

Bridgeton Public Charter School



Comprehensive Annual Financial Report
For the Eighteen Month Period Ended June 30, 2016

BRIDGETON PUBLIC CHARTER SCHOOL
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INTRODUCTORY SECTION

**BRIDGETON PUBLIC CHARTER SCHOOL
1101 WHEATON AVE.
MILLVILLE, NJ 08332
856-497-8202**



**Ann F. Garcia, Ed.D
Executive Director**

**Christina Murphy
Business Administrator**

**Douglas C. McGarry
Board Secretary/Business Manager**

**November 28, 2016
December 1, 2016**

**The Honorable President and
Members of the Board of Trustees
Bridgeton Public Charter School
Millville, New Jersey 08332**

Dear Board Members:

The comprehensive annual financial report of the Bridgeton Public Charter School (District) for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School. All disclosures necessary to enable the reader to gain an understanding of the School's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School is required to undergo an annual single audit in conformity with the provisions of OMB Uniform Guidance, Audits of States, Local Government, and Non-Profit Organizations, and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Bridgeton Public Charter School is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3.

All funds and account groups of the School are included in this report. The Bridgeton Public Charter School Board of Trustees and all its schools constitute the School's reporting entity.

The School provides a full range of educational services appropriate for students in Kindergarten through Grade 2. These services include general education, special education for students with disabilities, as well as basic skills instruction for students in need of intervention. The School completed the 2015-2016 fiscal year with an enrollment of 95 students in grades K-1. The following details the changes in the student enrollment of the District.

Student Fiscal Year	Enrollment as of June 30th	Percent Change
15-16	95	-----

2) **ECONOMIC CONDITION AND OUTLOOK:** Bridgeton Public Charter School enrollment will reach the limit of 165 students as set forth in the charter in the 2016-17 school year with the addition of Second Grade.

The school is situated at 790 E. Commerce St., Bridgeton, NJ 08332

3) **MAJOR INITIATIVES:** The district sponsored a number of initiatives aimed at increasing student academic achievement including but not limited to enhancing the leadership capacity of employees, providing consistent and meaningful professional development, improving the instructional program by augmenting instructional strategies, and using data more effectively and efficiently. The initiatives were meant to serve all students.

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the School is responsible for establishing and maintaining an internal control structure 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 structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As recipient of Federal and State financial aid, the School also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and

regulations related to those programs. This internal control structure is also subject to periodic evaluation by the School management.

As part of the School's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the School has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects 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, 2016.

6) ACCOUNTING SYSTEM AND REPORTS: The School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School is organized on the basis of funds and account groups. The funds and account groups are explained in "Notes to Financial Statement", Note 1.

7) CASH MANAGEMENT: The investment policy of the School is guided in large part by State statute as detailed in "Notes to Financial Statements", Note 2. The School has adopted a cash management plan which 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 failed banking institutions 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.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, directors and officers liability, child molestation, accident insurance, workers compensation, hazard and theft on property and contents, benefits and surety bonds.

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements, combining and individual fund statements, and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

