activities program revenues</b>	<b>161,824</b>	<b>238,386</b>	<b>342,208</b>	<b>161,954</b>	<b>165,574</b>	<b>166,400</b>	<b>187,598</b>	<b>211,686</b>
<b>Business-type activities:</b>								
Charges for services	40,483	52,451	49,850	58,115	49,798	(30)	2	6
After care and other services	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-
Capital grants and contributions	40,483	52,451	49,850	58,115	49,798	(30)	2	6
<b>Total business type activities program revenues</b>	<b>\$ 202,307</b>	<b>\$ 290,837</b>	<b>\$ 392,058</b>	<b>\$ 220,069</b>	<b>\$ 215,372</b>	<b>\$ 166,370</b>	<b>\$ 187,600</b>	<b>\$ 211,692</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (2,873,153)</b>	<b>\$ (2,882,595)</b>	<b>\$ (2,803,770)</b>	<b>\$ (2,516,961)</b>	<b>(1,936,991)</b>	<b>\$ (1,943,479)</b>	<b>\$ (2,178,832)</b>	<b>\$ (1,605,706)</b>
Governmental activities	(5,035)	2,028	2,366	(2,123)	2	(30)	2	6
Business-type activities	(2,878,186)	(2,880,567)	(2,801,404)	(2,519,084)	(1,936,989)	(1,943,509)	(2,178,830)	(1,605,700)
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
General purposes	2,559,141	2,558,652	2,719,351	2,393,242	1,507,453	1,404,661	1,456,796	1,349,336
Grants and contributions(Federal/state aid )	372,774	169,689	168,287	483,378	1,322,745	965,981	854,445	605,265
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous income	58,675	44,408	208,728	201,923	50,065	35,912	7,782	3,923
Transfers	2,990,590	2,772,749	3,096,366	3,078,543	2,880,263	2,406,554	2,319,023	1,958,524
<b>Total governmental activities</b>	<b>\$ 2,990,590</b>	<b>\$ 2,772,749</b>	<b>\$ 3,096,366</b>	<b>\$ 3,078,543</b>	<b>\$ 2,880,263</b>	<b>\$ 2,406,554</b>	<b>\$ 2,319,023</b>	<b>\$ 1,958,524</b>
<b>Business-type activities:</b>								
Investment earnings	-	-	-	-	0	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Charter -wide</b>	<b>\$ 2,990,590</b>	<b>\$ 2,772,749</b>	<b>\$ 3,096,366</b>	<b>\$ 3,078,543</b>	<b>\$ 2,880,263</b>	<b>\$ 2,406,554</b>	<b>\$ 2,319,023</b>	<b>\$ 1,958,524</b>
<b>Change in Net Assets</b>								
Governmental activities	\$ 117,437	\$ (109,846)	\$ 292,596	\$ 561,582	\$ 943,272	\$ 463,075	\$ 140,191	\$ 352,818
Business-type activities	(5,035)	2,028	2,366	(2,123)	2	(30)	2	6
<b>Total Charter School</b>	<b>\$ 112,404</b>	<b>\$ (107,818)</b>	<b>\$ 294,962</b>	<b>\$ 559,459</b>	<b>\$ 943,274</b>	<b>\$ 463,045</b>	<b>\$ 140,193</b>	<b>\$ 352,824</b>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

FUND BALANCES-GOVERNMENTAL FUNDS

LAST SEVEN YEARS  
 (modified accrual basis of accounting)  
 UNAUDITED

	Fiscal Year Ending June 30,							
	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Fund</b>								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125
Unreserved	2,701,187	2,583,750	2,700,021	2,461,135	1,935,891	1,253,759	1,034,631	704,213
Total general fund	\$ 2,701,187	\$ 2,583,750	\$ 2,700,021	\$ 2,461,135	\$ 1,935,891	\$ 1,253,759	\$ 1,034,631	\$ 704,338
<b>All Other Governmental Funds</b>								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:								
Special revenue fund	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental funds	\$ 2,701,187	\$ 2,583,750	\$ 2,700,021	\$ 2,461,135	\$ 1,935,891	\$ 1,253,759	\$ 1,034,631	\$ 704,338

