

**MARIA L. VARISCO-ROGERS
CHARTER SCHOOL**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2015

MARIA L. VARISCO-ROGERS

CHARTER SCHOOL

***Maria L. Varisco-Rogers Charter School
Board of Trustees
Newark, New Jersey***

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Prepared by

***Maria L. Varisco-Rogers Charter School
Finance Department***

And

Barre & Company, CPAs

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INTRODUCTORY SECTION

***MARIA L. VARISCO-ROGERS CHARTER SCHOOL
233 WOODSIDE AVENUE
NEWARK, NEW JERSEY 07104
973-484-9008***

December 9, 2015

Honorable Chairperson and
Members of the Board of Trustees
Maria L. Varisco-Rogers Charter School
233 Woodside Avenue
PO Box 400010
County of Essex
Newark, New Jersey 07104

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Maria L. Varisco-Rogers 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 new 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 Charter School.

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Charter School. This report will provide the taxpayers of the Maria L. Varisco-Rogers 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 three 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 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.

1. REPORTING ENTITY AND ITS SERVICES: Maria L. Varisco-Rogers Charter School was originally granted a charter by the Commissioner of the New Jersey Department of Education on September 9, 1999. At that time, the school opened its doors to its first 32 students which consisted of 16 students in the sixth grade and 16 students in the seventh grade. Over the past fifteen years the school has continued to grow in student and staff population, facilities and equipment, services offered, and in grades serviced. This academic year opened with 521 students from Kindergarten to eighth grade.

The goal for the 2015-2016 academic year will be to maintain 486 students enrolled from Kindergarten to eighth grade.

Maria L. Varisco-Rogers Charter School ended the 2014-2015 school year with an enrollment of 486 students. The following details the student enrollment of the Charter School over the last three years:

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Attendance Rate</u>
2014-2015	486.0	95.80%
2013-2014	486.0	95.80%
2012-2013	464.0	94.04%
2011-2012	441.0	93.99%
2010-2011	366.0	94.89%
2009-2010	290.0	96.84%

2. **MAJOR INITIATIVES:**

A. PERSONNEL MANAGEMENT

During the 2014-2015 school year, administration continued to use the same protocol as last year to ensure that all candidates applying for a position within the school which required appropriate credentials and certification were properly credentialed and certified. The school provided its employees with professional development activities so that teachers and support staff would be able to meet the school and state requirements (20 hours of Professional Development per school year). This was done by providing professional development during staff orientation in August 2014 and by holding one half school day session per month for onsite professional development for teachers and support staff.

For the 2014-2015 school year, the school was able to maintain full-time employment of its current staff as well as hire additional full-time staff, which included 14 teaching staff members, 2 social workers, and 2 maintenance workers. The school was also able to contract with an educational consultant for speech therapy, special educational needs and professional development.

B. FACILITIES

The school remained successful in maintaining its facilities located at 18 Heller Parkway and 243 Woodside Avenue, and its administration buildings located at 233 Woodside Avenue and 381 Woodside Avenue, all in Newark, NJ. The school continued to use the space at building 233 Woodside Avenue to utilize the Science and Mac Computer Laboratory, as well as additional space for resources for ESL, language arts, and special education teachers.

C. EDUCATIONAL PROGRAM

In the 2014-2015 school year, the school continued with its revision of the school's educational program (curriculum and professional development) based on the data assessment of our students' needs and the recommendations made by the NJ Department of Education during the 5 year renewal.

The school has devoted its resources to the development and improvement of its curriculum and pedagogy. The curriculum guides include the **New Jersey Core Curriculum Content Standards (NJCCC)** and **Common Core State Standards (CCSS)** that are addressed for each section of the text that is used for the subject, suggested activities, and a scope and sequence chart to help teachers plan the year. Teachers are involved in the process of curriculum revision and development. Teachers have received training and support from consultants in curriculum development and instructional planning which has led to a more vertically aligned curriculum from grade to grade, which will keep

EDUCATIONAL PROGRAM (CONTINUED)

evolving as the teachers implement it. The Principal and the teaching staff attended subject area meetings throughout the school year.

The school emphasizes the use of technology for teaching and learning. Classrooms are equipped with Smartboards, digital projectors (Elmo's), nooks, iPads, instructional software, Smart Response Systems, etc. In addition, there is a computer lab for the K-4 students located in 243 Woodside Ave., and a MAC lab for the students in grades 5-8 located in 233 Woodside Avenue.

One main focus of the school is an Individualized Educational Plan. During the first month of school, teachers administer assessment tests to understand the proximal zone of each student for each subject (DRA) as well as Pre-Assessments in LAL, Math, and Science for grades 4 and 8 and NWEA (**MAP**) Testing.

A wealth of afterschool programs were offered this year. The school operated its own Afterschool Enrichments Program for grades K-8 which included enrichment time with the Reading Specialist. The technology teacher was present daily to conduct needs based enrichment with the students in grades 3-8, as well as providing them with the opportunity to do research for homework/class assignments, and strengthen their basic computer skills (i.e., keyboarding). Students who were identified as being in need of additional support ("cusp students") were referred to Kumon Learning Center. Bus transportation was provided to Kumon. The program also offered a Science club for students in grades Five through Eight, a Dance club for students in grades five through eight, and a Girl Scout program for all girls in Kindergarten through Eighth Grade.

Lesson plans were developed collaboratively by grade level teams and submitted **bi-weekly** on **E-Chalk** for archiving and feedback. Supervisors reviewed lesson plans to ensure lesson tasks were aligned with objectives and the curriculum. The school's math program is well-developed and includes a strong emphasis on Algebra. The program has clear objectives and shows evidence of differentiation to meet the needs of the students at various levels.

Teachers have been provided with professional development to increase classroom rigor. In order to make improvements to the school's literacy program, the school's literacy coach provides teachers with resources and professional development, which includes modeling lessons. In order to provide more information to the staff regarding the ESL program, administration held meetings and professional development regarding the specifics of the ESL program such as but not limited to, the ESL teacher's role, testing, etc.

The school continued with its on-going staff development in the area of NJASK for 4th and 8th grade Science only and NJ PARCC Assessment preparation for grades 3-8 in Math and ELA. The school contracted a consultant to conduct a data analysis which was then shared with the teachers, support staff, and appropriate members of administration. Data was also analyzed in-house and shared during PLC's for growth and development.

D. PROFESSIONAL DEVELOPMENT AND SUPPORT

The school provides a plethora of support to its faculty and staff. In 2014-2015, the Principal, Director of Curriculum and Assessment and the Director of Special Services provided regular classroom observations (both formal and informal), as well as feedback. The professional development plan had an abundance of professional development offerings that took place prior to the beginning of the school year in mid-August. Also, the school held one half-school day session per month, which allowed for the teachers and support staff to attend 4 hours of onsite professional development monthly. In addition, consultants provided coaching and modeling of classroom lessons. Grade level teams met regularly with administrators to plan and address issues and students of concern.

E. ASSESSMENT AND STUDENT ACHIEVEMENT

STATE ASSESSMENTS

The staff at the school was responsible for preparing the students to take the state assessments and for administering the test. The Principal assigned two members of the teaching staff to be test coordinators. The test coordinators were responsible for gathering the proper testing materials, ensuring that they were handled properly (i.e. locked the NJASK material in a secure location); they also trained the staff to administer the test(s), and they prepared the completed tests for checking. The Special Education teacher(s) and case manager were responsible for maintaining the IEP's of students with special needs and ensuring the special needs students were provided with the IEP recommended accommodations. The students also participated in the PARCC Assessment (grades 3-8), IOWA (grade 2), Terra Nova Fall & Spring Test (grade 1), and Terra Nova Spring Test (Kindergarten) and NJASK (grades 4 and 8).

F. SOCIAL WORK

The school Social Work Program provided the entire school community with comprehensive service delivery with the goal of maximizing student academic success. These services included:

- Student/Parent Support – individual and/or family counseling with case management and I&RS services which include a service plan, group dynamics centered on improving emotional and behavioral health, social skills training which targeted the improvement of social skills such as conflict resolution, anger management and problem solving techniques, in-class student observations, in-class student support, and crisis intervention. These services were offered by three (3) licensed social workers and social work interns at the BSW and MSW level from collaborating schools of social work, including Kean University, Rutgers University, Fordham University and Seton Hall University. Social work interns worked closely with the school case manager in monitoring student process and progress. They were key

in the continuity of communication between family, school and community service providers.

- School Staff Support – staff orientations included Procedure for Referring Students for Pupil Assistance and Child Study Services. Staff benefited from social work consultation as needed using various means of communication including telephone, internet and in person.
- Child Study Team Services – The school case manager served as the case manager for students with Individualized Education Plans (IEP). In this role the case manager partnered with the special education teacher and regular education teachers to ensure proper implementation of the IEP goals and objectives.
- A social worker was present in the after school program to assist with the student's needs that arise after the regular school day, i.e., family emergencies resulting in late pick-up, counseling, crisis intervention, etc.
- An Anti-bullying Specialist and Anti-bullying coordinator were sent to training, and properly reported/investigated all reported incidents of HIB.
- Social work interns also developed activities for Week of Respect, Red Ribbon Week, Violence and Vandalism Week, and Nutrition Week. Activities promoted the educational theme of each week and included workshops for the parents as well as students.

G. PARENT / COMMUNITY INVOLVEMENT AND PUBLIC RELATIONS / OUTREACH

Maria L. Varisco-Rogers Charter School recognizes the importance of involving parents in their child's education. It has always been the school's objective to foster that relationship between parent and school. This year, the following activities were utilized in order to accomplish this objective:

- Parents were involved foremost by applying for their child's admittance into Maria L. Varisco-Rogers Charter School. Upon acceptance, parents met with the Principal for a personal interview that involved reviewing the rules and expectations of the school. Maria L. Varisco-Rogers Charter School has found this practice to be very successful as it is a strong beginning to the parent/school bond.
- Parents were given the opportunity to have their child participate in the KUMON program after school for additional academic support (Grades K-8).
- Family Math Game Night was held for grades K-8
- Science Fair was held for grades 4-8.

