

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2015

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

***Central Jersey College Prep Charter School
Board of Trustees
Somerset, New Jersey***

***Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2015***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Prepared by

***Central Jersey College Prep Charter School
Finance Department***

And

Barre & Company, CPAs

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**David C. Hespe, Acting Commissioner of Education
Secretary, State Board of Education**

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INTRODUCTORY SECTION

***CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
17 SCHOOL HOUSE ROAD
SOMERSET, NEW JERSEY 08873
732-302-9991***

December 10, 2015

Honorable President and
Members of the Board of Trustees
Central Jersey College Prep Charter School
County of Somerset
Somerset, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of Central Jersey College Prep Charter School (Charter School) for the fiscal year ended June 30, 2015. This CAFR includes the Charter School's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34.

The Charter School has elected to adopt this financial reporting model which we believe will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board).

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 present fairly the financial position and results of operations of the Charter School. This report will provide the taxpayers of Central Jersey College Prep Charter School with comprehensive financial data in a format enabling them to gain an understanding of the Charter School's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;

- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget (OMB) Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”, and the New Jersey State Office of Management and Budget (OMB) Circular 04-04, , “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid”. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

An elected five-member Board of Education (the “Board”) serves as the policy maker for the Charter School. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of Charter School tax money.

The Chief Education Officer is the chief executive officer of the Charter School, responsible to the Board for total educational and support operations. The Financial Coordinator is the chief financial officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

1. REPORTING ENTITY AND ITS SERVICES: Central Jersey College Prep Charter School is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the Charter School are included in this report. Central Jersey College Prep Charter School Board of Trustees constitutes the Charter School’s reporting entity.

Central Jersey College Prep Charter School provides a full range of services appropriate to Grades 6 thru 12. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2014-2015 school year with an enrollment of 309 students. The following details the student enrollment of the Charter School.

Average Daily Enrollment (ADE)

<u>Fiscal Year</u>	<u>Actual Student Enrollment</u>	<u>Percent Change - ADE</u>
2014-2015	309	2.14%
2013-2014	302	-2.32%
2012-2013	309	0.00%
2011-2012	309	10.68%
2010-2011	276	8.70%

2. MISSION AND GOALS: The mission of the Central Jersey College Prep Charter School is to provide academic and social challenges and opportunities to students, instilling the skills and knowledge that they will need to succeed in their lives. The school aims to forge a powerful partnership out of the student-teacher-parent triad. This partnership will provide and empower our youth with the support necessary to reach their highest potential – intellectually, socially, emotionally and physically – building on their inherent promise to aid in their preparation for college and career. The school's overall academic goals are to prepare its students for the general challenges they will face in life after high school; to provide the specific skills and tools they will require to be successful in college and beyond; to turn them into lifelong learners and independent thinkers who appreciate diversity, teamwork and mutual respect; and to nurture in them a strong sense of personal integrity. Non-academic goals are as well as important part of the school's mission to prepare all students for the challenges that await them after high school and to nurture the character traits that are necessary to be successful in college and beyond.

3. INTERNAL ACCOUNTING CONTROLS: Management of the Charter School is responsible for establishing and maintaining an internal control designed to ensure that 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;
- (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of the internal control structure, 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 the special revenue fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

5. CASH MANAGEMENT: The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to Basic Financial Statement” Note 2. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

6. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, directors and officers insurance and workmen’s compensation.

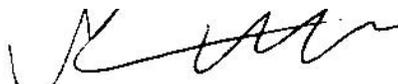
7. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, was selected by the 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 of 1984 and the Single Audit Act Amendment of 1996 and the related OMB Circular A-133, “*Audits of State, Local Governments and Non-Profit Organization*” and State Treasury Circular Letter 04-04 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.*” The auditors’ report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors’ reports, related specifically to the single audit, are included in the single audit section of this report.

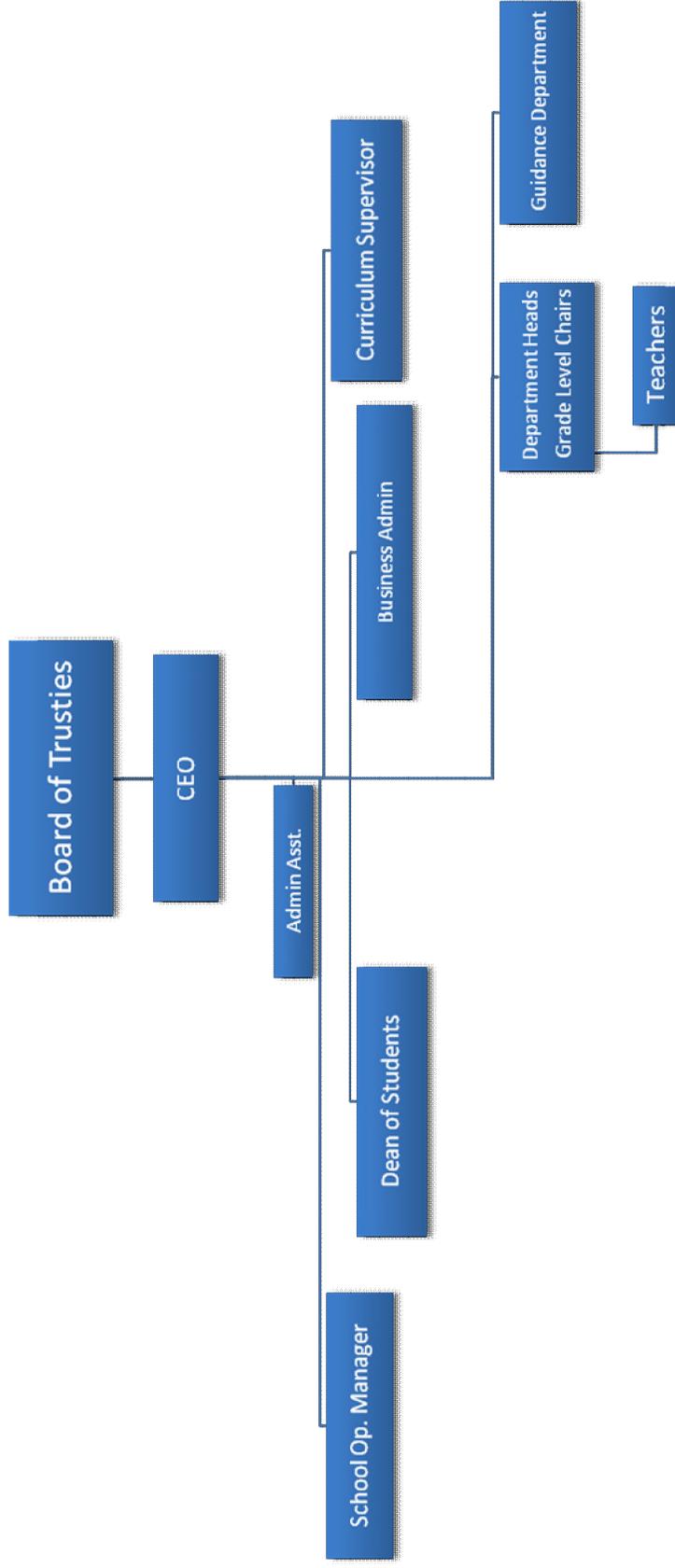
8. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of Central Jersey College Prep Charter School Board of Trustees for their concerns in providing fiscal accountability to the citizens and taxpayers of the participating school district and thereby contributing their full support 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 our business office staff.

Respectfully submitted,


Tarkan Topcuoglu
Chief Education Officer


Atilla Sabahoglu
Business Administrator

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL ORGANIZATIONAL CHART



**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

MEMBERS OF THE BOARD OF TRUSTEES

POSITION

Ferhan Tunagur, Phd.

President

Ferit Ucar, Phd.

Vice President

Christopher Lessard

Treasurer

Ibrahim Bakir

Trustee

Jackie Lewis

Trustee

OTHER OFFICIALS

Tarkan Topuoglu

Chief Education Officer

Atilla Sabahoglu

Bus Administrator/Board Secretary

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company
Certified Public Accountants
2204 Morris Avenue, Suite 206
Union, NJ 07083

Attorneys

Brenda Liss
Riker Danzig
Headquarters Plaza
One Speedwell Avenue
Morristown, NJ 07962-1981

Official Depository

Chase Bank
460 Elizabeth Avenue
Somerset, NJ 08873

FINANCIAL SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Central Jersey College Prep Charter School
County of Somerset
Somerset, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Central Jersey College Prep Charter School (Charter School), in the County of Somerset, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Charter School's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Central Jersey College Prep Charter School, in the County of Somerset, State of New Jersey, as of June 30, 2015, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the basic financial statements, the Charter School implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 9 to the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information starting on pages 15 and 71, respectively, 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 to 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 response 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.

Supplementary and Other Information

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 supplementary information such as the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance, as required by New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the other information, such as the introductory and statistical sections 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 and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records use to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards* and the *Division of Finance, Department of Education, State of New Jersey*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015 on our consideration of the Central Jersey College Prep Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal

control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *Division of Finance, Department of Education, State of New Jersey*, in considering the Charter School's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'Richard M. Barre', written in a cursive style.

Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

December 10, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of Central Jersey College Prep Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ❖ General revenues accounted for \$4,816,932 in revenue or 95% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$254,662 or 5% of total revenues of \$5,071,594.
- ❖ The Charter School had \$5,468,991 in expenses; only \$254,662 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$4,816,932 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$4,624,320 in revenues and \$4,842,583 in expenditures. The General Fund's fund balance decreased \$218,263 over 2014. This decrease was anticipated by the Board of Trustees.
- ❖ During 2015, the Charter School adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Central Jersey College Prep Charter School as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole Charter School, presenting both an aggregate view of the Charter School's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in one column. In the case of Central Jersey College Prep Charter School, the General Fund is by far the most significant fund.

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2015?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Charter School's net position and changes in that position. This change in net position is important because it tells the reader that, for the Charter School as a whole, the financial position of the Charter School have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Statement of Net Position and the Statement of Activities (Continued)

In the *Statement of Net Position* and the *Statement of Activities*, the Charter School is divided into two distinct kinds of activities:

- ❖ Governmental activities — All of the Charter School's programs and services are reported here including instruction, administration, support services, and capital outlay.
- ❖ Business-Type Activity — These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and School Store enterprise funds are reported as business activities.

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Charter School's funds. The Charter School uses many funds to account for a multitude of financial transactions. The Charter School's governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The Charter School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Charter School's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Proprietary Fund

The proprietary fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 38 of this report.

The Charter School as a Whole

Recall that the *Statement of Net Position* provides the perspective of the Charter School as a whole. Net position 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.

The Charter School's combined Net Deficit was \$46,180 for 2015 and its combined Net Position was \$1,818,865 for 2014.

Governmental Activities

The Charter School's total revenues were \$4,897,480 for the year ended June 30, 2015 and \$4,539,101 for 2014, this includes \$306,594 for 2015 and \$297,806 for 2014 of state reimbursed TPAF social security and pension contributions.

The total cost of all program and services was \$5,263,437 for 2015 and \$4,359,654 for 2014. Instruction comprises 52% for 2015 of Charter School expenses and 57% for 2014.

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 interaction between teacher and student, including extracurricular activities.

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

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 instructional and/or non-instructional equipment purchased and is capitalized when such equipment is over the \$2,000 threshold.

Business-Type Activity

Revenues for the Charter School's business-type activity (food service program and school store) are comprised of charges for services and federal and state reimbursements.

FOOD SERVICE

- ❖ Expenses exceeded revenues by \$12,842 for 2015 and \$3,444 for 2014.
- ❖ Charges for services represent \$83,527 for 2015 and \$79,387 for 2014 of revenue. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunch, breakfast, and snack programs were \$85,014 for 2015 and \$88,410 for 2014.

SCHOOL STORE

- ❖ The School Store operation was disbanded for the 2014-2015 school year as the purchase of uniforms and other items was outsourced. The remaining inventory balance was written off.

AFTER CARE

- ❖ Revenues exceeded expenses by \$1,710 for 2015, while expenses exceed revenues by \$1,755 for 2014.
- ❖ Charges for services represent \$5,573 for 2015 of revenue, and \$6,915 for 2014. This represents amounts paid as wages to teachers who worked in the After Care program.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

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. Total revenues amounted to \$4,897,480 for 2015 and \$4,539,101 for 2014; and expenditures were \$5,115,743 for 2015 and \$4,622,784 for 2014. The net change in fund balance for the year was most significant in the general fund, a decrease of \$218,263 in 2015 after an increase of \$198,242 in 2014.

As demonstrated by the various statements and schedules included on 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 revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amounts and percentages of increases and decreases in relation to prior year amounts.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2014	Percent of Increase/ (Decrease)
Local Sources	\$ 2,683,242	54.79%	\$ 214,547	8.69%
State Sources	1,941,079	39.63%	(11,338)	-0.58%
Federal Sources	273,160	5.58%	155,171	131.51%
Total	\$ 4,897,481	100.00%	\$ 358,380	

The following schedule represents a summary of the expenditures of the governmental funds for the fiscal year ended June 30, 2015, and the amounts and percentages of increases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2014	Percent of Increase/ (Decrease)
Instruction	\$ 2,184,859	42.70%	\$ 228,102	11.66%
Administration	1,310,078	25.61%	140,592	12.02%
Support Services	1,481,812	28.97%	267,196	22.00%
Capital Outlay	138,994	2.72%	138,994	0.00%
Total	\$ 5,115,743	100.00%	\$ 774,884	

Changes in expenditures were the results of varying factors.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED
(CONTINUED)**

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.

Over the course of the year, the Charter School revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

Capital Assets (Net of Depreciation)

The Charter School had \$244,335 invested in site improvements at the end of the fiscal year 2015.

For the Future

Central Jersey College Prep Charter School is in good financial condition presently. The Charter School is proud of its community support. A major concern is the continued enrollment growth of the Charter School with the increased reliance on federal and state funding.

In conclusion, Central Jersey College Prep Charter School has committed itself to financial excellence for many years. In addition, the Charter School's system for financial planning, budgeting, and internal financial controls are well regarded. The Charter School plans to continue its sound fiscal management to meet the challenge of the future.

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 show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Tarkan Topcuoglu, Chief Education Officer at Central Jersey College Prep Charter School, 17 School House Road, Somerset, New Jersey 08873. Please visit our website at www.cjcollegeprep.org.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Charter School. These statements include the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Charter School.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,305,668	\$ 14,297	\$ 1,319,965
Interfund Receivables	145,722		145,722
Receivables	67,745	5,241	72,986
Prepaid Expenses	60,000		60,000
Capital Assets, Net	244,335	4,590	248,925
Total Assets	1,823,470	24,128	1,847,598
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	265,082		265,082
Total Deferred Outflows of Resources	265,082		265,082
LIABILITIES:			
Interfund Payable	119,089		119,089
Payable to District	151,664		151,664
Accounts Payable	26,477		26,477
Noncurrent Liabilities:			
Net Pension Liability	1,756,888		1,756,888
Total Liabilities	2,054,118	-	2,054,118
DEFERRED INFLOWS OF RESOURCES:			
Pensions	104,741		104,741
Total Deferred Inflows of Resources	104,741		104,741
NET POSITION:			
Net Investment in Capital Assets	244,335		244,335
Restricted for:			
General Fund (Encumbrance Reserve - Current Yr.)	6,516		6,516
Unassigned (Deficit)	(321,158)	24,128	(297,030)
Total Net Position	\$ (70,307)	\$ 24,128	\$ (46,179)

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Statement of Activities
 For The Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 2,184,859	\$ 534,424	\$ -	\$ 80,548	\$ -	\$ (2,638,735)	\$ -	\$ (2,638,735)
Administration	594,111	114,174				(708,285)		(708,285)
Support Services	1,481,812	196,268				(1,678,080)		(1,678,080)
Capital Outlay	138,994					(138,994)		(138,994)
Unallocated Depreciation	18,795					(18,795)		(18,795)
Total Governmental Activities	4,418,571	844,866	-	80,548	-	(5,182,889)	-	(5,182,889)
BUSINESS-TYPE ACTIVITIES:								
Food Service, School Store and After Care	205,554		89,100	85,014			(31,440)	(31,440)
Total Business-Type Activities	205,554		89,100	85,014			(31,440)	(31,440)
Total Primary Government	\$ 4,624,125		\$ 89,100	\$ 165,562	\$ -	\$ (5,182,889)	\$ (31,440)	\$ (5,214,329)
GENERAL REVENUES								
General Purposes						2,657,105	-	2,657,105
Federal and State Aid Not Restricted						2,133,691	-	2,133,691
Investment Earnings							-	-
Miscellaneous Income						26,136	-	26,136
Total General Revenues						4,816,932	-	4,816,932
Change in Net Position						(365,957)	(31,440)	(397,397)
Net Position - Beginning of Year - Restated						295,650	55,568	351,218
Net Position/(Deficit) - Ending						\$ (70,307)	\$ 24,128	\$ (46,179)

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

SECTION B – FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

GOVERNMENTAL FUNDS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Governmental Funds
 Balance Sheet
 June 30, 2015

	General Fund	Special Revenue Fund	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,192,618	\$ 113,050	\$ 1,305,668
Interfund Receivables	119,189	26,533	145,722
Receivables from Other Governments	67,010	735	67,745
Security Deposit	60,000		60,000
Total Assets	<u>\$ 1,438,817</u>	<u>\$ 140,318</u>	<u>\$ 1,579,135</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Interfund Payables	\$ -	\$ 119,089	\$ 119,089
Payables to District	151,664		151,664
Accounts Payable	5,248	21,229	26,477
Total Liabilities	156,912	140,318	297,230
Fund Balances:			
Assigned:			
Encumbrances	6,516		6,516
Unassigned:			
General Fund	1,275,389		1,275,389
Total Fund Balances	1,281,905	-	1,281,905
Total Liabilities and Fund Balances	<u>\$ 1,438,817</u>	<u>\$ 140,318</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$375,900 and the accumulated depreciation is \$131,565. 244,335

Net pension liability of \$1,756,888, deferred inflows of resources of \$104,741 less deferred outflows of resources of \$265,082 related to pensions are not reported in the governmental funds (1,596,547)

Net Position of Governmental Activities \$ (70,307)

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 2,657,105	\$ -	2,657,105
Interest on Investments			-
Miscellaneous	26,136		26,136
Total Local Sources	2,683,241	-	2,683,241
State Sources	1,941,079		1,941,079
Federal Sources		273,160	273,160
Total Revenues	4,624,320	273,160	4,897,480
EXPENDITURES:			
Current:			
Instruction	1,955,605	229,254	2,184,859
Administration	1,310,078		1,310,078
Support Services	1,437,906	43,906	1,481,812
Capital Outlay	138,994		138,994
Total Expenditures	4,842,583	273,160	5,115,743
NET CHANGE IN FUND BALANCES	(218,263)	-	(218,263)
FUND BALANCES, JULY 1	1,500,168	-	1,500,168
FUND BALANCES, JUNE 30	\$ 1,281,905	\$ -	\$ 1,281,905

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2015

Total net change in fund balances - governmental funds (B-2)	\$ (218,263)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.