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

Exhibit J-4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST SEVEN YEARS  
(modified accrual basis of accounting)  
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues</b>								
Local sources	2,559,141	2,563,511	2,719,351	2,393,242	1,507,453	1,682,548	1,456,796	1,349,336
Contribution						475	15,000	10,000
Miscellaneous	290,158	229,926	208,728	140,777	190,842	35,570	8,020	3,923
State sources	372,774	169,689	168,287	55,814	1,322,745	722,193	928,888	669,613
Federal sources	161,824	171,602	275,424	161,954	165,574	165,925	168,360	197,686
<b>Total revenue</b>	<b>3,383,897</b>	<b>3,134,728</b>	<b>3,371,790</b>	<b>2,751,787</b>	<b>3,186,614</b>	<b>2,606,711</b>	<b>2,577,064</b>	<b>2,230,558</b>
<b>Expenditures</b>								
Instruction								
Regular Instruction	1,464,319	1,529,885	1,466,510	1,285,686	1,113,998	937,387	1,020,436	957,497
Special education instruction								
Other special instruction						121,191		
Vocational education								
Other instruction						27,351		
Nonpublic school programs								
Adult/continuing education								
Support Services:								
Tuition								
Student & inst. related services								
General administration								
School administrative services	753,636	779,949	625,578	569,718	579,009	674,933	590,961	542,663
Central services								
Admin. information technology								
Plant operations and maintenance								
Pupil transportation								
Other Support Services	766,784	712,987	810,733	618,725	575,132	505,396	521,636	528,918
Employee benefits	231,483	190,377	167,285	146,109	140,777	70,378	70,443	60,348
Capital outlay	50,238	37,801	62,798	58,677	95,566	78,837	41,881	114,258
Debt service:								
Principal								
Interest and other charges								
<b>Total expenditures</b>	<b>3,266,460</b>	<b>3,250,999</b>	<b>3,132,904</b>	<b>2,678,915</b>	<b>2,504,482</b>	<b>2,415,473</b>	<b>2,245,357</b>	<b>2,203,684</b>
Excess (Deficiency) of revenues over (under) expenditures	117,437	(116,271)	238,886	72,872	682,132	191,238	331,707	26,874
<b>Other Financing sources (uses)</b>								
Proceeds from borrowing								
Capital leases (non-budgeted)								
Proceeds from refunding								
Payments to escrow agent								
Transfers in								
Transfers out								
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net change in fund balances</b>	<b>\$ 117,437</b>	<b>\$ (116,271)</b>	<b>\$ 238,886</b>	<b>\$ 72,872</b>	<b>\$ 682,132</b>	<b>\$ 191,238</b>	<b>\$ 331,707</b>	<b>\$ 26,874</b>

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**GENERAL FUND- OTHER LOCAL REVENUE BY SOURCE**

**LAST TEN YEARS**

*(modified accrual basis of accounting)*

**UNAUDITED**

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Interst Income	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2003	-	-	-	-	-	-	3,044	3,044
2004	-	-	-	-	-	-	8,109	8,109
2005	-	10,000	-	-	-	-	3,923	13,923
2006	-	15,000	-	-	-	-	7,721	22,721
2007	-	-	-	1,633	31,893	-	3,677	37,203
2008	-	-	-	-	44,733	-	5,331	50,064
2009	-	-	-	-	36,734	-	16,172	52,906
2010	-	-	-	-	35,807	-	5,635	41,442
2011	-	-	-	-	39,549	-	4,859	44,408
2012	-	-	-	-	42,138	-	16,537	58,675

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**FULL TIME EQUIVALENT CHARTER SCHOOL EMPLOYEES BY  
FUNCTION/PROGRAM**

**LAST TEN YEARS**

*(modified accrual basis of accounting)*

**UNAUDITED**

Function/Program	GRADE 4-6									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction										
Regular	12	12	12	12	15	15	16	16	15	15
Special education	1	1	1	1	1	1	1	1	1	1
Other special education										
Vocational										
Other instruction										
Nonpublic school programs	6	6	6	4	4	4	4	5	5	5
Adult/continuing education programs										
Support Services:										
Student & instruction related services										
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services	1	1	1	1	1	1	1	1	1	1
Other administrative services										
Central services										
Administrative Information Technology										
Plant operations and maintenance	1	1	1	1	1	1	2	3	3	3
Pupil transportation										
Other support services	1	1	1	1	1	1	1	1	1	1
Special Schools	2	2	2	2	2	2	-	-	-	-
Food Service										
Child Care										
<b>Total</b>	<u>25</u>	<u>25</u>	<u>25</u>	<u>23</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>28</u>	<u>27</u>	<u>27</u>