- Parents were provided with a Harassment, Intimidation and Bullying workshop.
- Students participated in clean up events, such as Slam Dunk the Junk, to help clean up and beautify the neighborhood.
- An athletics award dinner was held for athletes, their families, and their athletic sponsors to show recognition and support of their hard work. Athletic sponsors were community members who sponsored our athletes throughout their cross country season by donating to help purchase student supplies (i.e., running shoes), entrance into special events, and even ran alongside the students in marathon events.
- Throughout the year, parent orientations, open houses and meetings were scheduled to continue to keep parents abreast about the significant events occurring at the charter school.
- Three parents were invited by the Lead Person/Executive Director to participate on the Board of Trustees. They attended all monthly and special meetings held by the Board and participated in voting.
- Parents were invited to join the students on field trips.
- Classroom newsletters, phone calls home, the school website, and monthly activity calendars were the major forms of communication with parents regarding the school.

3. ACCOUNTABILITY: The following goals were established by the Executive Director / Lead Person:

- Expand facilities
 - The school will continue to seek facilities for future growth and expansion.
- Continue partnerships
 - The school continued to partner with local Universities such as Seton Hall, Rutgers, Kean and Fordham to provide social work services to the students and their families through the use of student interns at the MSW and BSW levels.
 - The school partnered with Kumon learning center to provide afterschool academic support to students identified as “needing improvement” (“cusp” students). To insure full participation, the school bused identified/enrolled students to Kumon. The partnership (and transportation) will continue with Kumon for the 2015-2016 school year.
 - The school will seek funding through community partnerships in order to provide additional academic support to the students, i.e., enrichment programs, tutoring, etc.

- Continue use of PowerSchool for the use of entering and maintaining student data such as grades, attendance, enrollment, etc.
- Continue the use of e-chalk for the school website, e-mail system, class pages, lesson plan delivery, and general portal of communication among the school community.
- The school will continue to utilize the Charlotte Danielson Framework for Teaching Performance Evaluation System and iObservation for conducting performance observations.
- The school continued to use IEP Direct (web-based Special Education management software). This will not continue in 2015-2016. The school will use PoweSchool Special Education powered by TIENET for their special education management software.
- The school will provide more activities and opportunities for parental involvement by asking parents to volunteer, having classroom helpers, etc.
- The school will continue to work toward increasing student achievement in language arts and mathematics.

4. GRANT(S) ACTIVITIES:

The NCLB (No Child Left Behind) Grant was approved for School-wide funding. The Grant was utilized to implement Professional Development workshops and activities such as special parent/student meetings and programs, as well as being used for payment of salaries for staff and administration.

Individuals with Disabilities Education Act (IDEA) was utilized to serve children with disabilities. The school provided early intervention, special education and related services to students with disabilities.

The Rutgers School System Improvement Grant provided the school the opportunity to be part of the Rutgers SSI Initiative. It included but was not limited to professional development for teachers and administrators on the Rutgers' SSI observation process; technological equipment such as iPads and a printer for administrative use to conduct iObservations; and an SSI representative provided on-sight support to administrators and staff throughout the year.

The NJ Physicians Advisory Group provided a grant called "Yes, You Can!" This program provided health curriculum to utilize with our middle school students in their health classes, teacher in-service workshops, and student and parent presentations.

The "Catch the Spirit" GenerationOn grant was awarded to implement an Ecology Club for our Middle School students. Students participated after school in recycling projects, planted a school flower garden, and learned about the environment.

5. **BOARD OF TRUSTEES:**

MAJOR ACCOMPLISHMENTS AND CRITICAL POLICIES

In this school year the Board of Trustees gave freely of their time and effort to accomplish the following:

- Approved title changes for two staff members to include the following positions: Non-Supervisory Coordinator of Special Projects and Non-Supervisory Coordinator of Technical Education.
- Installed a new phone system that will enhance communication between school personnel.
- Attended annually required Board Training.
- Selected two teachers and two parents to perform in the role of the School Grievance Committee.
- Obtained monthly principal and literacy coach reports at each meeting.
- Completed evaluations of the board's performance and the performance of the Lead Person/Executive Director and School Business Administrator.
- Met with Turner Agassi Charter School Facilities Fund to review services they offer.
- Approved and ensured implementation of the Title I/IDEA Corrective Action Plan.
- Hired the New Jersey School Boards Association to review, update and complete the school policies and procedures.

Board Members: There are currently 13 members of the board, 11 of which are voting members and 2 of which are Ex-Officio members. The members include community representatives, parents, a student member, and professionals. (See Table for list of board members).

6. **INTERNAL ACCOUNTING CONTROLS:**

The management of the school is responsible for establishing and maintaining internal control designed to ensure that the assets of the 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). The 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 control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits required estimates and judgments by management.

Based on the visit during the Five Year Renewal, the school was found to be stable and in good standing, with no need to review our financial records. Organized documents were also complimented, making the review process simple for them, including the communication established prior to the visit.

7. BUDGETARY CONTROLS: In addition to internal accounting controls, the School maintained budgetary controls. The objective of these budgetary controls was to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees and the State of New Jersey. Annual appropriated budgets were 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 canceled 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.

8. ACCOUNTING SYSTEMS AND REPORTS: The school's accounting records reflected Generally Accepted Accounting Principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The Accounting system of the school was organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to Financial Statements", Note 1.

9. CASH MANAGEMENT: The investment policy of the school was guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The school has adopted a cash management plan that requires it to deposit public 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 Governmental 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.

10. RISK MANAGEMENT: The school carries adequate amounts and types of insurance coverage for all aspects of the school's operation. This coverage is also used to protect and defend personnel, board members, and students against reasonable claims due to adverse events for which the school is liable. The coverage includes, but is not limited to, general liability, property, hazard and theft, automotive, worker's compensation, and student accident.

11. 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 and Consultants, 2204 Morris Avenue, Suite 206, Union, New Jersey 07083, was selected by the Maria L. Varisco-Rogers Charter School Board of Trustees to perform the audit. In addition to meeting the requirement set forth in state statutes, the audit was also designed to meet the requirement of the single Audit Act and related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

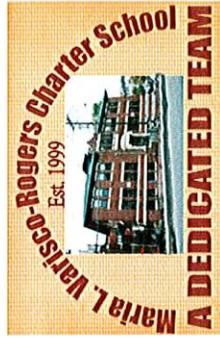
12. **ACKNOWLEDGEMENT**: I would like to express our deepest gratitude to our Board of Trustees for the strong recommendations they made throughout the school year to better our school's operations. The Board is pleased with the hard work and dedication of the CPA firm, Barre and Company, and their findings of "no recommendations" for this year's annual audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jose A. Segarra". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jose A. Segarra
School Business Administrator

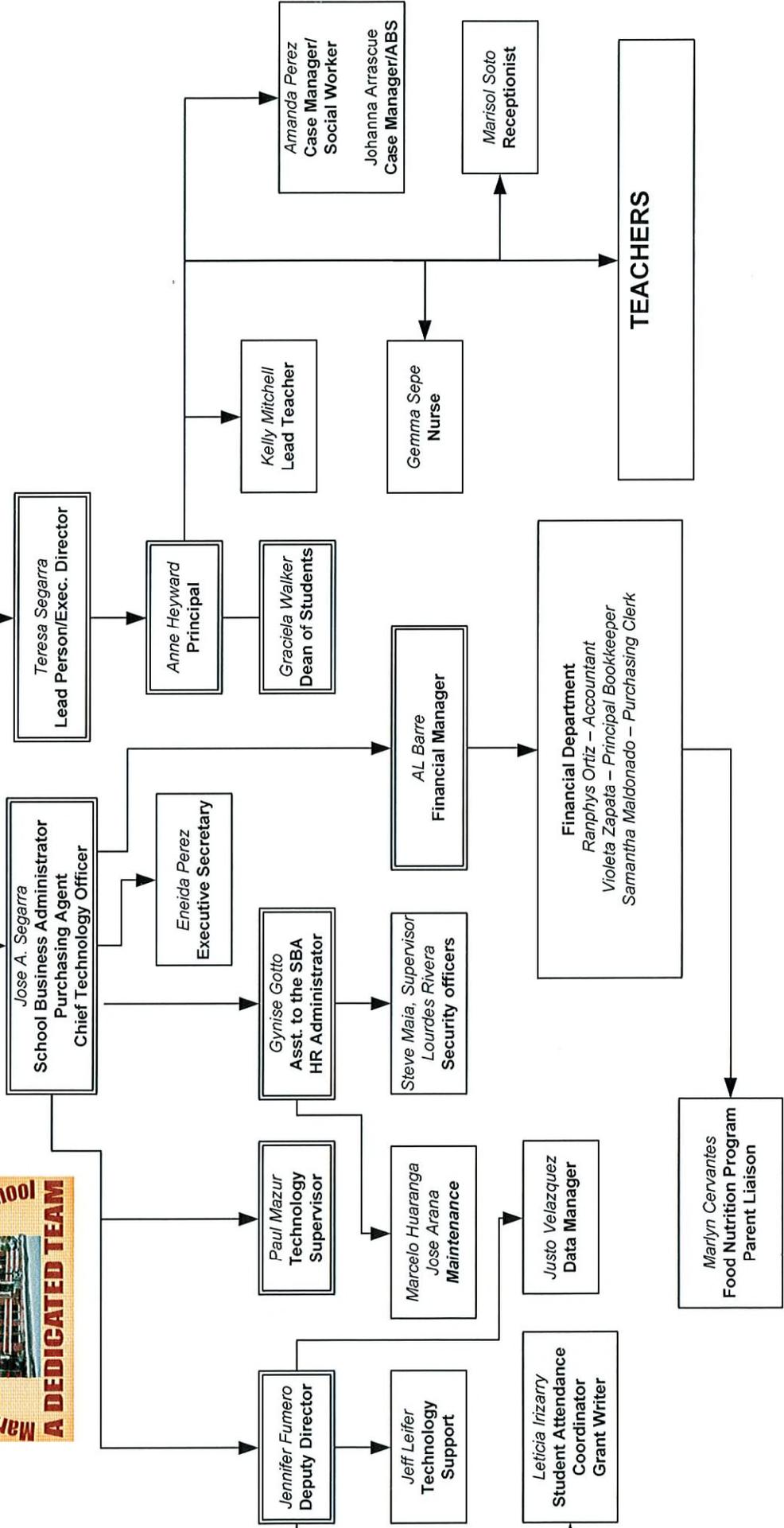
Maria L. Varisco-Rogers Charter School



Board of Trustees
 Maritza Arauz, Chairperson
 Pastor Jorge Granados, Vice-Chairman
 Simon Bolivar-Cabrera, Secretary
 Jessica Ortiz (parent)- Treasurer
 Torrence E. Burrowes
 Rosa Farias
 Genoveva Isona
 Ana Jimenez-Quifones
 Carmen M. Baez
 Alex O. Rodriguez
 Maria Soto - Parent