Depreciation Expense	(18,795)
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Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized

	<u>(128,899)</u>
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Change in net position of governmental activities	<u><u>\$ (365,957)</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Proprietary Fund
Statement of Fund Net Assets
June 30, 2015

	Business-Type Activities Enterprise Funds			
	Food Service	School Store	After Care	Total
ASSETS:				
Current Assets:				
Cash and Cash Equivalents:				
Cash and Cash Equivalents	\$ 11,174	\$ -	\$ 3,123	\$ 14,297
Intergovernmental Accounts Receivable:				
Federal	5,144			5,144
State	97			97
Total Current Assets	<u>16,415</u>	<u>-</u>	<u>3,123</u>	<u>19,538</u>
Noncurrent Assets:				
Capital Assets				-
Machinery and Equipment	5,100			5,100
Less Accumulated Depreciation	(510)			(510)
	<u>4,590</u>	<u>-</u>	<u>-</u>	<u>4,590</u>
Total Assets	<u>\$ 21,005</u>	<u>\$ -</u>	<u>\$ 3,123</u>	<u>\$ 24,128</u>
LIABILITIES AND NET POSITION:				
Current Liabilities:				
Interfund Accounts Payable	\$ -	\$ -	-	\$ -
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:				
Unassigned	<u>21,005</u>	<u>-</u>	<u>3,123</u>	<u>24,128</u>
Total Net Position	<u>21,005</u>	<u>-</u>	<u>3,123</u>	<u>24,128</u>
Total Liabilities and Net Position	<u>\$ 21,005</u>	<u>\$ -</u>	<u>\$ 3,123</u>	<u>\$ 24,128</u>

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Proprietary Fund
 Statement of Revenues, Expenses, and Changes in Net Position
 For the Fiscal Year Ended June 30, 2015

	Business-Type Activities Enterprise Fund			Total
	Food Service	School Store	After Care	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales	\$ 83,527		\$ 5,573	\$ 89,100
Miscellaneous Revenue				-
Total Operating Revenues	<u>83,527</u>	<u>-</u>	<u>5,573</u>	<u>89,100</u>
OPERATING EXPENSES:				
Salaries	52,956		3,863	56,819
Management Fees	8,480			8,480
Supplies and Materials	29,166			29,166
Depreciation Expense	510			510
Cost of Sales	83,954	20,308		104,262
Miscellaneous Expenses	6,317			6,317
Total Operating Expenses	<u>181,383</u>	<u>20,308</u>	<u>3,863</u>	<u>205,554</u>
OPERATING INCOME (LOSS)	<u>(97,856)</u>	<u>(20,308)</u>	<u>1,710</u>	<u>(116,454)</u>
NONOPERATING REVENUES:				
State Source:				
State School Lunch Program	1,722			1,722
Federal Source:				
National School Breakfast Program	23,597			23,597
National School Lunch Program	59,695			59,695
National School Snack Program				-
Total Nonoperating Revenues	<u>85,014</u>	<u>-</u>	<u>-</u>	<u>85,014</u>
CHANGE IN NET POSITION	<u>(12,842)</u>	<u>(20,308)</u>	<u>1,710</u>	<u>(31,440)</u>
TOTAL NET POSITION, JULY 1	<u>35,370</u>	<u>18,784</u>	<u>1,413</u>	<u>55,567</u>
TOTAL NET POSITION, JUNE 30	<u>\$ 22,528</u>	<u>\$ (1,524)</u>	<u>\$ 3,123</u>	<u>\$ 24,127</u>

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Business-Type Activities Enterprise Fund			Total
	Food Service	School Store	After Care	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	85,740	26,828	5,573	\$ 118,141
Cash Payments to Suppliers and Employees	<u>(196,548)</u>	<u>(11,153)</u>	<u>(3,863)</u>	<u>(211,564)</u>
Net Cash Provided By (Used In) Operating Activities	<u>(110,808)</u>	<u>15,675</u>	<u>1,710</u>	<u>(93,423)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Received From State And Federal Reimbursements Transfers In	85,014			85,014
Net Cash Provided By Noncapital Financing Activities	<u>85,014</u>	<u>-</u>	<u>-</u>	<u>85,014</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(20,694)	15,675	1,710	(3,309)
Net Transfers to other Enterprise Operations.	(11,723)	1,524	1,413	(8,786)
Cash And Cash Equivalents, Beginning Of Year	43,591	(17,199)		26,392
Cash And Cash Equivalents, End Of Year	<u>\$ 11,174</u>	<u>\$ -</u>	<u>\$ 3,123</u>	<u>\$ 14,297</u>
Reconciliation of Operating Loss to Net Cash Provided By (Used in)				
Operating Activities:				
Operating Income (Loss) Used in Operating Activities	\$ (97,856)	\$ (20,308)	\$ 1,710	\$ (116,454)
Depreciation	510			510
Change in Assets and Liabilities:				
Increase In Due From Other Funds		26,828		26,828
Increase in Receivables From Other Governments	2,213			2,213
(Increase) Decrease In Other Receivables				-
(Increase) Decrease In Inventories		20,308		20,308
Increase (Decrease) In Interfund Payable	<u>(15,675)</u>	<u>(11,153)</u>		<u>(26,828)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (110,808)</u>	<u>\$ 15,675</u>	<u>\$ 1,710</u>	<u>\$ (93,423)</u>

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

FIDUCIARY FUNDS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2015

	<u>Unemployment Compensation Insurance</u>	<u>Agency Fund</u>
ASSETS:		
Cash and Cash Equivalents	\$ 3,649	\$ 38,641
Total Assets	<u>3,649</u>	<u>\$ 38,641</u>
LIABILITIES:		
Interfund Accounts Payable		\$ 26,633
Accounts Payable	3,900	
Payroll Deductions and Withholdings Due to Student Groups		-
		<u>12,008</u>
Total Liabilities	<u>3,900</u>	<u>\$ 38,641</u>
NET POSITION:		
Held in Trust for Claims	<u>(251)</u>	
Total Net Position	<u>\$ (251)</u>	

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Unemployment Compensation Insurance</u>
ADDITIONS:	
Employee Contributions	\$ 5,768
Board Contributions	<u>2,939</u>
Total Additions	<u>8,707</u>
DEDUCTIONS:	
Payment of Claims	8,275
Miscellaneous Expenses	<u>-</u>
Total Deductions	<u>8,275</u>
CHANGE IN NET POSITION	432
NET POSITION - BEGINNING OF THE YEAR	<u>(683)</u>
NET POSITION - END OF THE YEAR	<u><u>\$ (251)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Central Jersey College Prep Charter School have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accounting standard-setting body responsible for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Starting on fiscal year ended June 30, 2013, the Charter School implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Charter School's June 30, 2013 fiscal year financial statements; however, there was no effect on beginning net position/fund balance.

A. Reporting Entity

The Charter School is an instrument of the State of New Jersey, established to function as an educational institution. Its mission is to establish a charter school to serve as a neighborhood resource and as a model for other similar schools. Central Jersey College Prep Charter School is committed to achieving the New Jersey Core Curriculum Content Standards and producing high academic achievement by all students. The Charter 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.

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.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation, Basis of Accounting

The Charter School's basic financial statements consist of Charter School-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Charter School-Wide Statements: The statement of net position and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the Charter School. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the Charter School at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Charter School and for each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Charter School.

Fund Financial Statements: During the fiscal year, 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. The fund financial statements provide information about the Charter School's funds, including its fiduciary funds. Separate statements for each fund category — *governmental, proprietary,* and *fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting models.

The Charter School reports the following governmental funds:

General Fund: The general fund is the general operating fund of the Charter School and is used to account for all expendable financial resources except those 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 State Department of Education, the Charter School includes 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. 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, improvements of grounds, 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: Not Applicable.