Source: District Personnel Records

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

OPERATING STATISTICS

LAST TEN YEARS

UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						K	ELEMENTARY	GRADE 4-6				
2002	154	1,185,336	7,697	0.51%	-	2	6	3	150.9	147.9	83.33%	98.00%
2003	189	1,737,209	9,192	19.42%	-	2	6	5	185.2	181.5	22.73%	98.00%
2004	187	1,905,307	10,189	10.85%	-	2	6	5	183.3	179.6	-1.06%	98.00%
2005	192	1,089,426	5,674	-44.31%	-	2	6	6	188.2	184.4	2.67%	98.00%
2006	182	2,126,167	11,682	105.89%	-	2	6	6	178.4	174.8	-5.21%	98.00%
2007	183	2,099,820	11,474	-1.78%	-	2	6	6	179.6	172	0.70%	95.49%
2008	175	2,504,482	14,311	24.72%	-	2	6	6	177.6	170	-1.11%	95.55%
2009	182	2,516,961	13,829	-3.37%	-	2	6	6	182	178.4	2.48%	98.00%
2010	199	2,650,091	13,317	-3.71%	-	2	6	4	199	191.0	9.34%	96.00%
2011	196	3,060,622	15,615	17.26%	-	2	6	4	196.0	188.2	-1.51%	96.00%
2012	181	3,266,460	18,047	15.57%	-	2	6	4	185.6	178.2	-5.31%	96.01%

Note: Enrollment based on annual October district count.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL

SCHOOL BUILDING INFORMATION

LAST TEN YEARS  
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>Charter School Building</u>										
Square Feet	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500
Building Capacity for students	225	225	225	225	225	225	225	225	225	225
<b>Enrollment:</b>										
Kindergarten	30	33	33	36	28	27	27	27	29	30
Grade 1	33	34	36	31	29	27	27	29	27	30
Grade 2	32	35	34	33	28	28	28	30	29	22
Grade 3	28	30	33	28	28	29	29	29	28	25
Grade 4	33	36	33	30	20	24	24	25	23	26
Grade 5	25	28	30	24	25	24	24	23	30	20
Grade 6	-	-	-	-	17	23	23	29	21	20
Total students	181	196	199	182	175	182	182	192	187	189

**2011-12 SCHEDULE OF INSURANCE  
FOR  
ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

COVERAGE	LIMITS	SUMMARY
<b>Package</b> <b>NJSBAIG</b> P831 09/08/11-12 \$10,231	Covered Location	65 West Demarest Avenue, Englewood, NJ 07631
<u>Property</u>	\$390,000 \$100,000,000 \$225,000	Contents –All Risk w/ \$1,000 Deductible Boiler & Machinery w/ \$1,000 Deductible Electronic Data Processing w/ \$1,000 Deductible
<u>Crime</u>	\$25,000 \$139,000 \$139,000	Blanket Faithful Performance w/ \$500 Deductible Board Treasurer w/ \$1,000 Deductible Board Secretary/BA w/ \$1,000 Deductible
<u>General Liability</u>	\$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000 \$10,000	Single Limit for Bodily Injury and Property Damage Products/Completed Operations Aggregate Sexual Abuse per Occurrence Each Occurrence for Personal Injury/Advertising Injury Each Claim for Employee Benefits Liability w/ \$1,000 Deductible Premise Medical Payments Per Person Premise Medical Payments Per Accident
<u>Automobile Liability</u>	\$5,000,000	Hired and Non Owned
<u>Student Accident</u>	\$5,000,000 \$25,000	Gold Plan Medical Expense
<b>School Leaders E&amp;O</b> <b>NJSBAIG</b> E831 09/08/11-12 \$3,513	\$1,000,000 \$100,000 \$300,000	Coverage A Each Loss w/ \$5,000 Deductible Coverage B Each Loss w/ \$5,000 Deductible Coverage B Annual Aggregate
<b>Workers' Compensation</b> <b>NJSBAIG</b> W831 09/08/11-12 \$29,876 (Based on \$ 1,782,438 Prof and \$ 63,557 Non-Prof 0.8533 MOD)	\$2,000,000 \$2,000,000 \$2,000,000	Each Accident Each Employee Policy Limit
<b>Supplemental Indemnity</b> <b>National Union</b> 6477-57-74 09/08/11-12 \$500	Statutory	7-Day Waiting Period

**SINGLE AUDIT SECTION**



**ILORI CPA LLC**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**& MANAGEMENT CONSULTANT**  
*Member of AICPA, NJCPA & MACPA*