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

Respectfully submitted,

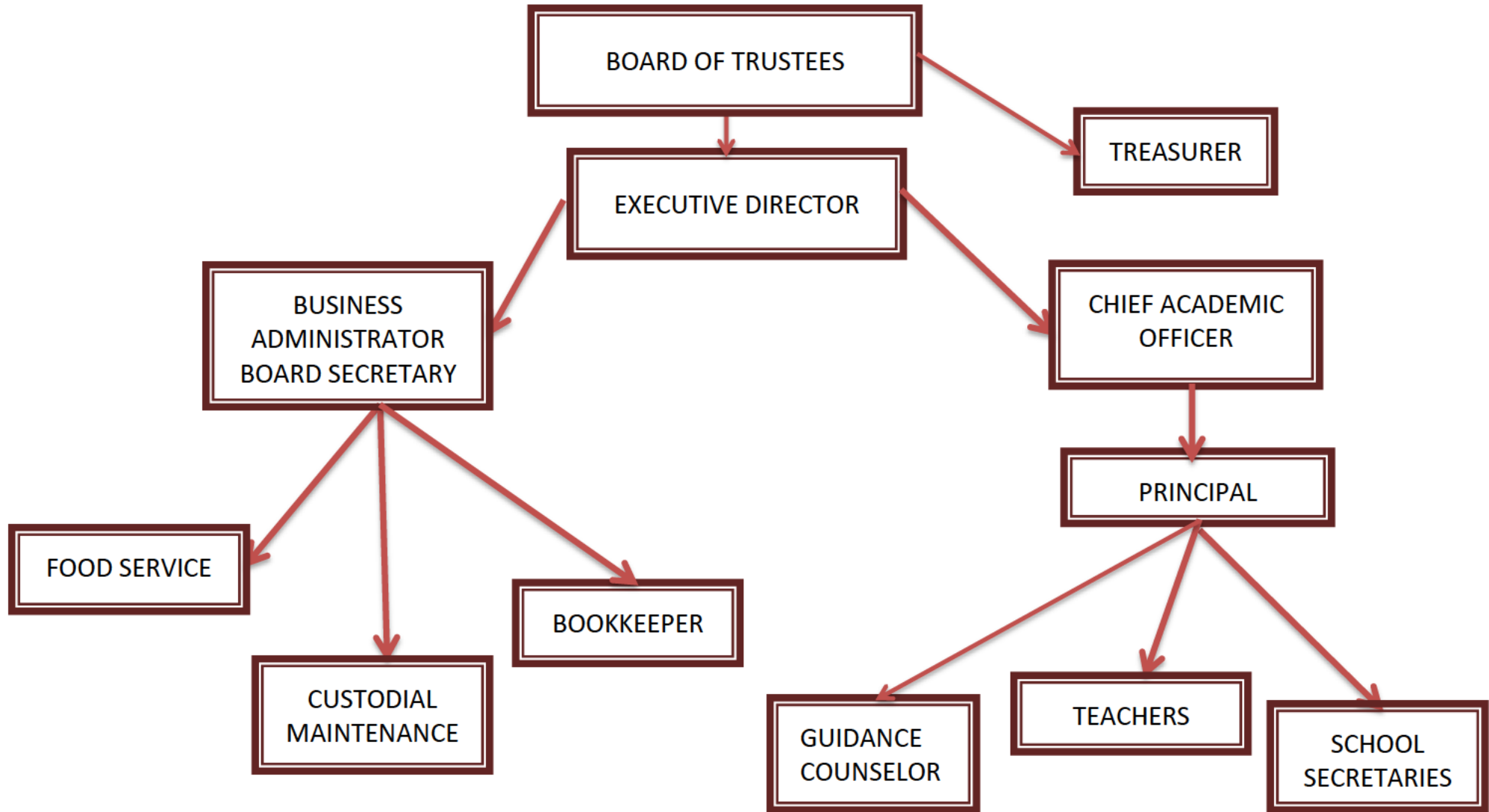


Ann F. Garcia, Ed.D
Executive Director



Christina Murphy
Business Administrator

BPCS ORGANIZATIONAL CHART 2015-16



**BRIDGETON PUBLIC CHARTER SCHOOL
BRIDGETON, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2016**

Members of the Board of Trustees

Officers:

Angela Dooley
Taneka Singleton

President
Vice-President

Board Members:

Dr. Dennis Thompson
Adele Harris
Dr. Steve Thomas

Staff:

Yvonne Cribbs
Susan Lovato
Charlotte Gould
Douglas McGarry

Christina Murphy

Executive Director
Principal
Dean of Students
Board Secretary / Certified Educational
Facilities Manager
School Business Administrator

**BRIDGETON PUBLIC CHARTER SCHOOL
BRIDGETON, NEW JERSEY**

Consultants & Advisors

Audit Firm:

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney:

Capehart & Scatchard
Joseph F. Betley
8000 Midlantic Dr., Suite 300S
P.O. Box 5016
Mt. Laurel, NJ 08054-5016

Official Depositories:

Cape Bank
1107 N. High Street
Millville, NJ 08332

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairperson and
Members of the Board of Trustees
Bridgeton Public Charter School
Bridgeton, New Jersey 08302

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 Bridgeton Public Charter School, in the County of Cumberland, State of New Jersey, as of and for the eighteen month period ended June 30, 2016, 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

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; 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 Division of Administration and 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 Charter School'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 Charter School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 Bridgeton Public Charter School, in the County of Cumberland, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the eighteen month period then ended in accordance with accounting principles generally accepted in the United States of America.

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 as listed in the table of contents, 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bridgeton Public Charter School's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules 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 used 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 accompanying combining statements and related major fund supporting statements and schedules 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 section and statistical section listed in the table of contents 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the Bridgeton Public Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bridgeton Public Charter School's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
December 1, 2016

**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**

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairperson and
Members of the Board of Trustees
Bridgeton Public Charter School
Bridgeton, New Jersey 08302

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement 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 Division of Administration and 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 the Bridgeton Public Charter School, in the County of Cumberland, State of New Jersey, as of and for the eighteen month period ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated December 1, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bridgeton Public 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 Bridgeton Public 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bridgeton Public 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 matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

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 audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
December 1, 2016

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**BRIDGETON PUBLIC CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2016
UNAUDITED**

The Bridgeton Public Charter School Management Discussion and Analysis (MD&A) is designed to provide an overview of the Charter School's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns. The focus of the MD&A is on current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the Transmittal Letter and the Charter School's Financial Statements.

The MD&A is an element of Required Supplementary Information specified in the Government Accounting Standards Board Statement (GASB) No. 34 titled Basic Financial Statements and Management's Discussion and Analysis- for State and Local Governments issued in June 1999.

Financial Highlights

Financial Highlights for the eighteen months ended June 30, 2016:

- The total assets of the Charter School exceeded its total liabilities at the close of the most recent fiscal year by \$121,813.44 (net position).
- The Charter School's total net position increased by \$121,813.44 during its initial reporting period.
- As of the close of the eighteen month period, the Charter School's governmental funds reported combined ending fund balances of \$76,053.74, an increase of \$76,053.74 during its initial reporting period.

Overview of the Financial Statements

The financial section of the annual report consists of two parts:

Part I:

Management Discussion & Analysis (this section)
Basic Financial Statements

Part II:

Budgetary Comparison Schedules
Notes to the Required Supplementary Information

The government-wide financial statements are designed to be corporate-like in that all government and business-type activities are consolidated into columns, which add to a total for the Charter School. The focus of the Statement of Net Position is designed to be similar to a bottom line for the Charter School and its government and business type activities. This statement, for the first-time, combines and consolidates governmental fund's current financial resources (short-term expendable resources) with capital assets and long-term obligations.