Organizational Chart

Approved
 March 2012



Revised

11/2012

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

MEMBERS OF THE BOARD OF TRUSTEES

POSITION

Carmen Baez	Chairperson
Virgilio Alomar	Secretary
Pastor Jorge Granados	Vice-Chairperson
Genoveva Isona	Board Member
Jose A Ocasio	Board Member
Gladys Colon	Board Member
Sarah Flores	Board Member
Simon Boliva-Cabrera	Board Member
Maria Camacho	Parent Member
Migdalia Concepcion	Parent Member
Jessica Ortiz	Parent Member/Treasurer

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

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Certified Public Accountants
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Attorney

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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Independent Auditor’s Report

Honorable President
Members of the Board of Trustees
Maria L. Varisco-Rogers Charter School
County of Essex
Newark, 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 Maria L. Varisco-Rogers Charter School (Charter School), in the County of Essex, 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 Maria L. Varisco-Rogers Charter School, in the County of Essex, 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 Standard Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to the 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 11 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 22 and 82 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 fund financial statements and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget (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,"* respectively; 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 November 12, 2015 on our consideration of the Maria L. Varisco-Rogers 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.



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

December 9, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, NEW JERSEY**

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

The discussion and analysis of Maria L. Varisco-Rogers 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 \$8,895,264 or 94% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$540,975 or 6% of total revenues of \$9,436,239.
- ❖ The Charter School had \$10,031,780 in expenses; only \$540,975 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$8,895,264 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$8,482,746 in revenues and \$8,784,830 in expenditures. The General Fund's fund balance decreased \$302,086 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, 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 Maria L. Varisco-Rogers 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 Maria L. Varisco-Rogers 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 has 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, 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 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 — This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Before and After School Program proprietary funds are reported as a business-type 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 the 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, 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 46 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 Position were \$939,570 for 2015 and \$4,091,030 for 2014.

Governmental Activities

The Charter School's total revenues were \$8,999,251 for 2015 and \$8,990,441 for 2014, this includes \$658,901 for 2015 and \$464,880 for 2014 of state reimbursed TPAF social security and pension contributions.

The total cost of all program and services were \$9,602,430 for 2015 and \$8,680,855 for 2014. Instruction comprises 51% of Charter School expenses for 2015 and 52% for 2014.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, NEW JERSEY**

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

Business-Type Activities

Revenues for the Charter School's business-type activities (Food Service and Before and After School Care) were comprised of charges for services and federal and state reimbursements.

FOOD SERVICE

- ❖ Expenses exceeded revenues by \$26,044 for 2015 while revenues exceeded expenses by \$29,351 for 2014.
- ❖ Charges for services represent \$28,018 for 2015 and \$25,276 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 lunches and breakfast, and snack program were \$354,684 for 2015 and \$342,699 for 2014.

AFTER CARE

- ❖ Revenues exceeded expenses by \$33,682 for 2015, and by \$10,294 for 2014.
- ❖ Charges for services represent \$54,286 for 2015 and \$68,032 for 2014. This represents amounts paid by parents and other patrons for before-school and after-school care for the children who attend MLVRCS.

Governmental Activities

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. The net cost shows the financial burden that was placed on the Charter School's taxpayers by each of these functions.

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

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

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

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, 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 \$8,999,251 for 2015 and \$8,990,441 for 2014 and expenditures were \$9,301,335 for 2015 and \$8,701,353 for 2014. The net change in fund balance was most significant in the general fund, a decrease of \$302,084 in 2015 and an increase of \$289,088 for 2014.

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2014	Percent of Increase/ (Decrease)
Local Sources	\$ 1,064,180	11.83%	\$ 10,129	0.96%
State Sources	7,418,566	82.43%	2,838	0.04%
Federal Sources	516,505	5.74%	(4,157)	-0.80%
Total	\$ 8,999,251	100.00%	\$ 8,810	

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2014	Percent of Increase/ (Decrease)
Instruction	\$ 3,690,323	39.68%	\$ 243,963	7.08%
Administration	3,500,277	37.63%	203,558	6.17%
Support Services	2,013,060	21.64%	128,023	6.79%
Capital Outlay	97,675	1.05%	24,438	33.37%
Total	\$ 9,301,335	100.00%	\$ 599,982	

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, NEW JERSEY**

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

The Charter School's Funds (Continued)

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

General Fund Budgeting Highlights

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

Over the course of the year, the Charter School revised the annual operating budget in accordance with state regulations. 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 \$164,006 invested in building improvements and equipment at the end of the fiscal year 2015, and \$170,892 for 2014.

Current Issues

Maria L. Varisco-Rogers Charter School has been in existence for fifteen years and is still growing. With the enrollment increase, more spaces are necessary to accommodate the additional students. The administration is currently seeking larger facilities to accommodate the expected growth in enrollment.

For the Future

The Maria L. Varisco-Rogers 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, the Maria L. Varisco-Rogers 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NEWARK, NEW JERSEY**

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

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 Jose A. Segarra, School Board Administrator at Maria L. Varisco-Rogers Charter School, 233 Woodside Avenue, Newark, New Jersey 07104.

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.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 3,446,183	\$ 254,248	\$ 3,700,431
Interfund Receivables	43,576		43,576
Receivables	53,675	21,758	75,433
Capital Assets, Net	164,006	15,998	180,004
Total Assets	3,707,440	292,004	3,999,444
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	755,739		755,739
Total Deferred Outflows of Resources	755,739		755,739
LIABILITIES:			
Interfund Payable		1,573	1,573
Payable to State Government	85,519		85,519
Accounts Payable	100,046	22,608	122,654
Noncurrent Liabilities:			
Pensions	3,402,992		3,402,992
Total Liabilities	3,588,557	24,181	3,612,738
DEFERRED INFLOWS OF RESOURCES:			
Pensions	202,875		202,875
Total Deferred Inflows of Resources	202,875		202,875
NET POSITION:			
Net Investment in Capital Assets	164,006		164,006
Unassigned	507,741	267,823	775,564
Total Net Position	\$ 671,747	\$ 267,823	\$ 939,570

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

MARIA L. VARISCO-ROGERS 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	3,690,323	\$ 1,222,178	\$ -	\$ 103,987	\$ -	\$ (4,808,514)	\$ -	\$ (4,808,514)
Administration	1,793,680	437,379				(2,231,059)		(2,231,059)
Support Services	2,013,060	341,249				(2,354,309)		(2,354,309)
Capital Outlay	50,052					(50,052)		(50,052)
Unallocated Depreciation	54,509					(54,509)		(54,509)
Total Governmental Activities	7,601,624	\$ 2,000,806	\$ -	\$ 103,987	\$ -	\$ (9,498,443)	\$ -	\$ (9,498,443)
BUSINESS-TYPE ACTIVITIES:								
Food Service and Before & After School Care	429,350		82,304	354,684			7,638	7,638
Total Business-Type Activities	429,350		82,304	354,684			7,638	7,638
Total Primary Government	\$ 8,030,974		\$ 82,304	\$ 458,671	\$ -	\$ (9,498,443)	\$ 7,638	\$ (9,490,805)
GENERAL REVENUES								
General Purposes						\$ 1,039,083	\$ -	\$ 1,039,083
Federal and State Aid Not Restricted						7,831,084		7,831,084
Miscellaneous Income						25,097		25,097
Total General Revenues						8,895,264		8,895,264
Change in Net Position						(603,179)	7,638	(595,541)
Net Position - Beginning of Year - Restated						1,274,926	260,185	1,535,111
Net Position - Ending						\$ 671,747	\$ 267,823	\$ 939,570

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL

Governmental Funds

Balance Sheet

June 30, 2015

	General Fund	Special Revenue Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents:	\$ 3,446,183	\$ -	\$ 3,446,183
Interfund Receivables	43,576		43,576
Receivables From Other Governments	11,665		11,665
Other Receivables	42,010		42,010
Total Assets	\$ 3,543,434	\$ -	\$ 3,543,434
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Current Liabilities:			
Payable to State Government	85,519		85,519
Accounts Payable and Accrued Expenses	100,046		100,046
Total Current Liabilities	185,565	-	185,565
Total Liabilities	185,565	-	185,565
Fund Balances:			
Unassigned:			
General Fund	3,357,869		3,357,869
Total Fund Balances	3,357,869	-	3,357,869
Total Liabilities and Fund Balances	\$ 3,543,434	\$ -	

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

Capital position used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$350,778 and the accumulated depreciation is \$186,772.