Debt Service Fund: Not Applicable.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

The Charter School reports the following proprietary funds:

Enterprise (Food Services and After Care) Fund: The enterprise fund accounts for all revenues and expenses pertaining to the Charter School's Food Service operations, and After School Care services. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Enterprise (School Store) Fund: The enterprise fund also accounts for all revenues and expenses pertaining to the school store operations, which prior to this school year, entailed the sale of T-Shirts to students. The school store operations were terminated during the 2014-2015 school year as these services were outsourced; the remaining inventory was subsequently expensed.

Additionally, the Charter School reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the Charter School on behalf of others which includes Net Payroll Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Charter School-wide, Proprietary, and Fiduciary Fund Financial Statements: The financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the Charter School follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. Charter Schools also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow FASB guidance issued subsequent to November 30, 1989.

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. Budgets are prepared using the modified accrual basis of accounting except for special revenue funds. 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/transfers must be approved by School Board resolution.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) 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 fund types. Unencumbered appropriations lapse at fiscal year end.

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 recognizes encumbrances as expenditures and also recognizes 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 the budgetary basis of accounting to the GAAP basis of accounting:

Total Revenues & Expenditures (Budgetary Basis)	\$ 273,160
Adjustments:	
Less Encumbrances at June 30, 2015	-
Plus Encumbrances at June 30, 2014	-
Total Revenues and Expenditures (GAAP Basis)	\$ 273,160

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Encumbrances 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 special revenue fund, are reported as reservations of fund balances at fiscal year end 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 in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

E. Assets, Liabilities, and Equity

Interfund Transactions:

Transfers between governmental and business-type activities on the Charter School - wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Capital Assets:

The Charter School has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Charter School does not possess any infrastructure. The capitalization threshold used by Charter Schools in the State of New Jersey is \$2,000.

All reported capital assets except for land are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office & Computer Equipment	10-15
Instructional Equipment	10
Grounds Equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are also recorded as deferred revenue.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the Charter School - wide 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.

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves:

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues — Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Charter School, available means within sixty days of the fiscal year end.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: interest and tuition.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Charter School, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses:

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accrued Salaries and Wages:

Certain Charter School employees who provide services to the Charter School over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

F. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net pension of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40 replaces in part, and otherwise modifies the prior GASB Statement No. 3, in addressing the requirements for disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

As a result of GASB 40, effective June 15, 2004, custodial credit risk disclosures are limited to deposits that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. The previous GASB Statement No. 3 disclosures generally referred to as Category 1 and Category 2 deposits and investments are eliminated. However, GASB No. 40 does not change the required disclosure of authorized investments or the requirements for reporting certain repurchase agreements and reverse repurchase agreements, and it maintains, with modification, the level-of-detail disclosure requirements of GASB Statement No. 3.

Deposits

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey which are 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. Charter Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the Charter School.

As of June 30, 2015, cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Special Revenue	Proprietary Fund	Fiduciary Funds	Total
Operating Account	\$ 1,192,618	\$ 113,050	14,297	\$ 42,292	\$ 1,362,257

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

The investments recorded in the statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost.

For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the Charter school-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2015 was \$1,362,257 and the bank balance was \$1,429,720. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. Although GASB Statement No. 40 eliminated Categories 1 and 2 as previously established by GASB Statement No. 3, it maintained, with modification, the level-of-disclosure requirements of GASB Statement No. 3.

As of June 30, 2015, the Board had funds invested and on deposit in checking accounts. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and modified by GASB Statement No. 40, and as such, are deposits that are insured or collateralized with securities held by the Board or by its agent in the Board's name, both at year-end and throughout the year.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

New Jersey Cash Management Fund (Continued)

term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2015, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 3: RECEIVABLES

Receivables at June 30, 2015, consisted of accounts, intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 67,010	\$ 67,107
Federal Aid	735	5,879
Other	-	-
Gross Receivables	<u>67,745</u>	<u>72,986</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 67,745</u>	<u>\$ 72,986</u>

NOTE 4: INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2015:

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 4: INTERFUND TRANSFERS AND BALANCES (CONTINUED)

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 119,189	\$ -
Special Revenue Fund	26,533	119,089
Proprietary Fund		
Fiduciary Fund		26,633
Total	<u>\$ 145,722</u>	<u>\$ 145,722</u>

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Site Improvements	\$ 375,900	\$ -	\$ -	\$ 375,900
Totals at Historical Cost	375,900	-	-	375,900
Less Accumulated Depreciation For:				
Site Improvements	112,770	18,795	-	131,565
Total Accumulated Depreciation	112,770	18,795	-	131,565
Total Capital Assets Being Depreciated,				
Net of Accumulated Depreciation	263,130	(18,795)	-	244,335
Government Activity Capital Assets, Net	\$ 263,130	\$ (18,795)	\$ -	\$ 244,335

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Charter Schools in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the Charter School has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense of \$18,795 was charged to an unallocated function.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 6: RENTAL LEASES

The school leased space at 17 Schoolhouse Road, Somerset, New Jersey under a lease agreement for four (4) years commencing July 15, 2008 and ending July 14, 2012. The lease was amended by way of letter dated June 19, 2011, whereby the school was granted an option to renew the lease for two (2) additional years. The original lease required annual rental payments of \$290,000. By way of the aforementioned Letter

Amendment, the annual rental for the period beginning July 15, 2011 and ending July 14, 2012 was increased to \$330,000. The annual rental for the July 15, 2012-July 14, 2014 period would increase to \$340,000 annually. By way of letter dated October 31, 2013, the lease was extended to July 14, 2015, with an automatic five-year extension thru July 14, 2020. Total rental payments amounted to \$445,008 for the year ended June 30, 2015. Future minimum lease payments are as follows:

	2016	<u>445,000</u>
Total minimum lease payments		<u>\$ 445,000</u>

NOTE 7: PENSION PLANS

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees; Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Descriptions
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, 2010 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and required contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Contributions (Continued)

certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$ 77,358 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased on over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Charter School reported a liability of \$ 1,756,888 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the Charter School's proportion was 0.00938372%, which was a decrease of 0.00129975% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2014, the District recognized pension expense of \$ 67,825 . At June 30, 2014, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	55,246	\$ -
Changes in Proportion	209,836	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	104,701
	\$ 265,082	\$ 104,701

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2015	\$ (22,693)
2016	(22,693)
2017	(22,693)
2018	(22,693)
2019	17,812
Thereafter	7,837
	\$ (65,124)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuations as of July 1, 2013. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40% based on age
Thereafter	3.15-5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgage	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and June 30, 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and June 30, 2013, respectively based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Charter School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Fiscal Year Ended June 30, 2014			
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
CS / District's proportionate share of the Net Pension Liability	\$ 2,210,225	\$ 1,756,888	\$ 1,376,201

Fiscal Year Ended June 30, 2013			
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
CS / District's proportionate share of the Net Pension Liability	\$ 1,904,083	\$ 1,545,006	\$ 1,185,581

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefit Provided

The vesting and benefit provision are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested of 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the member's accounts. The following represents the membership tiers for TPAF:

Tier	Descriptions
1	M Members who were enrolled prior to July 1, 2007
2	M Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	M Members who were eligible to enroll on or after November 2, 2008, 2010 and prior to May 22, 2010
4	M Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	M Members who were eligible to enroll on or after June 28, 2011

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Contributions

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2014 and 2013, the State's pension contribution was less than the actuarially determined amount.

The Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the Charter School.

This note discloses the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal years ended 2015, the State of New Jersey contributed \$ 38,175 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$ 69,109 .

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As June 30, 2015, the State's proportionate share of the net pension liability associated with the Charter School was \$ 8,695,268 . The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, Charter School's proportion was 0.0162690313% , which was a decrease of 0.0016931% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>8,695,268</u>
Total	<u><u>\$ 8,695,268</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the Charter School in the amount of \$ 69,109 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	\$ -
Difference Between Expected and Actual Experience		21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u><u>\$ 2,306,623,861</u></u>	<u><u>\$ 1,763,205,593</u></u>

The \$ 2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$ 1,763,205,593 reported as a deferred inflow of resources resulting from the difference between projected and actual.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Fiscal Year Ending June 30,	Total
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,498)
2020	304,620,646
Thereafter	761,551,612
	\$ 543,418,266

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2013. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2014 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and June 30, 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and June 30, 2013, respectively based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Charter School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Fiscal Year Ended June 30, 2014			
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
CS / District's proportionate share of the Net Pension Liability	\$ 10,529,803	\$ 8,754,865	\$ 7,278,581
Fiscal Year Ended June 30, 2013			
	1% Decrease (3.95%)	Current Discount Rate (4.95%)	1% Increase (5.95%)
CS / District's proportionate share of the Net Pension Liability	\$ 9,433,963	\$ 7,843,744	\$ 6,521,097

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position – TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

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

For DCRP, the Charter School recognized pension expense of \$- for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$- for the fiscal year ended June 30, 2015.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2015

NOTE 8: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity 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. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement 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, 2012 there were 97,661 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c.126, 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. The state paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

NOTE 9: RISK MANAGEMENT

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

Property and Liability Insurance

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

NOTE 10: FUND BALANCE APPROPRIATED

General Fund

Of the \$1,281,905 fund balance total in General Fund at June 30, 2015, \$1,275,389 is unreserved and undesignated.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2015

NOTE 11: CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the CS / School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014.