The statement of activities is focused on both the gross and net costs of various activities (including governmental and business-type), which are provided by the Charter School's general and other revenues. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business type activities.

The basic financial statements include two kinds of statements that present different views for the Charter School. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Charter School's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Charter School's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the Charter School acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

**BRIDGETON PUBLIC CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2016
UNAUDITED**

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the Charter School using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes in to 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 those assets. 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 factors, some financial, and some not. Non-financial factors include the Charter School's required educational programs and other factors.

In the Statement of Net Position and Statement of Activities, the Charter School reports governmental and business-type activities. Governmental activities are the activities where most of the Charter School's programs and services are reported including, but not limited to, Instruction, Administration and Support Services.

Fund Financial Statements

The Fund financial reports provide detailed information about the Charter School's major funds. The Charter School uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the Charter School's most significant funds. The Charter School's major governmental funds are the General Fund and the Special Revenue Fund.

Governmental Funds

Most of 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 periods. These funds are reported using an accounting method called modified accrual basis of 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 you 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.

Proprietary Funds

Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to an external user for goods or services, are used to report the same functions presented as business-type activities in the government-wide financial statements. The Charter School uses enterprise funds to account for its food service program and after school program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Charter Schools' own programs. The accounting used for the fiduciary funds is much like that used for the proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The Charter School as a Whole

The Statement of Net Position provides a snapshot of the Charter School as a whole.

The table on the following page provides a summary of the Charter School's net position for the eighteen month period ended June 30, 2016.

**BRIDGETON PUBLIC CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2016
UNAUDITED**

Table 1

Net Position

	June 30, 2016
Assets	
Cash and Cash Equivalents	\$ 35,815.95
Receivables, net	86,079.36
Internal Balances	-
Capital Assets, net (Note 4)	50,754.84
 Total Assets	 172,650.15
Liabilities	
Accounts Payable	5,836.99
Payable to Local Government	30,800.06
Unearned Revenue	9,204.52
Noncurrent Liabilities (Note 5):	
Due within One Year	2,305.44
Due beyond One Year	2,689.70
 Total Liabilities	 50,836.71
Net Position	
Net Investment in Capital Assets	45,759.70
Unrestricted	76,053.74
 Total Net Position	 \$ 121,813.44

In total, liabilities of governmental activities increased \$50,836.71 during the eighteen month startup period and school year, primarily due to overpayments from sending districts. Cash and cash equivalents increased by \$35,815.95.

**BRIDGETON PUBLIC CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2016
UNAUDITED**

Table 2

	June 30, 2016
Revenues	
Program Revenues:	
Charges for Services	\$ 5,156.65
Operating Grants and Contributions	410,075.86
General Revenues:	
Charter School Aid	1,067,609.00
State and Federal Aid	49,350.00
Other	123.12
Total Revenues	1,532,314.63
Program Expenses:	
Governmental Activities:	
Instruction	570,971.73
Administration	435,342.11
Support Services	242,730.45
Other	79,579.54
Total Expenses, Governmental Activities	1,328,623.83
Business-Type Activities:	
Food Service	78,786.61
Before and After Care Program	3,090.75
Total Expenses, Business-Type Activities	81,877.36
Total Expenses	1,410,501.19
Change in Net Position	\$ 121,813.44

**BRIDGETON PUBLIC CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2016
UNAUDITED**

Governmental Activities

The local levy and federal and state aid made up 99.6% of revenues for governmental activities for the Charter School during the eighteen month period ended June 30, 2016.

The Statement of Activities shows the cost of the governmental activities' program services and the changes for services and grants offsetting those services. Table 3 below shows the total cost of services and the net cost of services for the eighteen month period ended June 30, 2016. The table shows the cost of these services supported by general revenues.

Table 3

	Total Cost of services	Net Cost of services
Instruction	\$ 570,971.73	\$ 478,531.63
Administration	435,342.11	208,118.68
Support Services	242,730.45	242,730.45
Unallocated Benefits	79,579.54	48,945.64
Total Government Activities	\$ 1,328,623.83	\$ 978,326.40

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Administrative expenses include expenses associated with establishing and administering policy for the Charter School.

Support Services are expenditures for the maintenance of the plant.

Unallocated benefits represents expenses related reimbursed TPAF, health benefits and other employee benefits.

The dependence upon the revenues received from sending districts and federal and state aid is apparent. The revenues from sending districts and federal and state governments are the primary financial support for the Charter School.

**BRIDGETON PUBLIC CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2016
UNAUDITED**

The Charter School's Funds

The Charter School's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$1,467,379.55 and expenditures of \$1,381,299.87. The fund balance in the General Fund was \$76,053.74 for the initial eighteen month reporting period. The Enterprise Funds had no initial unrestricted net position and required a transfer from the General Fund to cover operating expenses.

General Fund Budgeting Highlights

The Charter School's budget is prepared in accordance with New Jersey Law. The most significant budgeted fund is the General Fund. During the course of the eighteen months, the Charter School modified its General Fund budget to accommodate revised revenue calculations provided from the State of New Jersey. Revenue calculations are based on enrollment counts performed during the fiscal year and are dependent on the sending district the student's residency is reported in.