164,006

Net pension liability of \$3,402,992, deferred inflows of resources of \$202,875 less deferred outflows of resources of \$755,739 related to pensions are not reported in the governmental funds

(2,850,128)

Net Position of Governmental Activities

\$ 671,747

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,039,083	\$ -	\$ 1,039,083
Interest on Investments	2,581		2,581
Miscellaneous	22,516		22,516
Total Local Sources	1,064,180	-	1,064,180
State Sources	7,418,566		7,418,566
Federal Sources		516,505	516,505
Total Revenues	8,482,746	516,505	8,999,251
EXPENDITURES:			
Current:			
Instruction	3,294,584	395,739	3,690,323
Administration	3,500,277		3,500,277
Support Services	1,892,294	120,766	2,013,060
Capital Outlay	97,675		97,675
Total Expenditures	8,784,830	516,505	9,301,335
NET CHANGE IN FUND BALANCES	(302,084)	-	(302,084)
FUND BALANCES, JULY 1	3,659,953	-	3,659,953
FUND BALANCES, JUNE 30	\$ 3,357,869	\$ -	\$ 3,357,869

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

MARIA L. VARISCO-ROGERS 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) \$ (302,084)

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.

Capital Asset Additions	\$ 47,623	
Depreciation Expense	<u>(54,509)</u>	(6,886)

Repayment of mortgage principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

-

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

(294,209)

Change in net position (deficit) of governmental activities

\$ (603,179)

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

PROPRIETARY FUNDS

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Proprietary Fund
 Statement of Net Position
 June 30, 2015

	Food Service	After School Care	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 193,146	\$ 61,102	\$ 254,248
Receivables:			
Intergovernmental Accounts Receivable:			
Federal	18,289		18,289
State	2,459		2,459
Other Receivables		1,010	1,010
Total Current Assets	213,894	62,112	276,006
Noncurrent Assets:			
Machinery and Equipment	26,911		26,911
Less Accumulated Depreciation	(10,913)		(10,913)
Total Noncurrent Assets	15,998	-	15,998
Total Assets	\$ 229,892	\$ 62,112	\$ 292,004
LIABILITIES AND NET POSITION:			
Current Liabilities:			
Interfund Accounts Payable	\$ -	\$ 1,573	\$ 1,573
Accounts Payable	22,608		22,608
Total Liabilities	22,608	1,573	24,181
Net Position:			
Unassigned	207,284	60,539	267,823
Total Liabilities and Net Position	\$ 229,892	\$ 62,112	\$ 292,004

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Food Service	After School Care	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales Non-reimbursable Program	\$ 28,018	\$ -	\$ 28,018
Program Fees		54,286	54,286
Total Operating Revenues	28,018	54,286	82,304
OPERATING EXPENSES:			
Salaries		16,927	16,927
Supplies and Materials	40,235		40,235
Cost of Sales	337,741		337,741
Depreciation Expense	4,813		4,813
Miscellaneous Expenses	25,957	3,677	29,634
Total Operating Expenses	408,746	20,604	429,350
OPERATING INCOME (LOSS)	(380,728)	33,682	(347,046)
NONOPERATING REVENUES:			
State Source:			
State School Lunch Program	4,304		4,304
State School Fruit/Vegetable Program	28,807		28,807
Federal Source:			
National School Breakfast/Lunch/Snack Program	321,573		321,573
Total Nonoperating Revenues	354,684	-	354,684
CHANGE IN NET POSITION	(26,044)	33,682	7,638
TOTAL NET POSITION JULY 1	233,328	26,857	260,185
TOTAL NET POSITION JUNE 30	\$ 207,284	\$ 60,539	\$ 267,823

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Food Service	After School Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	42,460	\$ 54,286	\$ 96,746
Cash Payments to Suppliers and Employees	(415,223)	(19,782)	(435,005)
Net Cash Provided By (Used In) Operating Activities	(372,763)	34,504	(338,259)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash Received From State And Federal Reimbursements	354,684		354,684
Net Cash Provided By Noncapital Financing Activities	354,684	-	354,684
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition Of Capital Assets	(5,690)		(5,690)
Net Cash Used For Capital And Related Financing Activities	(5,690)	-	(5,690)
Net Increase/(Decrease) In Cash And Cash Equivalents	(23,769)	34,504	10,735
Cash And Cash Equivalents, Beginning Of Year	216,915	26,598	243,513
Cash And Cash Equivalents, End Of Year	<u>\$ 193,146</u>	<u>\$ 61,102</u>	<u>\$ 254,248</u>
Reconciliation of Operating Income (Loss) to Net Cash Provide By (Used In)			
Operating Activities:			
Operating Profit (Loss) Provided By (Used In) Operating Activities	(380,728)	\$ 33,682	\$ (347,046)
Depreciation	4,813		4,813
Change In Assets And Liabilities:			
Decrease In Receivables From Other Governments	8,733		8,733
Increase (Decrease) In Interfund Payable	(1,639)	822	(817)
(Decrease) In Accounts Payable	(3,942)		(3,942)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (372,763)</u>	<u>\$ 34,504</u>	<u>\$ (338,259)</u>

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

FIDUCIARY FUNDS

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2015

	Unemployment Compensation Insurance	Agency Funds
	<u> </u>	<u> </u>
ASSETS:		
Cash and Cash Equivalents	\$ 13,271	\$ 340,804
Interfund Accounts Receivable		-
	<u> </u>	<u> </u>
Total Assets	<u>\$ 13,271</u>	<u>\$ 340,804</u>
LIABILITIES:		
Interfund Accounts Payable		\$ 42,003
Accounts Payable	\$ 1,193	
Summer Pay Payable		237,906
Payroll Deductions and Withholdings		53,618
Due to Student Groups		7,277
	<u> </u>	<u> </u>
Total Liabilities	<u>1,193</u>	<u>\$ 340,804</u>
NET POSITION:		
Reserved for Unemployment Claims	<u>\$ 12,078</u>	
Total Net Position	<u>\$ 12,078</u>	

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Insurance
ADDITIONS:	
Contributions:	
Employee	\$ 10,506
Employer	27,365
Total Additions	37,871
DEDUCTIONS:	
Payment of Claims	28,558
Total Deductions	28,558
CHANGE IN NET POSITION	9,313
NET POSITION JULY 1	2,765
NET POSITION JUNE 30	\$ 12,078

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

NOTES TO THE FINANCIAL STATEMENTS

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Maria L. Varisco-Rogers Charter School have been prepared in conformity with generally accepted accounting principles generally (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body responsible for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Charter School are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement No. 34). This Statement provides for the most significant change in financial reporting in over twenty years and was implemented for the fiscal year ending June 30, 2004. In addition, the Charter School has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*.

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 a non-profit corporation organized under the laws of the State of New Jersey, established in 1998 to operate and maintain a public school under a charter granted by the State of New Jersey. The Charter School consists of nine members and must comply with the Charter School Program Act of 1995 and regulations promulgated thereunder.

The primary criterion for including activities within the Charter School's reporting entity are set forth in Statement No. 14 of the Governmental Accounting Standards Board entitled "The Financial Reporting Entity" (GASB 14) as codified in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Under GASB Statement No. 14, the financial reporting entity is determined by the degree of oversight responsibility maintained by the Charter School.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School over which it exercises operating control. The operations of the Maria L. Varisco-Rogers Charter School include a Grade 1 through Grade 8 school located in the City of Newark.

There are no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

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 nonexchange 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.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Revenues that are not classified as program revenues, including all taxes, 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 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 subfund.

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America 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 School Board resolution.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Types: These funds account for operations that are organized to be self-supporting through user charges and are similar to those often found in private business enterprises.

The Charter School reports the following *proprietary* fund:

Enterprise (Food Services and After School Care) Fund: The enterprise fund accounts for all revenues and expenses pertaining to the Charter School's Food Service operations, and Before & 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 cost (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.

Fiduciary Funds: The funds are used to account for assets held by the Charter School on behalf of others.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The Charter School reports the following *fiduciary* funds:

Agency Funds: The agency funds are used to account for assets held by the Charter School on behalf of outside parties, including other governments, or on behalf of other funds within the Charter School. The agency funds included are as follows:

Payroll and Student Activities Funds: These are agency funds used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Nonexpendable Trust Fund: a nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby “the school” is under obligation to maintain the trust principal.

Unemployment Insurance Trust Fund: An expendable trust fund used to account for deductions from employees’ salaries which are utilized to pay unemployment compensation claims as they arise.

C. Basis of Accounting – Measurement Focus

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 Charter School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting while 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. 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 are recognized in the fiscal year in which all eligibility requirements have been satisfied.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus (Continued)

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 transactions 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.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. They are submitted to the county office. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by School Board resolution.

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).

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. 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)		\$ 516,505
Adjustments:		
Less Encumbrances at June 30, 2015	-	
Plus Encumbrances at June 30, 2014	-	
Total Revenues and Expenditures (GAAP Basis)		\$ 516,505

E. 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 revenues 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances Accounting (Continued)

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.

F. 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.

Prepaid Expenses:

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Capital Assets:

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 and construction in progress 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>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Office & computer equipment	5-10

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.

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.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in accordance with N.J.S.A. 18:F7.

Revenues — Exchange and Nonexchange 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.

Nonexchange 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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

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 nonexchange 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: property taxes available as an advance, 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 in the Enterprise Fund. 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.

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.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

G. 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.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, 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

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

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. 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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 and investments of the Charter School consisted of the following:

	General Fund	Proprietary Fund	Fiduciary Funds	Total
Operating Account	\$ 3,446,183	\$ 254,248	\$ 354,075	\$ 4,054,506

The investments recorded in the Charter School-wide 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 \$4,054,506 and the bank balance was \$4,211,552. 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. In general, bank deposits are classified as to credit risk by three categories described below:

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. In general, bank deposits are classified as to credit risk by three categories described below:

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Risk Category (Continued)

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

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 are classified as Category 1, 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-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 (tuition), intergovernmental, grants, and miscellaneous.