Net Position at June 30, 2014	\$	1,763,298
Adjustments:		
Net Pension Liability		(1,545,006)
Deferred Outflow - Payments Subsequent to Measurement Date		<u>77,358</u>
Total Adjustments		<u>(1,467,648)</u>
Restated Net Position June 30, 2014	\$	<u><u>295,650</u></u>

Other than employer contributions subsequent to the measurement date, the CS / School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULES

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Levy Budget:					
District Equalization - Charter School Aid	\$ 2,665,364	\$ 4,681	\$ 2,670,045	\$ 2,657,105	\$ (12,940)
Total Local Levy	2,665,364	4,681	2,670,045	2,657,105	(12,940)
Categorical Aid:					
"Local Levy" State Share-Charter School Aid	1,479,971	(132,415)	1,347,556	1,346,673	(883)
Special Education Aid	106,527	(24,286)	82,241	80,548	(1,693)
Categorical Security Aid	70,684	(8,709)	61,975	61,722	(253)
Other State Aid		145,548	145,548	145,542	(6)
Total Categorical Aid	1,657,182	(19,862)	1,637,320	1,634,485	(2,835)
Revenues From Other Sources:					
Interest Income					
Miscellaneous Revenue				26,136	26,136
On-Behalf TPAF Pension Contributions/Medical Benefits (Non-Budgeted)				172,976	172,976
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				133,618	133,618
Total Revenues From Other Sources	-	-	-	332,730	332,730
Total Revenues	4,322,546	(15,181)	4,307,365	4,624,320	316,955
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,544,709	(558)	1,544,151	1,544,151	-
Other Salaries for Instruction	52,000	19,007	71,007	71,007	-
Purchased Prof/Tech Services	163,750	(107,196)	56,554	56,517	37
Other Purchased Services	18,996		18,996	17,012	1,984
General Supplies	171,430	27,225	198,655	198,641	14
Textbooks	40,000	4,000	44,000	42,614	1,386
Miscellaneous	34,100	(8,156)	25,944	25,663	281
Total Instruction	2,024,985	(65,678)	1,959,307	1,955,605	3,702
Administration:					
Salaries - General Administration	264,867	(21,641)	243,226	243,226	-
Salaries of Secretarial/Clerical Assistants	93,140	6,392	99,532	99,480	52
Total Benefits Cost	523,650	18,646	542,296	538,272	4,024
Purchases Prof/Tech Services	39,900	9,272	49,172	49,172	-
Other Purchased Services	8,000	5,047	13,047	12,848	199
Communications/Telephone	17,360	12,136	29,496	29,496	-
Supplies and Materials	15,000	4,827	19,827	19,827	-
Miscellaneous Expenses	9,250	1,913	11,163	11,163	-
Total Administration	971,167	36,592	1,007,759	1,003,484	4,275

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from Prior Page)					
Support Services:					
Salaries	\$ 444,326	\$ 144,938	\$ 589,264	\$ 589,122	\$ 142
Purchased Prof/Ed Services	144,000	(45,768)	98,232	98,228	4
Purchased Prof/Tech Services	8,000	604	8,604	8,604	-
Rental of Land and Buildings	450,004	(4,996)	445,008	445,008	-
Other Purchased Services	67,300	40,088	107,388	106,430	958
Transportation-Other Than To/From School	20,000	6,958	26,958	26,958	-
Insurance for Property, Liability and Fidelity	29,339	(1,494)	27,845	27,795	50
Supplies and Materials	27,000	4,173	31,173	31,173	-
Energy Costs (Heat and Electricity)	110,000	(12,822)	97,178	97,177	1
Miscellaneous Expenses	13,000	(5,587)	7,413	7,411	2
Total Support Services	<u>1,312,969</u>	<u>126,094</u>	<u>1,439,063</u>	<u>1,437,906</u>	<u>1,157</u>
Capital Outlay:					
Miscellaneous Expenses	580,000	(290,000)	290,000	138,994	151,006
Total Capital Outlay	<u>580,000</u>	<u>(290,000)</u>	<u>290,000</u>	<u>138,994</u>	<u>151,006</u>
Reimbursed TPAF Pension Contributions				172,976	(172,976)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	133,618	(133,618)
Total Expenditures	<u>4,889,121</u>	<u>(192,992)</u>	<u>4,696,129</u>	<u>4,842,583</u>	<u>(146,454)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(566,575)	177,811	(388,764)	(218,263)	170,501
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(566,575)	177,811	(388,764)	(218,263)	170,501
FUND BALANCE, JULY 1	<u>1,500,168</u>	<u>-</u>	<u>1,500,168</u>	<u>1,500,168</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 933,593</u>	<u>\$ 177,811</u>	<u>\$ 1,111,404</u>	<u>\$ 1,281,905</u>	<u>\$ 170,501</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures Budgeted Fund Balance	\$ 933,593	\$ 177,811	\$ 1,111,404	\$ 1,281,905	\$ 170,501
Total	<u>\$ 933,593</u>	<u>\$ 177,811</u>	<u>\$ 1,111,404</u>	<u>\$ 1,281,905</u>	<u>\$ 170,501</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Local	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	255,360	27,267	282,627	273,160	(9,467)
Total Revenues	255,360	27,267	282,627	273,160	(9,467)
EXPENDITURES:					
Instruction:					
Salaries	94,345	27,315	121,660	121,660	-
General Supplies	114,540	(782)	113,758	107,594	6,164
Total Instruction	208,885	26,533	235,418	229,254	6,164
Support Services:					
Personal Services - Employee Benefits	23,321		23,321	23,321	-
Purchased Technical Services	10,500	1,826	12,326	12,326	-
Other Purchased Services		134	134	134	-
Supplies and Materials	12,654	(1,226)	11,428	8,125	3,303
Total Support Services	46,475	734	47,209	43,906	3,303
Total Expenditures	255,360	27,267	282,627	273,160	9,467
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
PENSIONS (GASB 68)**

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 2 FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
Charter School's proportion of the net pension liability	0.00808396%	0.00938372%
Charter School's proportionate share of the net pension liability	\$ 1,545,006	\$ 1,756,888
Charter School's covered employees payroll	\$ 566,695	\$ 512,625
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	273%	343%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 2 FISCAL YEARS
UNAUDITED**

	Fiscal Year Ending June 30,	
	2014	2015
Contractually required contribution	\$ 60,911	\$ 77,358
Contributions in relation to the contractually required contribution	<u>(67,825)</u>	<u>(77,358)</u>
Contribution deficiency/(excess)	<u>\$ (6,914)</u>	<u>\$ -</u>
Charter School's covered employee payroll	\$ 566,695	\$ 512,625
Contributions as a percentage of covered employee payroll	10.75%	15.09%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER'S PENSION AND ANNUITY FUND
LAST 2 FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
State's proportion of the net pension liability attributable of the Charter School	0.0145759092%	0.0162690313%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 7,366,550	\$ 8,695,268
CS / District's covered employees payroll	\$ 1,304,103	\$ 1,618,482
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	564.87%	537.25%
Plan fiduciary net position as a p ercentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S CONTRIBUTIONS
 TEACHER'S PENSION AND ANNUITY FUND
 LAST FISCAL YEAR
 UNAUDITED**

	<i>Fiscal year</i> Ending June 30, <u>2015</u>
Contractually required contribution	\$ 69,109
Contributions in relation to the contractually required contribution	<u>(38,175)</u>
Contribution deficiency/(excess)	<u>\$ 30,934</u>
Charter School's covered employee payroll	\$ 1,304,103
Contributions as a percentage of covered employee payroll	5.30%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2014

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2014

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

**SECTION E – SPECIAL REVENUE FUND
DETAIL STATEMENTS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2015

	NCLB Title I	I.D.E.A. Part B	NCLB Title II Part A	IIS	Grand Total
REVENUE SOURCES:					
Federal	85,302	59,899	734	127,225	273,160
Total Revenues	85,302	59,899	734	127,225	273,160
EXPENDITURES:					
Instruction:					
Salaries	74,121	47,539			121,660
General Supplies	220			107,374	107,594
Total Instruction	74,341	47,539	-	107,374	229,254
Support Services:					
Personal Services - Employee Benefits	10,961	12,360			23,321
Other Purchased Prof/Tech Services			600	11,726	12,326
Other Purchased Services			134		134
Supplies and Materials				8,125	8,125
Total Support Services	10,961	12,360	734	19,851	43,906
Total Expenditures	85,302	59,899	734	127,225	273,160
Total Outflows	85,302	59,899	734	127,225	273,160
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

Proprietary 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’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services for the Charter School.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.