**744 BROAD STREET 10<sup>TH</sup> FLOOR**  
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**Fax (973) 404-8858**

**EXHIBIT K-1**

**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***

The Honorable President and  
Members of the Board of Trustees  
Englewood on the Palisades Charter School, Inc.  
Bergen County, New Jersey

We have audited the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Englewood on the Palisades Charter School, Inc., in the County of Bergen, State of New Jersey (the "Charter School") as of and for the fiscal year ended June 30, 2012 and have issued our report thereon, dated November 28, 2012. 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; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Englewood on the Palisades Charter School, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Englewood on the Palisades Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Englewood on the Palisades Charter School's internal control over financial reporting.

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 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.

**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***

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Charter School's financial statements will not be prevented, or detected and corrected on a timely basis.

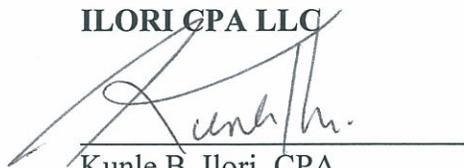
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

This report is intended for the information of the management and Board of Trustees of Englewood on the Palisades Charter School, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**ILORI CPA LLC**



Kunle B. Ilori, CPA  
Licensed Public School Accountant  
No. 20CS00233100

November 28, 2012  
Newark, New Jersey



**ILORI CPA LLC**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**& MANAGEMENT CONSULTANT**  
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**EXHIBIT K-2**

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
Members of the Board of Trustees  
Englewood on the Palisades Charter School, Inc.  
Bergen County, New Jersey

**Compliance**

We have audited the compliance of the management of Englewood on the Palisades Charter School, Inc., in the county of Bergen, State of New Jersey (the "Charter School"), with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major state program for the fiscal year ended June 30, 2012. The Charter School's major state program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state program is the responsibility of the Charter School management. Our responsibility is to express an opinion on Charter School's compliance, based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major and federal or state program occurred.

An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Charter School's compliance with those requirements.

In our opinion, Englewood on the Palisades Charter School Inc, in the county of Bergen, State of New Jersey, complied in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012.

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04**

**Internal Control over Compliance**

The management of the Charter School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Charter School's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04.

A deficiency in Charter School's internal control over compliance may exist 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a deficiency, or 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.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of federal or state program will not be prevented or detected by the Charter School's internal control.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. Our consideration of the internal control over compliance was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance and its operation that we consider to be material weaknesses, as described above.

This report is intended for the information of the management of Englewood on the Palisades Charter School Inc, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**Ilori CPA LLC**



Kunle B. Ilori, CPA  
Licensed Public School Accountant  
No. 20CS00233100

November 28, 2012  
Newark, New Jersey

ENGLWOOD ON THE PALISADES CHARTER SCHOOL  
(BERGEN COUNTY)

EXHIBIT K-3  
SCHEDULE A

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2012

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	Federal CFDA No.	Grant or State Project No.	Program Name	Program or Award Amount	Grant Period	Balance 06/30/11	Carryover (Walkover) Over Amount	Cash Received	Budgetary Expenditures	Adjustment	(Accs. Rec.) Def. Rev 06/30/12	Due to Grantor 06/30/12
U.S. Department of Education Passed-through State Dept. of Education:												
Title I-Grants to Local Educational Agencies	84.01A	NCLB643003	Title I	\$ 110,773	9/1/11-8/31/12	\$ (12,004)	\$ -	\$ 122,777	\$ 110,773	\$ -	\$ -	\$ -
Title II-Eisenhower Professional Development- National Activities (Parts A and D)	84.281A	NCLB643003	Title V	-	9/1/11-8/31/12	-	-	-	-	-	-	-
Title IV-Safe and Drug-Free Schools and Communities-State Grants	84.186A	NCLB643003	Title II	10,399	9/1/11-8/31/12	-	-	10,399	10,399	-	\$ -	\$ -
IDEA - Individuals with disabilities Education A	84.027		IDEA	40,652	9/1/11-8/31/12	-	-	40,652	40,652	-	\$ -	\$ -
<b>Total U. S. Dept. of Education</b>				<u>\$ 161,824</u>		<u>\$ (12,004)</u>	<u>\$ -</u>	<u>\$ 173,828</u>	<u>\$ 161,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedules of Expenditures of Federal Awards

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
(BERGEN COUNTY)