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

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3: RECEIVABLES (CONTINUED)

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 11,665	\$ 14,124
Federal Aid	-	18,289
Other	42,010	43,020
Gross Receivables	53,675	75,433
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	\$ 53,675	\$ 75,433

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 43,576	\$ -
Proprietary Funds		1,573
Fiduciary Funds		42,003
Total	\$ 43,576	\$ 43,576

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5: CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 303,155	\$ 47,623	\$ -	\$ 350,778
Totals at Historical Cost	<u>303,155</u>	<u>47,623</u>	<u>-</u>	<u>350,778</u>
Less Accumulated Depreciation For:				
Machinery and Equipment	132,263	54,509	-	186,772
Total Accumulated Depreciation	<u>132,263</u>	<u>54,509</u>	<u>-</u>	<u>186,772</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	170,892	(6,886)	-	164,006
Government Activity Capital Assets, Net	<u>\$ 170,892</u>	<u>\$ (6,886)</u>	<u>\$ -</u>	<u>\$ 164,006</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 21,221	\$ 5,690	\$ -	\$ 26,911
Less Accumulated Depreciation	(6,100)	(4,813)	-	(10,913)
Enterprise Fund Capital Assets, Net	<u>\$ 15,121</u>	<u>\$ 877</u>	<u>\$ -</u>	<u>\$ 15,998</u>

In January 11, 2001, the New Jersey 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 \$54,509 was charged to an unallocated function.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6: RENTAL LEASE

As of the end of the school year, June 30, 2015, the Charter School was under four separate lease obligations as noted below. Rent expense for this year amounted to \$668,698. Future minimum annual rental is as follows:

<u>Address</u>	<u>Term</u>	<u>2015-2016</u>
18 Heller Parkway Use - School	September 1, 2013 to August 31, 2018	\$ 218,024
233 Woodside Avenue Use - Offices/Classes	July 1, 2014 to June 30, 2017	33,128
243 Woodside Avenue Use - School	September 1, 2011 to August 31, 2016	318,087
381 Woodside Avenue Use - Administration	September 1, 2012 to August 31, 2016	83,200
	Totals	\$ 652,439

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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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 \$ 149,838 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 \$ 3,402,992 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 0.0181757183% , which was a decrease of 0.00401833% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2014, the District recognized pension expense of \$ 106,673 . At June 30, 2014, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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	\$ 107,008	\$ -
Changes in Proportion	648,731	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	202,800
	\$ 755,739	\$ 202,800

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	\$ (43,956)
2016	(43,956)
2017	(43,956)
2018	(43,956)
2019	34,501
Thereafter	15,180
	\$ (126,142)

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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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%

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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	\$ 4,281,079	\$ 3,402,992	\$ 2,665,621

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	\$ 3,368,312	\$ 2,705,757	\$ 2,150,625

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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 \$64,622 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$ 92,699

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 \$ 11,663,352 . 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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 0.0218223811% , which was a decrease of 0.0052640% 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>11,663,352</u>
Total	<u><u>\$ 11,663,352</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 \$ 92,699 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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 200 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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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%

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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	\$ 14,124,096	\$ 11,743,293	\$ 9,763,087
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	\$ 10,103,545	\$ 8,410,105	\$ 7,012,765

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC 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 2014.

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.

New Jersey Unemployment Compensation Insurance

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursed Method". Under this plan, the charter school is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The charter school is billed quarterly for amounts due to the State. The table is a summary of charter school contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the charter school's expendable trust fund for the current year:

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance (Continued)

<u>Fiscal Year</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 27,365	\$ 10,506	\$ 28,558	\$ 12,078
2013-2014	20,173	9,322	32,884	2,765

NOTE 10: FUND BALANCE APPROPRIATED

General Fund

The \$3,357,869 General Fund fund balance in the fund financial statements at June 30, 2015 is unreserved and undesignated.

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	3,830,845
Adjustments:	
Net Pension Liability	(2,705,757)
Deferred Outflow - Payments Subsequent to Measurement Date	149,838
	(2,555,919)
Total Adjustments	(2,555,919)
Restated Net Position June 30, 2014	\$ 1,274,926

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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12: SUBSEQUENT EVENTS

The Maria L. Varisco-Rogers Charter School's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of the audit.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2015

C-1
 Sheet 1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Levy Budget:					
"Local Levy" Local Share-Charter School Aid	\$ 1,040,157	\$ 953	\$ 1,041,110	\$ 1,039,083	\$ (2,027)
Total Local Levy Budget	1,040,157	953	1,041,110	1,039,083	(2,027)
Categorical Aid:					
Special Education	121,459	(17,472)	103,987	103,987	-
Security Aid	300,766	(19,392)	281,374	277,667	(3,707)
Equalization Aid	6,374,180	5,837	6,380,017	6,367,593	(12,424)
Non-Public Aid		10,418	10,418	10,418	-
Total Categorical Aid	6,796,405	(20,609)	6,775,796	6,759,665	(16,131)
Revenues From Other Sources:					
Interest Income				2,581	2,581
Miscellaneous Revenue				22,516	22,516
On-Behalf TPAF Pension Contributions (Non-Budgeted)				420,665	420,665
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				238,236	238,236
Total Revenues From Other Sources	-	-	-	683,998	683,998
Total Revenues	7,836,562	(19,656)	7,816,906	8,482,746	665,840
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,910,193	33,267	1,943,460	1,625,052	318,408
Other Salaries for Instruction	1,601,475	(790)	1,600,685	1,307,715	292,970
Purchased Prof/Tech Services	120,000	(24,298)	95,702	95,653	49
Other Purchased Services	65,000	(21,000)	44,000	37,902	6,098
General Supplies	187,797	12,272	200,069	185,934	14,135
Textbooks	50,560		50,560	18,374	32,186
Miscellaneous	35,000	(1,272)	33,728	23,954	9,774
Total Instruction	3,970,025	(1,821)	3,968,204	3,294,584	673,620
Administration:					
Salaries - General Administration	619,761	28,917	648,678	648,678	-
Salaries of Secretarial/Clerical Assistants	799,525	(174,615)	624,910	610,534	14,376
Total Benefits Cost	1,895,442	31,542	1,926,984	1,361,813	565,171
Purchases Prof/Tech Services	10,000	7,000	17,000	16,158	842
Other Purchased Services	64,650	7,498	72,148	67,994	4,154
Communications/Telephone	70,000		70,000	66,166	3,834
Supplies and Materials	70,000		70,000	45,278	24,722
Miscellaneous Expenses	30,000		30,000	24,755	5,245
Total Administration	3,559,378	(99,658)	3,459,720	2,841,376	618,344

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2015

C-1
 Sheet 2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from Prior Page)					
Support Services:					
Salaries	\$ 547,227	\$ 282,081	\$ 829,308	\$ 789,678	\$ 39,630
Rental of Land and Buildings	667,193	1,506	668,699	668,698	1
Other Purchased Services	323,378	8,940	332,318	227,730	104,588
Insurance for Property, Liability and Fidelity	41,000	1,692	42,692	42,692	-
Supplies and Materials	80,000	(17,160)	62,840	62,301	539
Energy Costs (Heat and Electricity)	69,240	32,796	102,036	101,195	841
Total Support Services	1,728,038	309,855	2,037,893	1,892,294	145,599
Capital Outlay:					
Instructional Equipment	15,000	(15,000)	-	-	-
Non-Instructional Equipment	30,000	67,875	97,875	97,675	200
Total Capital Outlay	45,000	52,875	97,875	97,675	200
On-Behalf TPAF Pension Contributions (Non-Budgeted)				420,665	(420,665)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				238,236	(238,236)
Total Expenditures	9,302,441	261,251	9,563,692	8,784,830	778,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,465,879)	(280,907)	(1,746,786)	(302,084)	1,444,702
FUND BALANCE, JULY 1	3,659,953	-	3,659,953	3,659,953	-
FUND BALANCE, JUNE 30	\$ 2,194,074	\$ (280,907)	\$ 1,913,167	\$ 3,357,869	\$ 1,444,702
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ 2,194,074	\$ (280,907)	\$ 1,913,167	\$ 3,357,869	\$ 1,444,702
Total	\$ 2,194,074	\$ (280,907)	\$ 1,913,167	\$ 3,357,869	\$ 1,444,702

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

MARIA L. VARISCO-ROGERS 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:					
Federal	\$ 516,505	\$ -	\$ 516,505	\$ 516,505	\$ -
Total Revenues	516,505	-	516,505	516,505	-
EXPENDITURES:					
Instruction:					
Salaries	301,071	(17,362)	283,709	283,709	-
Purchased Prof/Tech Services	67,268	22,257	89,525	89,525	-
General Supplies	10,625	10,000	20,625	20,625	-
Other Objects	13,880	(12,000)	1,880	1,880	-
Total Instruction	392,844	2,895	395,739	395,739	-
Support Services:					
Personal Services - Employee Benefits	73,502	262	73,764	73,764	-
Purchased Technical Services	31,233	2,500	33,733	33,733	-
Supplies and Materials	17,426	(10,000)	7,426	7,426	-
Other Objects	1,500	4,343	5,843	5,843	-
Total Support Services	123,661	(2,895)	120,766	120,766	-
Total Expenditures	516,505	-	516,505	516,505	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

MARIA L. VARISCO-ROGERS CHARTER SCHOOL

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For The Fiscal Year Ended June 30, 2015

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] 8,482,746		[C-2] \$ 516,505
Difference - Budget to GAAP			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			-
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>8,482,746</u>		[B-2] \$ <u>516,505</u>
Uses/Outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 8,784,830		[C-2] \$ 516,505
Differences - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.			-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>8,784,830</u>		[B-2] \$ <u>516,505</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
Charter School's proportion of the net pension liability	0.0141573844%	0.0181757183%
Charter School's proportionate share of the net pension liability	\$ 2,705,757	\$ 3,402,992
Charter School's covered employees payroll	\$ 1,244,397	\$ 1,549,524
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	217%	220%
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.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TWO FISCAL YEARS
 UNAUDITED**

	Fiscal Year Ending June 30,	
	2014	2015
Contractually required contribution	\$ 106,673	\$ 149,838
Contributions in relation to the contractually required contribution	<u>(106,673)</u>	<u>(149,838)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered employee payroll	\$ 1,244,397	\$ 1,549,524
Contributions as a percentage of covered employee payroll	8.57%	9.67%

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

MARIA L. VARISCO-ROGERS 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 TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
State's proportion of the net pension liability attributable of the Charter School	0.0165584169%	0.0218223811%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 8,368,494	\$ 11,663,352
CS / District's covered employees payroll	\$ 3,168,937	\$ 3,138,261
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	264.08%	371.65%
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.