For the General Fund, the final budget basis revenue was \$1,061,907.00. The original budgeted estimate was

Source	Final Budget
Local Levy - Local Share	\$ 53,826.00
Local Levy - State Share	978,149.00
Categorical Aid:	
Security Aid	35,634.00
	\$ 1,067,609.00

Overall the general fund's expenditures for the year were under budget by \$80,377.68. Instructional, Administration and Support Services expenditures contributed relatively equal to the under budget status. The under budget status was due to cost containment measures implemented to plan for the Charter School's future growth.

Enterprise Funds

The Charter School's food service consists of purchasing prepackaged meals from an approved vendor, Preferred Meals. In the Enterprise Fund, expenditures were \$15,459.53 more than revenues for the eighteen month period ended June 30, 2016.

Capital Assets

The Charter School has capital assets of equipment with a balance net of depreciation in the amount of \$50,754.84.

**BRIDGETON PUBLIC CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2016
UNAUDITED**

Debt Administration

At June 30, 2016, the Charter School has no debt outside of capital leases.

Economic Factors and Next Year's Budget

The Charter School maintained its budget through the revenue received from sending districts for their local levy and state levy and categorical aid specific for their students and from federal aid and miscellaneous revenue sources.

As a charter school, revenues are driven by the residency of its student population and the level of enrollment of students in those sending districts

The Charter School expects to maximize its enrollment for the 2016-17 fiscal year.

Contacting the School District's Financial Management

This financial report is designed to provide our parents, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have any questions about this report or need additional information, contact Christina Murphy, School Business Administrator, at Bridgeton Public Charter School, 790 E. Commerce Street, Bridgeton, NJ 08302.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BRIDGETON PUBLIC CHARTER SCHOOL

Statement of Net Position

June 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 35,815.95		\$ 35,815.95
Receivables, net	65,070.07	\$ 21,009.29	86,079.36
Internal Balances	15,172.30	(15,172.30)	
Capital Assets, net (Note 4)	50,754.84		50,754.84
	<u>166,813.16</u>	<u>5,836.99</u>	<u>172,650.15</u>
Total Assets			
LIABILITIES:			
Accounts Payable			
Other		5,836.99	5,836.99
Payable to Local Governments	30,800.06		30,800.06
Unearned Revenue	9,204.52		9,204.52
Noncurrent Liabilities (Note 5):			
Due within One Year	2,305.44		2,305.44
Due Beyond One Year	2,689.70		2,689.70
	<u>44,999.72</u>	<u>5,836.99</u>	<u>50,836.71</u>
Total Liabilities			
NET POSITION:			
Net Investment in Capital Assets	45,759.70		45,759.70
Unrestricted	76,053.74		76,053.74
	<u>121,813.44</u>	<u>-</u>	<u>121,813.44</u>
Total Net Position			

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

BRIDGETON PUBLIC CHARTER SCHOOL
Statement of Activities
For the Eighteen Month Period Ended June 30, 2016

Functions / Programs	Expenses	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:							
Regular	\$ 570,971.73		\$ 92,440.10		\$ (478,531.63)		\$ (478,531.63)
Support Services:							
Student and Instruction Related Services	243,629.96		227,223.43		(16,406.53)		(16,406.53)
School Administrative Services	132,598.56				(132,598.56)		(132,598.56)
General and Business Administrative Services	59,113.59				(59,113.59)		(59,113.59)
Plant Operations and Maintenance	242,730.45				(242,730.45)		(242,730.45)
Unallocated Benefits	48,945.64				(48,945.64)		(48,945.64)
Reimbursed TPAF and Social Security	30,633.90		30,633.90				
Total Governmental Activities	1,328,623.83	-	350,297.43	-	(978,326.40)	-	(978,326.40)
Business-Type Activities:							
Food Service	78,786.61	\$ 3,548.65	59,778.43			\$ (15,459.53)	(15,459.53)
Before and After Care Program	3,090.75	1,608.00				(1,482.75)	(1,482.75)
Total Business-Type Activities	81,877.36	5,156.65	59,778.43	-	-	(16,942.28)	(16,942.28)
Total Primary Government	\$ 1,410,501.19	\$ 5,156.65	\$ 410,075.86	-	(978,326.40)	(16,942.28)	(995,268.68)
General Revenues:							
Charter School Aid					1,067,609.00		1,067,609.00
State and Federal Aid					49,350.00		49,350.00
Miscellaneous Income					123.12		123.12
Transfers					(16,942.28)	16,942.28	
Total General Revenues					1,100,139.84	16,942.28	1,117,082.12
Change in Net Position					121,813.44		121,813.44
Net Position -- January 1, 2015					-	-	-
Net Position -- June 30, 2016					\$ 121,813.44	-	\$ 121,813.44

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

FUND FINANCIAL STATEMENTS

BRIDGETON PUBLIC CHARTER SCHOOL
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 35,815.95				\$ 35,815.95
Interfund Accounts Receivable:					
Special Revenue Fund	4,198.53				4,198.53
Enterprise Fund	15,172.30				15,172.30
Fiduciary Fund	80.12				80.12
Intergovernmental Accounts Receivable:					
State	30,633.90				30,633.90
Federal		\$ 13,403.05			13,403.05
Local	20,953.00				20,953.00
Total Assets	\$ 106,853.80	\$ 13,403.05	-	-	\$ 120,256.85
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payable to Local Governments	\$ 30,800.06				\$ 30,800.06
Interfund Accounts Payable					
General Fund		\$ 4,198.53			4,198.53
Unearned Revenue		9,204.52			9,204.52
Total Liabilities	30,800.06	13,403.05	-	-	44,203.11
Fund Balances:					
Assigned:					
Encumbrances	65,879.90				65,879.90
Unassigned:					
General Fund	10,173.84				10,173.84
Total Fund Balances	76,053.74	-	-	-	76,053.74
Total Liabilities and Fund Balances	\$ 106,853.80	\$ 13,403.05	-	-	