EXHIBIT K-4

SCHEDULE B

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

JUNE 30, 2012

STATE GRANTOR/ PROGRAM TITLE	Grant or State Project No.	Program or Award Amount	Grant Period	(Accts. Rec.) Def. Rev June 30, 2011	Carryover (Walkover) Over Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment or Prior Year's Balance	(Accts. Rec.) Def. Rev June 30, 2011	Due to Grantor June 30, 2012
State Department of Education General Fund:											
Equalization Aid *	12-495-034-5120-078	\$ 2,522,180	7/1/11-6/30/12	\$ (40,162)	\$ -	2,559,141	2,500,268	-	\$ -	18,711	18,711
Security Aid	12-495-034-5120-084	55,454	7/1/11-6/30/12	-	-	55,454	55,454	-	-	-	-
Special Education	12-495-034-5120-089	49,371	7/1/11-6/30/12	-	-	49,371	49,371	-	-	-	-
State Non Public Aid	12-495-034-5120-082	51,176	7/1/11-6/30/12	-	-	51,176	51,176	-	-	-	-
State Adjustment Aid *	12-495-034-5120-089	215,969	7/1/11-6/30/12	-	-	260,030	215,969	-	-	44,061	44,061
Social Security Tax Reimbursement*	12-495-034-5095-002	108,292	7/1/11-6/30/12	-	-	108,292	116,507	-	-	-	-
Teacher's Pension and Annuity Fund	12-495-034-5095-006	123,191	7/1/11-6/30/12	-	-	123,191	123,191	-	-	-	-
<b>Total State Financial Assistance</b>		<b>3,125,633</b>		<b>(40,162)</b>	<b>-</b>	<b>3,206,655</b>	<b>3,111,936</b>	<b>-</b>	<b>-</b>	<b>62,772</b>	<b>62,772</b>
Total expenditures general											

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

\*Major Program

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award programs of the Board of Trustees, Englewood on the Palisades Charter School. The Board of Trustees is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the modified accrual basis of accounting with the exception of those recorded in the special revenue, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation, of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for general fund and special revenue fund to demonstrate finance related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until subsequent year or expenditures have been made.

The general fund is presented in the accompanying schedule on the modified basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from budgetary basis to GAAP basis is \$0 for general fund and \$0 for special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS- CONTINUED

	Federal	State	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
General Fund	\$ -	\$ 2,931,915	\$ 2,931,915
Special Revenue Fund	161,824	-	161,824
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 161,824</u>	<u>\$ 2,931,915</u>	<u>\$ 3,093,739</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenue and expenditures reported under the Food distribution program represent current year value received and current year distributions respectively. The amount reported as TPAF represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

NOTE 6. SCHOOL WIDE PROGRAM FUNDS

School-wide programs are not separate federal programs as defined in OMB Circular A-133; amounts used in school wide programs are included in the total expenditures of the program contributing the funds in the schedule of expenditures of federal and state awards. The following funds by programs are included in school-wide programs in the charter

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 6. SCHOOL WIDE PROGRAM FUNDS-CONTINUED

**Program**

Title, PartA: Improving basic Programs operated by local education agency	\$ 110,773
Title 11, PartA: Teacher and Principal Training Recurring	9,299
Title 11, PartD: Enhacing Education Through Tecnology	1,100
Title, PartA: Safe and Drug -Free Schools and Communties	0
IDEA PartB	40,652
	<u>\$ 161,824</u>

SCHEDULES OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?            Yes   ✓   No
- Reportable condition(s) identified that are not considered to be material weakness(es)? Reported            Yes   ✓   None reported

Noncompliance material to financial statements noted?            Yes   ✓   No

State Awards

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

Auditee qualified as low-risk auditee?   ✓   Yes            No

Type of auditor's report issued on compliance for major program Unqualified

Internal control over major programs:

- Material weakness(es) identified?            Yes   ✓   No
- Reportable condition(s) identified that are not considered to be material weakness(es)?              ✓   None reported

SCHEDULES OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

State Awards

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04

\_\_\_\_\_ Yes  No

Identification of Major Programs

State Grant/Project Numbers

Name of State Programs

12-495-034-5120-078  
12-495-034-5120-068

Equalization Aid  
State Aid

SECTION II - FINANCIAL STATEMENT FINDING

Current Year

None

Prior Year

None

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Current Year

None

Prior Year

None

**SUMMARY SCHEDULE OF PRIOR YEAR  
AUDIT FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Findings**

There were no single audit findings noted for the fiscal year ended June 30, 2012.