**MARIA L. VARISCO-ROGERS 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	\$ 92,699
Contributions in relation to the contractually required contribution	<u>(92,839)</u>
Contribution deficiency/(excess)	<u>\$ (140)</u>
Charter School's covered employee payroll	\$ 3,168,937
Contributions as a percentage of covered employee payroll	2.93%

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 - PART III

MARIA L. VARISCO-ROGERS 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.

MARIA L. VARISCO-ROGERS 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.

MARIA L. VARISCO-ROGERS 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	NCLB Title I Carryover	NCLB Title III	I.D.E.A. Part B	NCLB Title II Part A	Grand Total
REVENUE SOURCES:						
Federal	\$ 369,816	\$ 20,251	\$ 17,426	\$ 103,642	\$ 5,370	\$ 516,505
Total Revenues	369,816	20,251	17,426	103,642	5,370	516,505
EXPENDITURES:						
Instruction:						
Salaries	205,015			78,694		283,709
Purchased Prof/Tech Services	71,154	18,371		625		89,525
General Supplies	10,000		10,000			20,625
Other Objects		1,880				1,880
Total Instruction	286,169	20,251	10,000	79,319	-	395,739
Support Services:						
Personal Services - Employee Benefits	53,304			20,460		73,764
Purchased Prof/Tech Services	24,500			3,863	5,370	33,733
Supplies and Materials			7,426			7,426
Other Objects	5,843					5,843
Total Support Services	83,647	-	7,426	24,323	5,370	120,766
Total Expenditures	369,816	20,251	17,426	103,642	5,370	516,505
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 and services be financed through user charges.

Food Service Fund - This fund provides for the operation of food services for the Charter School.

Child Care Program – This fund provides for the operation of a before and after school child care program within the school.

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

**SECTION H – FIDUCIARY FUNDS
DETAIL STATEMENTS**

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

Unemployment Insurance Compensation Trust Fund – This expendable trust fund is used to account for deductions from employees’ salaries which are utilize to pay unemployment compensation claims as they arise.

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 payroll transactions of the Charter School.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Trust and Agency Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2015

	Trust	Agency			Total
	Unemployment Compensation Insurance	Payroll Agency	Net Payroll	Student Activities	Agency Funds
ASSETS:					
Cash and Cash Equivalents	\$ 13,271	\$ 95,621	\$ 237,906	\$ 7,277	\$ 340,804
Total Assets	13,271	95,621	237,906	7,277	340,804
LIABILITIES:					
Interfund Accounts Payable		\$ 42,003			\$ 42,003
Accounts Payable	1,193				
Summer Pay Payable			237,906		237,906
Payroll Deductions and Withholdings Due to Student Groups		53,618		7,277	53,618 7,277
Total Liabilities	1,193	95,621	237,906	7,277	340,804
NET POSITION:					
Reserved for Unemployment Claims	12,078				
Total Net Position	\$ 12,078				

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 Trust Fund
 For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Employee	\$ 10,506
Employer	27,365
Total Additions	37,871
DEDUCTIONS:	
Payment of Claims	28,558
Total Deductions	28,558
CHANGE IN NET POSITION	9,313
NET POSITION, JULY 1	2,765
NET POSITION, JUNE 30	\$ 12,078

MARIA L. VARISCO-ROGERS 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>
Student Activities	<u>\$ 15,021</u>	<u>\$ 27,257</u>	<u>\$ 35,001</u>	<u>\$ 7,277</u>
Total	<u><u>\$ 15,021</u></u>	<u><u>\$ 27,257</u></u>	<u><u>\$ 35,001</u></u>	<u><u>\$ 7,277</u></u>

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Fiduciary Funds
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and Cash Equivalents	\$ 45,968	\$ 2,890,753	\$ 2,841,100	\$ 95,621
Total Assets	<u>\$ 45,968</u>	<u>\$ 2,890,753</u>	<u>\$ 2,841,100</u>	<u>\$ 95,621</u>
LIABILITIES:				
Interfund Accounts Payable	\$ 44,296		\$ 2,293	\$ 42,003
Payroll Deductions and Withholdings	1,672	\$ 2,890,753	2,838,807	53,618
Total Liabilities	<u>\$ 45,968</u>	<u>\$ 2,890,753</u>	<u>\$ 2,841,100</u>	<u>\$ 95,621</u>

**STATISTICAL SECTION
(UNAUDITED)**

Maria L. Varisco-Rogers Charter School has been in operation for 16 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 6 years is available and has been presented. Each year thereafter, an additional year's data will be included until ten years of data is presented.

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 district'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 district 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, 2004; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Net Position by Component
 Last Six Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,					
	2015	2014	2013	2012	2011	2010
Governmental Activities						
Net Investment in capital assets	\$ 164,006	\$ 170,892	\$ 150,394	\$ 46,349	\$ 26,846	\$ -
Unassigned	507,741	3,659,953	3,370,865	3,746,416	3,081,382	1,807,747
Total Governmental Activities Net Assets/Position	<u>\$ 671,747</u>	<u>\$ 3,830,845</u>	<u>\$ 3,521,259</u>	<u>\$ 3,792,765</u>	<u>\$ 3,108,228</u>	<u>\$ 1,807,747</u>
Business-Type Activities						
Net Investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	267,823	260,185	220,540	148,825	65,554	14,307
Total Business-Type Activities Net Assets/Position	<u>\$ 267,823</u>	<u>\$ 260,185</u>	<u>\$ 220,540</u>	<u>\$ 148,825</u>	<u>\$ 65,554</u>	<u>\$ 14,307</u>
Charter School-wide						
Net Investment in capital assets	\$ 164,006	\$ 170,892	\$ 150,394	\$ 46,349	\$ 26,846	\$ -
Unassigned	775,564	3,920,138	3,591,405	3,895,241	3,146,936	1,822,054
Total Charter School-wide Net Position	<u>\$ 939,570</u>	<u>\$ 4,091,030</u>	<u>\$ 3,741,799</u>	<u>\$ 3,941,590</u>	<u>\$ 3,173,782</u>	<u>\$ 1,822,054</u>

Source: Comprehensive Annual Financial Report

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Changes in Net Position
Last Six Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,					
	2015	2014	2013	2012	2011	2010
Expenses						
Governmental Activities:						
Instruction	\$ 4,912,501	\$ 4,507,212	\$ 4,485,792	\$ 3,484,798	\$ 2,901,493	\$ 1,818,727
Administration	2,231,059	2,005,573	1,786,143	1,333,795	822,089	1,117,488
Support Services	2,354,309	2,115,331	1,965,864	1,600,824	944,436	667,124
Capital Outlay	50,052	9,378	16,199	187,017	59,078	135,761
Unallocated	54,509	43,361	21,813	8,957	3,409	707
Total Governmental Activities Expenses	<u>9,602,430</u>	<u>8,680,855</u>	<u>8,275,811</u>	<u>6,615,391</u>	<u>4,730,505</u>	<u>3,739,807</u>
Business-Type Activities:						
Food Service	382,788	338,623	231,816	249,287	192,489	187,550
Before & After School Care	46,562	57,739	93,618	28,236	-	-
Total Business-Type Activities Expenses	<u>429,350</u>	<u>396,362</u>	<u>325,434</u>	<u>277,523</u>	<u>192,489</u>	<u>187,550</u>
Total Charter School Expenses	<u>\$ 10,031,780</u>	<u>\$ 9,077,217</u>	<u>\$ 8,601,245</u>	<u>\$ 6,892,914</u>	<u>\$ 4,922,994</u>	<u>\$ 3,927,357</u>
Program Revenues						
Governmental Activities:						
Operating Grants and Contributions	\$ 103,987	\$ 100,042	93,219	65,989	73,608	-
Total Governmental Activities Expenses	<u>103,987</u>	<u>100,042</u>	<u>93,219</u>	<u>65,989</u>	<u>73,608</u>	<u>-</u>
Business-Type Activities:						
Charges for Services	82,304.00	93,308	83,410	91,726	44,877	15,962
Operating Grants and Contributions	354,684	342,699	287,925	269,068	198,858	185,895
Transfers-In	-	68,032	56,587	62,723	-	-
Total Business-Type Activities Expenses	<u>436,988</u>	<u>504,039</u>	<u>427,922</u>	<u>423,517</u>	<u>243,735</u>	<u>201,857</u>
Total Charter School Program Revenues	<u>\$ 540,975</u>	<u>\$ 604,081</u>	<u>\$ 521,141</u>	<u>\$ 489,506</u>	<u>\$ 317,343</u>	<u>\$ 201,857</u>
Net (Expense)/Revenue						
Governmental Activities	\$ (9,498,443)	\$ (8,580,813)	\$ (8,182,592)	\$ (6,549,402)	\$ (4,656,897)	\$ (3,739,807)
Business-Type Activities	7,638	107,677	102,488	145,994	51,246	14,307
Total Charter School-wide Net Expense	<u>\$ (9,490,805)</u>	<u>\$ (8,473,136)</u>	<u>\$ (8,080,104)</u>	<u>\$ (6,403,408)</u>	<u>\$ (4,605,651)</u>	<u>\$ (3,725,500)</u>
General Revenues and Other Changes in Net Position						
Governmental Activities:						
General Purposes	\$ 1,039,083	\$ 1,050,419	\$ 919,732	\$ 784,871	\$ 637,349	\$ -
Federal and State Aid Not Restricted	7,831,084	7,836,348	6,969,011	6,402,126	5,167,324	4,229,563
Miscellaneous Income	25,097	3,632	22,343	46,941	149,474	571,927
Total Governmental Activities	<u>8,895,264</u>	<u>8,890,399</u>	<u>7,911,086</u>	<u>7,233,938</u>	<u>5,957,248</u>	<u>4,798,389</u>
Business-Type Activities:						
Miscellaneous Income	-	-	25,814	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>25,814</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charter School-wide	<u>\$ 8,895,264</u>	<u>\$ 8,890,399</u>	<u>\$ 7,936,900</u>	<u>\$ 7,233,938</u>	<u>\$ 5,957,248</u>	<u>\$ 4,798,389</u>
Change in Net Position (Deficit)						
Governmental Activities	\$ (603,179)	\$ 309,586	\$ (271,506)	\$ 684,536	\$ 1,293,202	\$ 1,058,582
Business-Type Activities	7,638	107,677	128,302	145,994	51,246	14,307
Total Charter School	<u>\$ (595,541)</u>	<u>\$ 417,263</u>	<u>\$ (143,204)</u>	<u>\$ 830,530</u>	<u>\$ 1,344,448</u>	<u>\$ 1,072,889</u>