(Continued)

BRIDGETON PUBLIC CHARTER SCHOOL
 Balance Sheet
 Governmental Funds
 June 30, 2016

	Total Governmental <u>Funds</u>
Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$56,266.34, and the accumulated depreciation is \$5,511.50.	\$ 50,754.84
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(4,995.14)</u>
Net position of governmental activities	<u>\$ 121,813.44</u>

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

BRIDGETON PUBLIC CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Eighteen Month Period Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
State Sources	\$ 1,098,242.90				\$ 1,098,242.90
Revenue from Other Sources	123.12				123.12
Federal Sources		\$ 369,013.53			369,013.53
Total Revenues	1,098,366.02	369,013.53	-	-	1,467,379.55
EXPENDITURES:					
Current:					
Regular Instruction	473,250.40	92,440.10			565,690.50
Support Services and Undistributed Costs:					
Student and Instruction Related Services	16,406.53	227,223.43			243,629.96
School Administrative Services	132,598.56				132,598.56
Other Administrative Services	60,804.52				60,804.52
Plant Operations and Maintenance	242,730.45				242,730.45
Unallocated Benefits	48,945.64				48,945.64
Reimbursed TPAF Pension and Social Security	30,633.90				30,633.90
Capital Outlay	6,916.34	49,350.00			56,266.34
Total Expenditures	1,012,286.34	369,013.53			1,381,299.87
Excess (Deficiency) of Revenues over Expenditures	86,079.68	-	-	-	86,079.68
OTHER FINANCING SOURCES (USES):					
Capital Leases (Non-Budgeted)	6,916.34				6,916.34
Transfer to Enterprise Fund - Food Service	(15,459.53)				(15,459.53)
Transfer to Enterprise Fund - Before and After Care	(1,482.75)				(1,482.75)
Total Other Financing Sources and Uses	(10,025.94)				(10,025.94)
Net Change in Fund Balances	76,053.74	-	-	-	76,053.74
Fund Balance -- January 1, 2015					
Fund Balance -- June 30, 2016	\$ 76,053.74	-	-	-	\$ 76,053.74

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

BRIDGETON PUBLIC CHARTER SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Eighteen Month Period Ended June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$	76,053.74
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is normally allocated over their estimated useful lives as depreciation expense. Since certain expenditures for the eighteen months ended June 30, 2016 are expenditures for improvements to a school facility which the Charter School does not own, those expenditures have been expensed in accordance with the Charter School's policies:</p>		
Depreciation Expense	\$ (5,511.50)	
Capital Outlays	<u>56,266.34</u>	
		50,754.84
Proceeds from the issuance of debt is an increase to fund balance in the government funds, but the receipt increases long-term liabilities in the statement of net position and its not reported in the statement of activities.		(6,916.34)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		<u>1,921.20</u>
Change in Net Position of Governmental Activities	\$	<u><u>121,813.44</u></u>

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

BRIDGETON PUBLIC CHARTER SCHOOL
 Proprietary Funds
 Combining Statement of Net Position
 June 30, 2016

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Before/After Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Intergovernmental Accounts Receivable:			
State	\$ 266.24		\$ 266.24
Federal	20,743.05		20,743.05
Total Current Assets	21,009.29	-	21,009.29
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund	15,172.30		15,172.30
Accounts Payable	5,836.99		5,836.99
Total Current Liabilities	21,009.29	-	21,009.29
NET POSITION:			
Unrestricted	-	-	-
Total Net Position	-	-	-

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

BRIDGETON PUBLIC CHARTER SCHOOL
 Proprietary Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Eighteen Month Period Ended June 30, 2016

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Before/After Program</u>	<u>Total</u>
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 3,548.65		\$ 3,548.65
Program Revenue		\$ 1,608.00	1,608.00
Total Local Sources	<u>3,548.65</u>	<u>1,608.00</u>	<u>5,156.65</u>
Salaries	14,504.60	2,998.75	17,503.35
Other Purchased Services	5,641.74		5,641.74
Cost of Sales - Reimbursable Programs	58,524.77		58,524.77
Miscellaneous	115.50	92.00	207.50
Total Operating Expenses	<u>78,786.61</u>	<u>3,090.75</u>	<u>81,877.36</u>
Operating Income / (Loss)	<u>(75,237.96)</u>	<u>(1,482.75)</u>	<u>(76,720.71)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	755.84		755.84
Federal Sources:			
National School Lunch Program	41,067.99		41,067.99
National School Breakfast Program	17,954.60		17,954.60
Total Nonoperating Revenues (Expenses)	<u>59,778.43</u>		<u>59,778.43</u>
Income (Loss) before Contributions and Transfers	(15,459.53)	(1,482.75)	(16,942.28)
Operating Transfer In - General Fund	<u>15,459.53</u>	<u>1,482.75</u>	<u>16,942.28</u>
Change in Net Position	-	-	-
Net Position -- January 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>
Net Position -- June 30, 2016	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

BRIDGETON PUBLIC CHARTER SCHOOL
 Proprietary Funds
 Combining Statement of Cash Flows
 For the Eighteen Month Period Ended June 30, 2016