**SECTION H – FIDUCIARY FUND
DETAIL STATEMENTS**

Fiduciary funds are used to account for funds received by the Charter School for a specific purpose.

As of June 30, 2015, there is 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, other governments and/or other funds.

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2015

	Trust	Agency				Total Agency Fund
	Unemployment Compensation Insurance	Payroll Agency	Net Payroll	HRA (Health Benefits)	Student Activities	
ASSETS:						
Cash and Cash Equivalents	\$ 3,649	\$ 1,700	\$ 9,933	\$ 15,000	\$ 12,008	\$ 38,641
Total Assets	<u>3,649</u>	<u>\$ 1,700</u>	<u>\$ 9,933</u>	<u>\$ 15,000</u>	<u>\$ 12,008</u>	<u>\$ 38,641</u>
LIABILITIES:						
Interfund Accounts Payable		\$ 1,700	\$ 9,933	\$ 15,000	\$ -	\$ 26,633
Accounts Payable	3,900					-
Due to Student Groups					12,008	12,008
Total Liabilities	<u>3,900</u>	<u>\$ 1,700</u>	<u>\$ 9,933</u>	<u>\$ 15,000</u>	<u>\$ 12,008</u>	<u>\$ 38,641</u>
NET POSITION:						
Held in Trust for Claims	<u>(251)</u>					
Total Net Position	<u>\$ (251)</u>					

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Unemployment Compensation Insurance</u>
ADDITIONS:	
Employee Contributions	\$ 5,768
Board Contributions	<u>2,939</u>
Total Additions	<u>8,707</u>
DEDUCTIONS:	
Payment of Claims	8,275
Miscellaneous Expenses	<u>-</u>
Total Deductions	<u>8,275</u>
CHANGE IN NET POSITION	432
NET POSITION - BEGINNING OF THE YEAR	<u>(683)</u>
NET POSITION - END OF THE YEAR	<u><u>\$ (251)</u></u>

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Fiduciary Funds
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
School Activities	<u>\$ 12,343</u>	<u>\$ 57,958</u>	<u>\$ 58,293</u>	<u>\$ 12,008</u>
Total	<u><u>\$ 12,343</u></u>	<u><u>\$ 57,958</u></u>	<u><u>\$ 58,293</u></u>	<u><u>\$ 12,008</u></u>

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Fiduciary Funds
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Additions</u>	<u>Cash Deletions</u>	<u>Balance June 30, 2015</u>
LIABILITIES:				
Interfund Accounts Payable	\$ -	\$ 1,700	\$ -	\$ 1,700
Payroll Deductions and Withholdings	<u>1,987</u>	<u>1,050,560</u>	<u>1,052,547</u>	<u>-</u>
Total Liabilities	<u>\$ 1,987</u>	<u>\$ 1,052,260</u>	<u>\$ 1,052,547</u>	<u>\$ 1,700</u>

STATISTICAL SECTION (UNAUDITED)

Central Jersey College Prep Charter School has been in operation for nine (9) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for nine (9) years is available and has been presented. Each year thereafter, an additional year's data will be included until ten years.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the charter school's financial performance and well being have changed over time.

Revenue Capacity (Not Applicable to Charter School)

These schedules contain information to help the reader assess the Charter School's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the charter school's current levels of outstanding debt and the charter school's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the charter school's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the charter school's financial report relates to the services the charter school provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The charter school implemented GASB Statement 34 in the fiscal year ending June 30, 2007; schedules presenting charter school-wide information include information beginning that year.

FINANCIAL TRENDS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Net Position by Component
 Last Nine Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities									
Net Investment in Capital Assets	\$ 244,335	\$ 263,130	\$ 281,925	\$ 300,720	\$ 319,515	\$ 338,310	\$ 357,105	\$ -	\$ -
Restricted	6,516	-	21,924	15,881	34	-	-	5,132	-
Unrestricted	(321,158)	1,500,168	1,280,002	1,080,532	407,963	453,648	405,104	370,522	251,110
Total Governmental Activities Net Assets/Position	<u>\$ (70,307)</u>	<u>\$ 1,763,298</u>	<u>\$ 1,583,851</u>	<u>\$ 1,397,133</u>	<u>\$ 727,512</u>	<u>\$ 791,958</u>	<u>\$ 762,209</u>	<u>\$ 375,654</u>	<u>\$ 251,110</u>
Business-Type Activities									
Unrestricted	\$ 24,128	\$ 55,567	\$ 52,660	\$ 54,364	38,374	19,091	10,908	-	1,891
Total Business-Type Activities Net Assets/Position	<u>\$ 24,128</u>	<u>\$ 55,567</u>	<u>\$ 52,660</u>	<u>\$ 54,364</u>	<u>\$ 38,374</u>	<u>\$ 19,091</u>	<u>\$ 10,908</u>	<u>\$ -</u>	<u>\$ 1,891</u>
Charter School-wide									
Net Investment in Capital Assets	\$ 244,335	\$ 263,130	\$ 281,925	\$ 300,720	\$ 319,515	\$ 338,310	\$ 357,105	\$ -	\$ -
Restricted	6,516	-	21,924	15,881	34	-	-	5,132	-
Unrestricted	(297,030)	1,555,735	1,332,662	1,134,896	446,337	472,739	416,012	370,522	253,001
Total Charter School Net Position	<u>\$ (46,179)</u>	<u>\$ 1,818,865</u>	<u>\$ 1,636,511</u>	<u>\$ 1,451,497</u>	<u>\$ 765,886</u>	<u>\$ 811,049</u>	<u>\$ 773,117</u>	<u>\$ 375,654</u>	<u>\$ 253,001</u>

Source: Comprehensive Annual Financial Report

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Changes in Net Position
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses									
Governmental Activities:									
Instruction	\$ 2,719,283	\$ 2,468,847	\$ 2,424,995	\$ 2,213,633	\$ 2,290,776	\$ 2,286,293	\$ 1,553,992	\$ 1,388,866	\$ 936,030
Administration	708,285	516,587	522,230	408,978	545,015	611,319	896,964	631,857	336,729
Support Services	1,678,080	1,355,425	1,328,992	1,349,441	1,179,895	1,282,715	1,045,587	882,451	640,658
Capital Outlay	138,994	-	6,003	-	-	-	-	6,996	15,845
Unallocated	18,795	18,795	18,795	18,795	18,795	18,795	18,795	-	-
Total Governmental Activities Expenses	5,263,437	4,359,654	4,301,015	3,990,847	4,034,481	4,199,122	3,515,338	2,910,170	1,929,262
Business-Type Activities:									
Food Service, School Store & After Care	205,554	177,057	173,851	177,325	143,701	134,123	104,203	85,387	53,980
Total Business-Type Activities Expenses	205,554	177,057	173,851	177,325	143,701	134,123	104,203	85,387	53,980
Total Charter School Expenses	\$ 5,468,991	\$ 4,536,711	\$ 4,474,866	\$ 4,168,172	\$ 4,178,182	\$ 4,333,245	\$ 3,619,541	\$ 2,995,557	\$ 1,983,242
Program Revenues									
Governmental Activities:									
Operating Grants and Contributions	\$ 80,548	\$ 85,046	\$ 94,358	\$ 84,934	103,579	107,297	116,704	100,887	78,081
Total Governmental Activities Expenses	80,548	85,046	94,358	84,934	103,579	107,297	116,704	100,887	78,081
Business-Type Activities:									
Charges for Services	89,100	97,048	99,384	92,479	63,204	59,407	48,750	26,175	10,182
Operating Grants and Contributions	85,014	88,410	89,441	100,837	89,001	82,899	66,361	46,990	27,460
Total Business-Type Activities Expenses	174,114	185,458	188,825	193,316	152,205	142,306	115,111	73,165	37,642
Total Charter School Program Revenues	\$ 254,662	\$ 270,504	\$ 283,183	\$ 278,250	\$ 255,784	\$ 249,603	\$ 231,815	\$ 174,052	\$ 115,723
Net (Expense)/Revenue									
Governmental Activities	\$ (5,182,889)	\$ (4,274,608)	\$ (4,206,657)	\$ (3,905,913)	\$ (3,930,902)	\$ (4,091,825)	\$ (3,398,634)	\$ (2,809,283)	\$ (1,851,181)
Business-Type Activities	(31,440)	8,401	14,974	15,991	8,504	8,183	10,908	(12,222)	(16,338)
Total Charter School-wide Net Expense	\$ (5,214,329)	\$ (4,266,207)	\$ (4,191,683)	\$ (3,889,922)	\$ (3,922,398)	\$ (4,083,642)	\$ (3,387,726)	\$ (2,821,505)	\$ (1,867,519)
General Revenues and Other Changes in Net Assets/Position									
Governmental Activities:									
General Purposes	\$ 2,657,105	\$ 2,464,865	\$ 2,214,337	\$ 2,031,345	\$ 1,651,016	\$ 1,584,079	\$ 1,596,248	\$ 1,326,278	\$ 925,472
Federal and State Aid Not Restricted	2,133,691	1,985,360	2,142,522	2,542,537	2,209,014	2,521,162	2,180,865	1,577,299	1,086,772
Investment Earnings	-	1	6	-	8	368	-	-	-
Miscellaneous Income	26,136	3,829	14,586	1,652	6,418	15,965	8,076	13,859	70,350
Total Governmental Activities	4,816,932	4,454,055	4,371,451	4,575,534	3,866,456	4,121,574	3,785,189	2,933,827	2,102,291
Business-Type Activities:									
Miscellaneous Income	-	-	1,415	-	-	-	-	-	-
Transfers	\$ -	-	-	\$ -	10,779	-	-	10,331	18,229
Total Business-Type Activities	-	-	1,415	-	10,779	-	-	10,331	18,229
Total Charter School-wide	\$ 4,816,932	\$ 4,454,055	\$ 4,372,866	\$ 4,575,534	\$ 3,877,235	\$ 4,121,574	\$ 3,785,189	\$ 2,944,158	\$ 2,120,520
Change in Net Assets/Position									
Governmental Activities	\$ (365,957)	\$ 179,447	\$ 164,794	\$ 669,621	\$ (64,446)	\$ 29,749	\$ 386,555	\$ 124,544	\$ 251,110
Business-Type Activities	(31,440)	8,401	16,389	15,991	19,283	8,183	10,908	(1,891)	1,891
Total Charter School	\$ (397,397)	\$ 187,848	\$ 181,183	\$ 685,612	\$ (45,163)	\$ 37,932	\$ 397,463	\$ 122,653	\$ 253,001