Source: Comprehensive Annual Financial Report

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Fund Balances - Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,					
	2015	2014	2013	2012	2011	2010
General Fund Unassigned	\$ 3,357,869	\$ 3,659,953	\$ 3,370,865	3,746,416	3,081,382	1,807,747
Total General Fund	<u>\$ 3,357,869</u>	<u>\$ 3,659,953</u>	<u>\$ 3,370,865</u>	<u>\$ 3,746,416</u>	<u>\$ 3,081,382</u>	<u>\$ 1,807,747</u>

Source: Comprehensive Annual Financial Report

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Changes in Fund Balances - Governmental Funds
 Last Six Fiscal Years
(modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	2015	2014	2013	2012	2011	2010
Revenues:						
Local Sources:						
Local Tax Levy	\$ 1,039,083	\$ 1,050,419	\$ 919,732	\$ 784,871	\$ 637,349	\$ 494,911
Interest In Investments	2,581	2,967	3,671	7,673	7,192	4,047
Miscellaneous	22,516	665	18,672	39,269	142,283	183,005
State Sources	7,418,566	7,415,728	6,629,563	5,990,613	4,796,093	3,734,652
Federal Sources	516,505	520,662	432,668	477,503	444,839	384,875
Total Revenues	<u>8,999,251</u>	<u>8,990,441</u>	<u>8,004,306</u>	<u>7,299,929</u>	<u>6,027,756</u>	<u>4,801,490</u>
Expenditures:						
Instruction	3,690,323	3,446,360	3,441,398	2,761,742	2,275,285	1,818,727
Administration	3,500,277	3,296,719	2,973,342	2,160,473	1,530,184	1,117,488
Support Services	2,013,060	1,885,037	1,823,059	1,497,202	862,549	667,124
Capital Outlay	97,675	73,237	142,058	215,478	86,102	136,468
Total Expenditures	<u>9,301,335</u>	<u>8,701,353</u>	<u>8,379,857</u>	<u>6,634,895</u>	<u>4,754,120</u>	<u>3,739,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(302,084)	289,088	(375,551)	665,034	1,273,636	1,061,683
Other Financing Sources (Uses):						
Transfers Out	-	-	-	-	-	(7,149)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,149)</u>
Net Change in Fund Balance	<u>\$ (302,084)</u>	<u>\$ 289,088</u>	<u>\$ (375,551)</u>	<u>\$ 665,034</u>	<u>\$ 1,273,636</u>	<u>\$ 1,054,534</u>

Source: Comprehensive Annual Financial Report

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 General Fund - Other Local Revenue by Source
 Last Six Fiscal Years
(modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	Donations	Interest Income	Miscellaneous Revenue	Annual Total
2015	\$ 800	\$ 2,581	\$ 21,716	\$ 25,097
2014	557	2,966	108	3,631
2013	9,544	3,671	9,128	22,343
2012	28,345	7,673	10,924	46,942
2011	27,549	7,192	107,542	142,283
2010	-	4,047	178,958	183,005

Source: Charter School records

OPERATING INFORMATION

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Full-Time Equivalent Charter School Employees by Function
 Last Six Fiscal Years

Function	2015	2014	2013	2012	2011	2010
Instruction	68	66	65	60	41	34
Administrative	15	17	15	14	9	9
Support Services	13	8	9	10	6	5
Food Service	-	-	-	-	-	-
Total	96	91	89	84	56	48

Source: Charter School Personnel Records

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Operating Statistics
 Last Six 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				
2015	486.0	\$ 9,203,660	\$ 18,938	6.67%	N/A	N/A	486.0	465.6	-0.99%	95.80%	
2014	486.0	8,628,116	\$ 17,753	0.00%	N/A	N/A	490.8	470.2	5.64%	95.80%	
2013	464.0	8,237,799	\$ 17,754	21.97%	N/A	N/A	463.1	435.5	4.77%	94.04%	
2012	441.0	6,419,417	\$ 14,557	14.13%	N/A	N/A	441.0	414.5	17.01%	93.99%	
2011	366.0	4,668,018	\$ 12,754	2.63%	N/A	N/A	366.0	347.3	21.28%	94.89%	
2010	290.0	3,604,046	\$ 12,428	0.00%	N/A	N/A	288.1	279.0	100.00%	96.84%	

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).

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 School Building Information
 Last Six Fiscal Years

	2015	2014	2013	2012	2011	2010
<u>Charter School Buildings</u>						
<u>18 Heller Parkway - (Grades 5 thru 8)</u>						
Square Feet	11,200	11,200	11,200	11,200	11,200	11,200
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	216	216	194	366	290	N/A
<u>243 Woodside Avenue</u>						
Elementary & Kindergarten						
Square Feet	18,711	18,711	18,711	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	270	270	270	N/A	N/A	N/A
<u>381 Woodside Avenue</u>						
Administrative Offices						
Square Feet	5,000	5,000	N/A	N/A	N/A	N/A
<u>233 Woodside Avenue</u>						
Administration & Computer Labs						
Square Feet	3,400	3,400	3,400	3,400	3,400	3,400

Number of Students at June 30, 2015
 Elementary = 270
 Middle School = 216

Source: Charter School Facilities Office

Note: Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October Charter School count.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Insurance Schedule
 June 30, 2015

	Coverage	Deductible
COMMERCIAL PACKAGE		
Commercial General Liability - NJ School Boards Assoc. Insurance Group (NJSBAIG)		
Personal and advertising injury		
Aggregate limit	\$6,000,000	
Per occurrence	6,000,000	
Employee benefits liability - per occurrence/annual aggregate	6,000,000	\$ 1,000
Child molestation/sexual abuse - per occurrence/annual aggregate	6,000,000	
Premises medical payments		
Per person	5,000	
Per accident	5,000	
Commercial Property - NJSBA Insurance Group		
Blanket real and personal property	\$350,000,000	1,000
Blanket extra expense - per occurrence	50,000,000	1,000
Blanket valuable papers and records	10,000,000	1,000
Boiler and Machinery - NJSBA Insurance Group		
Property Damage	\$100,000,000	1,000
Extra Expense	10,000,000	1,000
EDP Coverage - NJSBA Insurance Group		
Blanket hardware - scheduled limit	400,000	1,000
Business Automobile Coverage - NJSBA Insurance Group		
Combined single limit for bodily injury and property damage		
Per accident/annual aggregate	6,000,000	1,000,000
Crime Coverage - NJSBA Insurance Group		
Faithful performance limit	100,000	1,000
Business Administrator Bond	220,000	1,000
Treasurer Bond	220,000	1,000
Workman's Compensation - NJSBA Insurance Group		
Statutory Benefits	Included	
Employers Liability (each disease/accident per employee and policy limit)	2,000,000	
Supplemental Coverage (Optional)	Included	
School Board Legal Liability - NJSBAIG		
Coverage A	\$6,000,000	5,000
Coverage B	\$100,000/\$300,000	5,000

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 Charter School Performance Framework Financial Indicators
 Fiscal Ratios
 Last Three Fiscal Years

	2013 Audit	2014 Audit	2015 Audit	Source
Cash	\$ 3,584,027	\$ 3,970,881	\$ 3,700,431	Audit: Exhibit A-1
Current Assets (includes CASH)	3,950,273	4,160,551	3,819,440	Audit: Exhibit A-1
Total Assets	4,103,980	4,346,564	3,999,444	Audit: Exhibit A-1
Current Liabilities	362,181	255,534	209,746	Audit: Exhibit A-1
Total Liabilities	362,181	255,534	3,612,738	Audit: Exhibit A-1
Net Assets	3,741,799	4,091,030	939,570	Audit: Exhibit A-1
Total Revenue	8,401,455	9,426,447	9,436,239	Audit: Exhibit A-2
Total Expenses	8,601,246	9,077,217	10,031,780	Audit: Exhibit A-2
Change in Net Assets	(199,791)	349,230	(595,541)	Audit: Exhibit A-2
Depreciation Expense	21,813	43,361	54,509	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	463.1	490.8	486.0	DOE Enrollment Reports
March 30th Budgeted Enrollment	442	464	500	Charter School Budget

RATIOS ANALYSIS...				
Near Term Indicators	2013	2014	2015	3 YR CUM
1a. Current Ratio	10.91	16.28	18.21	Source: Current Assets/Current Liabilities
1b. Unrestricted Days Cash	152.09	159.67	134.64	Cash/(Total Expenses/365)
1c. Enrollment Variance	105%	106%	97%	Average Daily Enrollment/Budgeted Enrollment
1d.* Default	N/A	N/A	N/A	Audit
Sustainability Indicators				
2a. Total Margin	-2%	4%	-6%	Change in Net Assets/Total Revenue
2b. Debt to Asset	0.09	0.06	0.90	Total Liabilities/Total Assets
2c.** Cash Flow	3,584,027	386,854	(270,450)	Net change in cash flow from prior years
2d. Debt Service Coverage Ratio	N/A	N/A	N/A	(Change in Net Assets+Depreciation+Interest Expense)/(Principal & Interest Payments)

* is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 ** 2015 = 2015 Cash - 2014 Cash; 2014 = 2014 Cash - 2013 Cash; 2013 = 2013 Cash - 2012 Cash

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

SINGLE AUDIT SECTION

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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
Maria L. Varisco-Rogers Charter School
County of Essex
Newark, 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 Maria L. Varisco-Rogers Charter School (Charter School), in the County of Essex, 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 December 9, 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.