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Before/After Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 3,548.65	\$ 1,608.00	\$ 5,156.65
Payments to Employees	(14,504.60)		(14,504.60)
Payments to Suppliers	<u>(64,282.01)</u>	<u>(3,090.75)</u>	<u>(67,372.76)</u>
Net Cash Provided by (used for) Operating Activities	<u>(75,237.96)</u>	<u>(1,482.75)</u>	<u>(76,720.71)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	489.60		489.60
Federal Sources	38,279.54		38,279.54
Operating Subsidies and Transfers to other Funds	<u>36,468.82</u>	<u>1,482.75</u>	<u>37,951.57</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>75,237.96</u>	<u>1,482.75</u>	<u>76,720.71</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Balances -- January 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>
Balances -- June 30, 2016	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	\$ <u>(75,237.96)</u>	\$ <u>(1,482.75)</u>	\$ <u>(76,720.71)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
(Increase) Decrease in Accounts Receivable, net	(21,009.29)		(21,009.29)
Increase (Decrease) in Accounts Payable	5,836.99		5,836.99
Increase (Decrease) in Other Current Liabilities	<u>15,172.30</u>		<u>15,172.30</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (75,237.96)</u>	<u>\$ (1,482.75)</u>	<u>\$ (76,720.71)</u>

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

BRIDGETON PUBLIC CHARTER SCHOOL
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2016

	Private-Purpose Trust Fund	Agency Funds	
	Unemployment	Student Activity	Payroll
ASSETS:			
Cash and Cash Equivalents	\$ 9,069.74	\$ 1,539.51	\$ 2,317.66
Interfund Accounts Receivable Due from General Fund	0.03		
Total Assets	9,069.77	\$ 1,539.51	\$ 2,317.66
LIABILITIES:			
Payable to State Government	8,714.06		
Payroll Deductions and Withholdings			\$ 2,237.51
Payable to PTA		\$ 1,539.51	
Interfund Accounts Payable: Due to General Fund			80.15
Total Liabilities	8,714.06	\$ 1,539.51	\$ 2,317.66
Net Position:			
Held in Trust for Unemployment Claims and Other Purposes	\$ 355.71		

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

BRIDGETON PUBLIC CHARTER SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Eighteen Month Period Ended June 30, 2016

	Private-Purpose <u>Trust Fund</u> Unemployment Compensation <u>Trust Fund</u>
ADDITIONS:	
Contributions:	
Budget Contribution	\$ 10,276.23
Employee Contributions	1,830.09
Investment Earnings:	
Interest	0.37
	0.37
Total Additions	12,106.69
DEDUCTIONS:	
Program Expenditures	11,750.98
	11,750.98
Total Deductions	11,750.98
Change in Net Position	355.71
Net Position, January 1, 2015	-
Net Position, June 30, 2016	\$ 355.71

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

BRIDGETON PUBLIC CHARTER SCHOOL
Notes to Financial Statements
For the Eighteen Months Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bridgeton Public Charter School (the "Charter School") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The Charter School is a K-2 charter school located in the County of Cumberland, State of New Jersey. It was created on October 15, 2014 through the approval of its New Jersey Charter Schools Application by the State of New Jersey, Department of Education. As a charter school, the Bridgeton Public Charter School functions independently through a Board of Trustees (the "Board"). The Board's responsibility is to supervise and control the operations of the Charter School. The purpose of the Charter School is to educate students in grades K through 2 at its one location. The Charter School has an approximate enrollment at June 30, 2016 of 96.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the Charter School. 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 of the Charter School over which the Board exercises operating control.

Component Units

In evaluating how to define the Charter School for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Charter School has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

The Charter School's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the Charter School to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues from the Charter School's student's district of residence and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the Charter School segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the Charter School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues from the Charter School's student's district of residence are recognized as revenues in the year for which they are established based on enrollment. In accordance with New Jersey State Statute, the Charter School is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from the Charter School's student's district of residence, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

The Charter School reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the Charter School. It is used to account for all 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 classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. 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, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Charter Schools do not maintain debt service funds, therefore expenditures for principal and interest are accounted for in the general fund.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from temporary notes, serial bonds, or from the general fund by way of transfers from capital outlay.

Debt Service Fund - Charter Schools do not maintain debt service funds. Expenditures for principal and interest are accounted for in the general fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the Charter School's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The Charter School reports the following major proprietary funds:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the Charter School.

Before and After Care Fund - This fund accounts for the financial activity related to childcare services provided by the Charter School.

Fiduciary funds are used to account for assets held by the Charter School on behalf of outside related organizations or on behalf of other funds within the Charter School. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The Charter School maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The Charter School retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Charter School maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The Charter School maintains the following private-purpose trust funds:

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the Charter School, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all revenues from the Charter School's student's district of residence.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue funds, and are submitted to the county office of education. 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 budget line account system promulgated by the State of New Jersey Department of Education for Charter Schools and based on the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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 budget, as detailed on exhibit C-1 and exhibit C-2 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the Charter School does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the Charter School has received advances of grant awards, are reflected on the balance sheet as unearned 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 June 30, 2016.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey Charter Schools are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey Charter Schools.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Revenues from District of Residence, Region of Residence and Non-Resident Districts

The Charter School's primary source of revenue is from the district of residence, region of residence or non-resident districts from which its students are enrolled in the Charter School. The amounts are calculated from the most recent budget data of the student's district.