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Fund Balances - Governmental Funds
 Last Nine Fiscal Years
(modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,								
	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund									
Restricted	\$ 6,516	\$ -	\$ 21,924	\$ 15,881	\$ 34	\$ -	\$ -	\$ 5,132	\$ -
Unassigned	1,275,389	1,500,168	1,280,002	1,080,532	407,963	453,648	405,104	370,522	251,110
Total General Fund	\$ 1,281,905	\$ 1,500,168	\$ 1,301,926	\$ 1,096,413	\$ 407,997	\$ 453,648	\$ 405,104	\$ 375,654	\$ 251,110
All Other Governmental Funds									
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned:									
Special Revenue Fund	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Comprehensive Annual Financial Report

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Changes in Fund Balances - Governmental Funds
 Last Nine Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:									
Local Sources:									
Local Tax Levy	\$ 2,657,105	\$ 2,464,865	\$ 2,214,337	\$ 2,031,345	\$ 1,651,016	\$ 1,584,079	\$ 1,596,248	\$ 1,326,278	\$ 925,472
Interest In Investments	-	1	6	-	8	368	-	-	-
Miscellaneous	26,136	3,829	14,586	1,652	6,418	15,965	8,076	13,859	70,350
State Sources	1,941,079	1,952,417	2,111,538	2,446,623	2,174,554	2,375,096	2,051,441	1,292,674	817,972
Federal Sources	273,160	117,989	125,342	180,848	138,039	253,363	246,128	385,512	346,881
Total Revenues	4,897,480	4,539,101	4,465,809	4,660,468	3,970,035	4,228,871	3,901,893	3,034,714	2,180,372
Expenditures:									
Instruction	2,184,859	1,956,757	1,913,104	1,750,001	1,847,777	1,853,406	1,553,992	1,206,091	822,504
Administration	1,310,078	1,169,486	1,194,634	1,026,478	1,133,017	1,197,618	896,964	851,138	465,055
Support Services	1,481,812	1,214,616	1,168,479	1,195,573	1,034,892	1,129,303	1,045,587	845,945	625,858
Capital Outlay	138,994	-	6,003	-	-	-	375,900	6,996	15,845
Total Expenditures	5,115,743	4,340,859	4,282,220	3,972,052	4,015,686	4,180,327	3,872,443	2,910,170	1,929,262
Net Change in Fund Balance	\$ (218,263)	\$ 198,242	\$ 183,589	\$ 688,416	\$ (45,651)	\$ 48,544	\$ 29,450	\$ 124,544	\$ 251,110

Source: Comprehensive Annual Financial Report

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 General Fund - Other Local Revenue by Source
 Last Nine Fiscal Years
(modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	Donations	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2015	\$ -	\$ -	\$ 26,136	\$ 26,136
2014	-	1,186	2,643	\$ 3,829
2013	-	-	10,836	\$ 10,836
2012	-	1,491	161	\$ 1,652
2011	5,300	-	1,118	\$ 6,418
2010	-	460	15,505	\$ 15,965
2009	-	(1,468.00)	6,608	\$ 5,140
2008	450	1,468	13,409	\$ 15,327
2007	(61,045)	-	(9,305)	\$ (70,350)

Source: Charter School records

OPERATING INFORMATION

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Full-Time Equivalent Charter School Employees by Function
 Last Nine Fiscal Years

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	38	37	36	37	34	29	29	23	15
Administrative	3	3	3	3	5	4	6	5	2
Support Services	11	11	11	10	10	12	10	8	5
Food Service	-	-	-	-	-	-	-	-	1
Total	52	51	50	50	49	45	45	36	23

Source: Charter School Personal Records

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Operating Statistics
Last Eight Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2015	309	\$ 5,115,743	16,556	15.18%	38	N/A	8:1	N/A	309	304	2.14%	98.51%
2014	302	4,340,859	14,374	3.86%	37	N/A	8:1	N/A	302	298	-2.32%	98.68%
2013	309	4,276,217	13,839	7.66%	36	N/A	8:1	N/A	309	303	0.00%	98.06%
2012	309	3,972,052	12,855	-11.65%	37	N/A	8:1	N/A	309	303	10.68%	98.06%
2011	276	4,015,686	14,550	-12.29%	29	N/A	10:1	N/A	276	270	8.70%	97.83%
2010	252	4,180,327	16,589	-2.27%	29	N/A	9:1	N/A	252	247	18.25%	98.02%
2009	206	3,496,543	16,974	-4.12%	23	N/A	9:1	N/A	206	202	20.39%	98.06%
2008	164	2,903,174	17,702	0.00%	15	N/A	11:1	N/A	164	160	100.00%	97.56%

Sources: Charter School records

Note: Enrollment based on annual final Charter School count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certified staff.

c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS).

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 School Building Information
 Last Seven Fiscal Years

	2015	2014	2013	2012	2011	2010	2009
<u>Charter School Building</u>							
<u>Middle & High School</u>							
Square Feet	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Capacity (students)	336	336	336	336	336	288	240
Enrollment	309	302	309	309	276	252	206

Number of Schools at June 30, 2015

Middle School = 1

High School = 1

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Insurance Schedule
June 30, 2015

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<u>COVERAGE</u>	<u>LIMITS</u>	<u>DEDUCTIBLES</u>
NJSBAIG - P944AF		
<u>Commercial Property Coverage</u>		
Property Blanket Building & Contents	\$350,000,000	1,000
Electronic Data Processing	\$150,000	1,000
Environmental/Pollution (occurrence)	\$1,000,000 occ.	25,000
Pool Aggregate	\$11,000,000	
Boiler & Machinery Coverage	\$100,000,000	1,000
<u>General Liability Coverage</u>		
Each Occurrence Limit	\$6,000,000	
Personal Injury	\$6,000,000	
Medical Expense (Excluding Students)	\$10,000	
Employee Benefit Liability (Aggregate)	\$6,000,000	1,000
<u>Automotive Coverage</u>		
Combined Single Limit	\$6,000,000	
<u>Crime Coverage</u>		
Public Employee Dishonesty	\$250,000	1,000
Theft, Disappearance & Destruction - Inside & Out	\$25,000	500
Robbery & Safe Burglary, other than Money & Securities - Inside & Out	\$25,000	500
Forgery or Alteration	\$250,000	1,000
Computer Fraud	\$250,000	1,000
<u>School Business Administrator/Board Secretary</u>	\$150,000	1,000
- Atilla Sabahoglu		
<u>Treasurer</u>	\$150,000	1,000
<u>Workers' Compensation</u>		
Each Accident (Bodily Injury)	\$2,000,000	
Each Employee (Bodily Injury by Disease)	\$2,000,000	
Aggregate (Bodily Injury by Disease)	\$2,000,000	
Chartis - 01-565-29-64		
Board of Education - School Leaders Errors & Omissions		
Each Loss/Aggregate	\$1,000,000	10,000
Employment Practices		25,000
NJBSAIG PREMIUMS:		
PKG (P944AF) - \$12,997.11		
WC (W944AF) - \$11,567		
CHARTIS PREMIUM:		
E&O (01-565-29-64) - \$11,567		
BERKELEY (SIS L40490509 002)		
- Student Accident	Excess	
STUDENT ACCIDENT PREMIUM		
SIS L40490509 002 - \$3,015		

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Charter School Performance Framework Financial Indicators
 Near Term Indicators
 Last Three Fiscal Years