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.

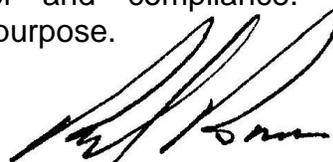
Compliance and Other Matters

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 Maria L. Varisco-Rogers Charter School in a separate report entitled, Auditor's Management Report on Administrative Findings dated December 9, 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
Union, New Jersey

December 9, 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 Federal Awards and State Financial Assistance Required by OMB Circular A-133 and New Jersey OMB Circular 04-04

Honorable President and
Members of the Board of Trustees
Maria L. Varisco-Rogers Charter School
County of Essex
Newark, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Maria L. Varisco-Rogers Charter School’s compliance with the types of compliance requirements described in the “U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement” and the New Jersey Compliance Manual “State Grant Compliance Supplement” that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015. The Maria L. Varisco-Rogers 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 federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Charter School’s major federal and 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations” and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants and State Aid. Those standards, OMB Circular A-133 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Charter School's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Maria L. Varisco-Rogers Charter School, in the County of Essex, 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 federal and state programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Maria L. Varisco-Rogers 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 federal or 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 federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and 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 federal or 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 federal or 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 federal or 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.

REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND 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 Maria L. Varisco-Rogers 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 December 9, 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 the OMB Circular A-133 and 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 responsibilities of management and was derived from and related 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 respects in relation to the basic financial statements as a whole.

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 Circular A-133 and NJ OMB Circular 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
Union, New Jersey

December 9, 2015

MARIA L. VARISCO-ROGERS 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		Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Balance at June 30, 2015	
				From	To							Accounts Receivable	Deferred Revenue
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
No Child Left Behind Cluster:													
Title I Part A			\$ 369,816	7/1/14	6/30/15	\$ -	-	\$ 369,816	\$ (369,816)	-	\$ -	\$ -	\$ -
Title I Part A Carryover			442,181	7/1/13	6/30/14	(12,834)	-	33,085	(30,251)	-	-	-	-
Title III			17,426	7/1/14	6/30/15	-	-	17,426	(17,426)	-	-	-	-
Title II Part A			5,370	7/1/14	6/30/15	(12,834)	-	5,370	(5,370)	-	-	-	-
Total No Child Left Behind Cluster								423,697	(472,663)	-	-	-	-
Individuals with Disabilities Cluster:													
I.D.E.A. Part B Basic	84-027	IDEA - 7735 - 15	103,642	7/1/14	6/30/15	(18,485)	-	103,642	(103,642)	-	-	-	-
I.D.E.A. Part B Basic Carryover	84-027	IDEA - 7735 - 14	94,283	7/1/13	6/30/14	(18,485)	-	18,485	(103,642)	-	-	-	-
Total Individuals with Disabilities Cluster								122,127	(103,642)	-	-	-	-
Total Special Revenue Fund						(31,319)	-	547,824	(516,505)	-	-	-	-
U.S. Department of Agriculture													
Passed-through State Department of Agriculture													
Enterprise Fund:													
School Breakfast Program	10-553	N/A	87,483	7/1/14	6/30/15	-	-	82,031	(87,483)	-	-	(5,452)	-
National School Lunch Program	10-553	N/A	66,884	7/1/13	6/30/14	(4,751)	-	4,751	(225,220)	-	-	(12,443)	-
National School Lunch Program	10-555	N/A	225,220	7/1/14	6/30/15	-	-	212,777	(225,220)	-	-	-	-
National School Lunch Program	10-555	N/A	237,949	7/1/13	6/30/14	(18,150)	-	18,150	(8,870)	-	-	(394)	-
National Snack Program	10-558	N/A	8,870	7/1/14	6/30/15	(520)	-	8,476	(8,870)	-	-	-	-
National Snack Program	10-558	N/A	8,434	7/1/13	6/30/14	(520)	-	520	-	-	-	-	-
Total Enterprise Fund						(23,421)	-	326,705	(321,573)	-	-	(18,289)	-
Sub-Total Federal Financial Awards						(64,740)	-	874,529	(838,078)	-	-	(18,289)	\$ -

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

MARIAL VARECO-ROGERS 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		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Balance	Balance at June 30, 2015		Cumulative Total Expenditures
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue/Interfund Payable	
State Department of Education													
General Fund - State Share - Charter School Aid	15-495-034-5120-071	\$ 6,367,693	7/1/14	6/30/15	\$ -	\$ -	\$ 6,367,693	\$ (6,367,693)	\$ -	\$ -	\$ -	\$ -	\$ 6,367,693
State Education Aid	15-495-034-5120-089	103,987	7/1/14	6/30/15	-	-	103,987	(103,987)	-	-	-	-	103,987
Security Aid	15-495-034-5120-084	277,667	7/1/14	6/30/15	-	-	277,667	(277,667)	-	-	-	-	277,667
Nonpublic Aid	15-100-034-5086-042	10,418	7/1/14	6/30/15	-	-	10,418	(10,418)	-	-	-	-	10,418
On-Behalf TPAF Pension Contributions	15-495-034-5095-006	420,665	7/1/14	6/30/15	-	-	420,665	(420,665)	-	-	-	-	420,665
Reimbursed TPAF - Social Security	15-495-034-5095-002	238,236	7/1/14	6/30/15	-	-	238,236	(238,236)	-	-	-	-	238,236
Reimbursed TPAF - Social Security	14-495-034-5095-002	215,205	7/1/13	6/30/14	-	-	10,413	-	-	-	-	-	-
Total General Fund					(10,413)	-	7,428,979	(7,418,566)	-	-	-	-	7,418,566
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program (State Share)	15-100-010-3350-023	4,304	7/1/14	6/30/15	-	-	4,066	(4,304)	-	-	-	-	4,304
National School Lunch Program (State Share)	14-100-010-3350-023	4,588	7/1/13	6/30/14	(350)	-	350	-	(238)	-	-	-	238
State School Fruit/Vegetable Program	15-XXX-XXX-XXX-XXX	28,807	7/1/14	6/30/15	-	-	26,596	(28,807)	-	(2,221)	-	-	28,807
Total Enterprise Fund					(350)	-	31,002	(33,111)	-	(2,459)	-	-	33,111
Total All Funds					(10,763)	-	7,459,981	(7,451,677)	-	(2,459)	-	-	7,451,677
State Financial Assistance Not Subject to Major Program Determination													
On-Behalf TPAF Pension Contributions	15-495-034-5095-006	420,665	7/1/14	6/30/15	-	-	420,665	(420,665)	-	-	-	-	420,665
Total State Financial Assistance Subject to Single Audit					(10,763)	-	7,039,316	(7,031,012)	-	(2,459)	-	-	7,031,012

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

MARIA L. VARISCO-ROGERS 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, Maria L. Varisco-Rogers 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

MARIA L. VARISCO-ROGERS 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	\$ -	7,418,566	\$ 7,418,566
Special Revenue Fund	516,505	-	516,505
Proprietary Fund	321,573	33,111	354,684
Total Awards & Financial Assistance	<u>\$ 838,078</u>	<u>\$ 7,451,677</u>	<u>\$ 8,289,755</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 LOANS OUTSTANDING

Maria L. Varisco-Rogers Charter School has no loan balances outstanding at June 30, 2015.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Notes to 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
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 369,816
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	5,370
Title III: <i>English Language Acquisition</i>	<u>17,426</u>
Total	<u>\$ 392,612</u>

MARIA L. VARISCO-ROGERS 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 Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in Accordance with Section .510(a) of Circular A-133? _____ Yes X No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Charter
<u>84.010A</u>	<u>Title I Part A-No Child Left Behind Cluster</u>
<u>84.367A</u>	<u>Title II Part A-No Child Left Behind Cluster</u>
<u>84.365A</u>	<u>Title III-No Child Left Behind Cluster</u>
<u>84.027</u>	<u>I.D.E.A. Part B Basic Cluster</u>
<u>10.555</u>	<u>National School Lunch Program</u>

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

Auditee qualified as low-risk auditee? X Yes _____ No

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results (cont’d)

State Awards

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

Auditee qualified as low-risk auditee? Yes No

Internal control over major programs:

1) Material weakness(es) identified? Yes No

2) Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? Yes 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>
<u>15-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security</u>

MARIA L. VARISCO-ROGERS 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.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

***Section III –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.

MARIA L. VARISCO-ROGERS 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 section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

Findings

There were no matters reported.

STATE AWARDS

Findings

There were no matters reported.

MARIA L. VARISCO-ROGERS 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.