Local Levy – Equalization Aid State and Local Share – The charter school's funding is pursuant to the *School Funding Reform Act of 2008*, which states the school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to 90% of the sum of the budget year equalization aid per pupil and the pre-budget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation.

Special Education / Security Aid – The school district of residence shall pay directly to the charter school the security aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the Charter School, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the Charter School. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The Charter School's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	3 - 15 Years
Building Improvements	15 Years

The Charter School does not possess any infrastructure assets.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Charter School is eligible to realize the revenue.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place. At June 30, 2016, the Charter School does not have a policy for the payment of compensated absences.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is 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.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Charter School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The Charter School reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Charter School's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Charter School's highest level of decision-making authority, which, for the Charter School, is the Board of Trustees. Such formal action consists of an affirmative vote by the Board of Trustees, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Trustees removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Assigned - The assigned fund balance classification includes amounts that are constrained by the Charter School's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Trustees or by the business administrator, to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Trustees.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the Charter School to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the Charter School to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-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 proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the fiscal year ended June 30, 2016, the Charter School adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the Charter School.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In addition, the Charter School adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the Charter School.

Lastly, the Charter School adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the Charter School.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the Charter School in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the Charter School.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the Charter School in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the Charter School.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the Charter School in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the Charter School.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. All of the Charter School's bank balances of \$118,903.03 as of June 30, 2016 were insured and collateralized.

Note 3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 consisted of accounts (fees for services), intergovernmental awards / grants and monies from sending districts. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the Charter School's individual major and proprietary funds, in the aggregate, are as follows:

	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Funds</u>	<u>Total Business-Type Activities</u>	<u>Total</u>
Sending Districts	\$ 20,953.00		\$ 20,953.00			\$ 20,953.00
Federal Awards		\$ 13,403.05	13,403.05	\$ 20,743.05	\$ 20,743.05	34,146.10
State Awards	30,633.90		30,633.90	266.24	266.24	30,900.14
Intergovernmental	<u>\$ 51,586.90</u>	<u>\$ 13,403.05</u>	<u>\$ 64,989.95</u>	<u>\$ 21,009.29</u>	<u>\$ 21,009.29</u>	<u>\$ 85,999.24</u>

Note 4: CAPITAL ASSETS

Capital asset activity for the eighteen months ended June 30, 2016 is as follows:

	<u>Balance Jan. 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Governmental Activities:				
Capital Assets, being Depreciated:				
Building Improvements		\$ 3,454.00		\$ 3,454.00
Furniture, Fixtures & Equipment		52,812.34		52,812.34
Total Capital Assets, being Depreciated	-	56,266.34	-	56,266.34
Less: Accumulated Depreciation for:				
Building Improvements		(230.27)		(230.27)
Furniture, Fixtures & Equipment		(5,281.23)		(5,281.23)
Total Accumulated Depreciation	-	(5,511.50) *	-	(5,511.50)
Total Capital Assets, being Depreciated, Net	-	50,754.84	-	50,754.84
Governmental Activities Capital Assets, Net	-	<u>\$ 50,754.84</u>	-	<u>\$ 50,754.84</u>

* Depreciation expense was charged to functions / programs of the Charter School as follows:

Instruction	\$ (230.27)
Administration	<u>(5,281.23)</u>
Total Depreciation Expense	<u>\$ (5,511.50)</u>

Note 5: LONG-TERM LIABILITIES

During the eighteen months ended June 30, 2016, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Obligations under Capital Lease	_____	\$ 6,916.34	\$ (1,921.20)	\$ 4,995.14	\$ 2,305.44
Governmental Activity Long-Term Liabilities	-	\$ 6,916.34	\$ (1,921.20)	\$ 4,995.14	\$ 2,305.44

Obligations under Capital Lease - The Charter School is leasing telephone equipment totaling \$6,916.34 under capital leases. This capital lease is for a term of four years. Capital leases are depreciated in a manner consistent with the Charter School's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2016:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,305.44	\$ 466.68	\$ 2,772.12
2018	2,305.44	466.68	2,772.12
2019	384.26	77.76	462.02
	_____	_____	_____
	\$ 4,995.14	\$ 1,011.12	\$ 6,006.26

Note 6: OPERATING LEASES

At June 30, 2016, the Charter School had operating lease agreements in effect for copy machines and school facilities. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2017	\$ 265,839.01
2018	271,065.88
2019	276,397.28
2020	278,089.02
2021	282,886.55
2022-2026	1,501,596.03
2027-2030	1,313,046.22

	\$ 4,188,919.99

Rental payments under operating leases for the eighteen months ended June 30, 2016 were \$132,486.92.

Note 7: PENSION PLANS

A substantial number of the Charter School's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, Charter School employees can participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

Plan Descriptions

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Charter School, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Teachers' Pension and Annuity Fund - The vesting and benefit provisions 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 for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier Definition

- 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 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 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 age 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

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.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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 age 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at 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 55 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.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes 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 2015, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Charter School and all other related non-contributing employers. No normal or accrued liability contribution by the Charter School has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

No normal or accrued liability contribution by the Charter School has been required during the eighteen-month period ended June 30, 2016.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Charter School's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Charter School was not billed and made no payments for the PERS retirement program during the eighteen-month period ended June 30, 2016.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Charter School contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

At June 30, 2016, the Charter School did not have any employees participating in the defined contribution retirement program.