	2013 Audit	2014 Audit	2015 Audit	Source
Cash	\$ 1,254,361	\$ 1,494,269	\$ 1,319,965	Audit: Exhibit A-1
Current Assets	550,483	388,795	278,708	Audit: Exhibit A-1
Total Assets	2,086,769	2,146,194	2,112,680	Audit: Exhibit A-1
Current Liabilities	450,258	327,329	297,230	Audit: Exhibit A-1
Total Liabilities	450,258	327,329	401,971	Audit: Exhibit A-1
Net Assets	1,636,511	1,818,865	(46,179)	Audit: Exhibit A-1
Total Revenue	4,656,049	4,724,559	5,071,594	Audit: Exhibit A-2
Total Expenses	4,480,158	4,541,871	5,468,991	Audit: Exhibit A-2
Change in Net Assets	175,891	182,688	(397,397)	Audit: Exhibit A-2
Depreciation Expense	18,795	18,795	18,795	Financial Statements/Audit Workpapers
Interest Expense	-	-	-	Financial Statements/Audit Workpapers
Principal Payments	-	-	-	Financial Statements/Audit Workpapers
Interest Payments	-	-	-	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	309.00	302.00	309.00	DOE Enrollment Reports
March 30th Budgeted Enrollment	301.00	306.00	328.00	Charter School Budget

RATIOS ANALYSIS...					
Near Term Indicators	2013	2014	2015	3 YR CUM	Source:
1a. Current Ratio	1.22	1.19	0.94		Current Assets/Current Liabilities
1b. Unrestricted Days Cash	102.19	120.08	88.09		Cash/(Total Expenses/365)
1c. Enrollment Variance	103%	99%	94%		Average Daily Enrollment/Budgeted Enrollment
1d.* Default	N/A	N/A	N/A		Audit

* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No

Refer questions to charterfinance@doe.state.nj.us

SINGLE AUDIT SECTION

BARRE & COMPANY
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**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**

Honorable President and
Members of the Board of Trustees
Central Jersey College Prep Charter School
County of Somerset
Somerset, New Jersey

We have audited, in accordance with the 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; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Central Jersey College Prep Charter School (Charter School), in the County of Somerset, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Charter School’s basic financial statements, as listed in the table of contents, and have issued our report thereon dated September 23, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

We also noted other matters that we reported to the Board of Trustees of the Central Jersey College Prep Charter School in a separate report entitled, Auditor's Management Report on Administrative Findings dated September 23, 2015.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

September 23, 2015

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Independent Auditor’s Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

Honorable President and
Members of the Board of Trustees
Central Jersey College Prep Charter School
County of Somerset
Somerset, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Central Jersey College Prep Charter School’s compliance with the types of compliance requirements described in the New Jersey Compliance Manual “State Grant Compliance Supplement” that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2015. The Central Jersey College Prep Charter School’s major federal and state programs are identified in the Summary of Auditor’s Results Section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

The Charter School’s management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Charter School’s major state programs based on our audit of the types of compliance requirements referred to above. 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 Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s 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 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 on compliance for each major state program. However, our audit does not provide a legal determination of the Charter School's compliance.

Opinion on Each Major State Program

In our opinion, the Central Jersey College Prep Charter School, in the County of Somerset, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Central Jersey College Prep Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Central Jersey College Preparatory Charter School, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements. We issued our report thereon dated September 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures and schedule of expenditures of state financial assistance are fairly stated in all material aspects in relation to the basic

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB A-133 and NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.



Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

September 23, 2015

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2015 Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
No Child Left Behind Cluster:														
Title I Part A														
Title I Part A Carryover														
Title I Exemplary														
Title II Part A														
IIS Competitive														
Total No Child Left Behind Cluster														
I.D.E.A. Part B Basic	84.027	IDEA - 6018 - 15	59,899	7/1/14	6/30/15	(20,373)	-	59,899	(59,899)	-	-	-	-	-
I.D.E.A. Part B Basic Carryover	84.027	IDEA - 6018 - 14	56,274	9/1/13	8/31/14	(20,373)	-	20,373	(59,699)	-	-	-	-	-
Total Individuals with Disabilities Cluster														
Total Special Revenue Fund						(39,132)	-	311,557	(273,160)	-	-	(735)	-	-
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
Enterprise Fund:														
School Breakfast Program	10.553	N/A	23,597	7/1/14	6/30/15	(2,206)	-	22,026	(23,597)	-	-	(1,571)	-	-
School Breakfast Program	10.553	N/A	24,562	7/1/13	6/30/14	(2,206)	-	2,206	-	-	-	-	-	-
National School Lunch Program	10.555	N/A	59,695	7/1/14	6/30/15	(5,112)	-	56,122	(59,695)	-	-	(3,573)	-	-
National School Lunch Program	10.555	N/A	62,439	7/1/13	6/30/14	(5,112)	-	5,112	-	-	-	-	-	-
Total Enterprise Fund						(7,318)	-	85,466	(83,292)	-	-	(5,144)	-	-
Sub-Total Federal Financial Awards						(46,450)		397,023	(356,452)			(5,879)		

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014					Balance at June 30, 2015					MEMO
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Balance	(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor	Budgetary Receivable	
State Department of Education															
General Fund: State Share - Charter School Aid	15-495-034-5120-071	\$ 1,346,673	7/1/14	6/30/15	\$ -	\$ -	\$ -	\$ 1,346,673	\$ (1,346,673)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,346,673
Social Security Aid	15-495-034-5120-089	80,548	7/1/14	6/30/15	-	-	-	80,548	(80,548)	-	-	-	-	-	80,548
Security Aid	15-495-034-5120-084	61,722	7/1/14	6/30/15	-	-	-	61,722	(61,722)	-	-	-	-	-	61,722
Nonpublic Aid	15-100-034-5086-042	145,542	7/1/14	6/30/15	-	-	-	145,542	(145,542)	-	-	-	-	-	145,542
On-Behalf TPAF Pension Contributions	15-495-034-5095-006	172,976	7/1/14	6/30/15	-	-	-	172,976	(172,976)	-	-	-	-	-	172,976
Reimbursed TPAF - Social Security	15-495-034-5095-002	133,618	7/1/14	6/30/15	-	-	-	126,670	(133,618)	(6,748)	-	-	-	-	133,618
Reimbursed TPAF - Social Security	14-495-034-5095-002	111,672	7/1/13	6/30/14	-	-	-	5,656	-	-	-	-	-	-	6,748
Total General Fund					(5,892)	-	-	1,940,187	(1,941,079)	(6,748)	-	-	-	-	1,941,079
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	1,722	7/1/14	6/30/15	(136)	-	-	1,625	(1,722)	(97)	-	-	-	-	1,722
National School Lunch Program (State Share)	14-100-010-3350-023	1,768	7/1/13	6/30/14	(136)	-	-	136	(1,722)	(97)	-	-	-	-	1,722
Total Enterprise Fund					(272)	-	-	1,761	(1,722)	(194)	-	-	-	-	1,722
Total State Financial Assistance					(5,892)	-	-	1,941,948	(1,942,801)	(6,845)	-	-	-	-	1,942,801
State Financial Assistance Not Subject to Major Program Determination:															
General Fund:															
On-Behalf TPAF Pension Contributions	15-495-034-5095-006	172,976	7/1/14	6/30/15	-	-	-	(172,976)	172,976	-	-	-	-	-	(172,976)
Total State Financial Assistance Subject to Single Audit					(5,892)	-	-	1,768,972	(1,769,825)	(6,845)	-	-	-	-	1,769,825

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2015

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Trustees, Central Jersey College Prep 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 is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual 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 U.S. OMB 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the 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 the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2015

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. 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 special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is none for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,941,079	\$ 1,941,079
Special Revenue Fund	273,160	-	273,160
Food Service Fund	83,292	1,722	85,014
Total Awards & Financial Assistance	<u>\$ 356,452</u>	<u>\$ 1,942,801</u>	<u>\$ 2,299,253</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. FEDERAL AND STATE LOAN OUTSTANDING

Central Jersey College Prep Charter School has no loan balances outstanding at June 30, 2015.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2015

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2015. TPAF Social Security Contributions 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, 2015.

NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the Charter School's basic financial statements and the amount subject to State single audit and major program determination.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the charter school.

Program	Total	2014
Title I, Part A: <i>Grants to Local Education Agencies</i>	<u>\$ 85,302</u>	<u>\$ 59,715</u>
Total	<u><u>\$ 86,036</u></u>	<u><u>\$ 59,715</u></u>

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements		<u>Unqualified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	_____ None Reported <u> X </u>
Noncompliance material to basic financial statements noted?	_____ Yes	<u> X </u> No

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes	_____ No
Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	_____ None Reported <u> X </u>
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	_____ Yes	<u> X </u> No
Identification of major state programs:		

GMIS Number(s)	Name of State Program
<u>15-495-034-5120-071</u>	<u>Local Levy – State Share</u>

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section II –Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

Finding

There were no matters reported.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

***Section III – Federal Awards and State Financial Assistance
Findings and Questioned Costs***

This section identifies audit findings required to be reported by NJOMB Circular Letter 04-04.

STATE AWARDS

Findings

There were no matters reported.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2015

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 (.315(a)(b)) and NJOMB's Circular 04-04.

Findings

There were no matters reported.