Note 8: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment medical benefits, and the State contributed \$1.25 billion on their behalf. 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 retire from a Board of Education, Charter School or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

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 Reimbursement Method". Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Charter School is billed quarterly for amounts due to the State.

Note 9: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of the activity of the Charter School's private-purpose trust fund for the unemployment claims for the current eighteen-month period:

	Charter School			
<u>Eighteen Months Ended June 30,</u>	<u>Contributions and Interest</u>	<u>Employee Contributions</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>
2016	\$ 10,276.60	\$ 1,830.09	\$ 11,750.98	\$ 355.71

Note 10: DEFERRED COMPENSATION

The Charter School offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

***Voya
OMNI***

Note 11: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 19,450.95	
Special Revenue		\$ 4,198.53
Proprietary		15,172.30
Fiduciary	0.03	80.15
	<u>\$ 19,450.98</u>	<u>\$ 19,450.98</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the Charter School expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 11: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)

Interfund Transfers:

	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Fiduciary Fund</u>
<u>Transfer Out:</u>				
General Fund			\$ 16,942.28	
Special Revenue Fund				
Capital Projects Fund				
Proprietary Funds				
Total Transfers	-	-	\$ 16,942.28	-

Interfund transfers during the fiscal year resulted from a deficit in operations in the food service fund, which required a transfer in from the general fund.

Note 12: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Charter School expects such amount, if any, to be immaterial.

Litigation - The Charter School is in various stages of legal proceedings. It is believed that the outcome, or exposure to the Charter School, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 13: CONCENTRATIONS

The Charter School depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Charter School is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 14: FUND BALANCES**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the Charter School's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the Charter School's fund balance are summarized as follows:

General Fund

Other Purposes - As of June 30, 2016, the Charter School had \$65,879.90 of encumbrances outstanding for purchase orders and contracts signed by the Charter School, but not completed, as of the close of the fiscal year.

Note 14: FUND BALANCES (CONT'D)**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The Charter School's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2016, \$10,173.84 of general fund balance was unassigned.

Note 15: INITIAL REPORTING PERIOD

These financial statements are presented for the eighteen months ended June 30, 2016. They include the six-month period, January 1 - June 30, 2015, which represents time during which Charter School administration established and implemented a plan in anticipation of the start of the first school year which commenced July 1, 2016.

Note 16: SUBSEQUENT EVENTS

Working Capital Loan – As of July 22, 2016, the Charter School was approved for a \$75,000.00 working capital loan at seven percent (7.00%), fixed interest from the Community Loan Fund of New Jersey, Inc. The Charter School drew on the loan in August of 2016 for the purpose of paying on-going operational costs of the school during the summer and early months of the school year when per pupil payments from local and state sources are unavailable. The term of the loan is twelve (12) months not to exceed June 30, 2017.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

BRIDGETON PUBLIC CHARTER SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Eighteen Month Period Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
State Sources:					
Charter School Aid:					
Local Levy/Equalization Aid:					
Local Share		\$ 53,826.00	\$ 53,826.00	\$ 53,826.00	
State Share	\$ 957,621.00	20,528.00	978,149.00	978,149.00	
Total - Local Levy/Equalization Aid	957,621.00	74,354.00	1,031,975.00	1,031,975.00	-
Categorical Aid:					
Security Aid		35,634.00	35,634.00	35,634.00	
Total Categorical Aid	-	35,634.00	35,634.00	35,634.00	-
Total Charter School Aid	957,621.00	109,988.00	1,067,609.00	1,067,609.00	-
Other State Sources:					
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				30,633.90	\$ 30,633.90
Total - Other State Sources	-	-	-	30,633.90	30,633.90
Total - State Sources	957,621.00	109,988.00	1,067,609.00	1,098,242.90	30,633.90
Revenue from Other Sources:					
Miscellaneous				123.12	123.12
Total	-	-	-	123.12	123.12
Total Revenues	957,621.00	109,988.00	1,067,609.00	1,098,366.02	30,757.02

(Continued)

BRIDGETON PUBLIC CHARTER SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Eighteen Month Period Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 200,000.00	\$ 10,000.00	\$ 210,000.00	\$ 171,442.70	\$ 38,557.30
Grades 1-5	176,884.00	25,116.00	202,000.00	198,232.52	3,767.48
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	13,000.00		13,000.00	12,504.00	496.00
Purchased Professional - Educational Services	5,000.00	30,000.00	35,000.00	33,948.02	1,051.98
Other Purchased Services (400-500 Series)	4,100.00	15,900.00	20,000.00	19,185.99	814.01
General Supplies	30,750.00	2,250.00	33,000.00	32,922.73	77.27
Other Objects	4,575.00	525.00	5,100.00	5,014.44	85.56
Total Regular Programs	434,309.00	83,791.00	518,100.00	473,250.40	44,849.60
Total Instruction	434,309.00	83,791.00	518,100.00	473,250.40	44,849.60
Undistributed Expenditures - Health Services:					
Salaries	16,000.00		16,000.00	15,906.53	93.47
Purchased Professional and Technical Services	500.00		500.00	500.00	
Total Undistributed Expenditures - Health Services	16,500.00	-	16,500.00	16,406.53	93.47
Undistributed Expenditures - Support Services - General Administration:					
Salaries	45,000.00		45,000.00	44,831.00	169.00
Legal Services	3,000.00		3,000.00	95.00	2,905.00
Other Purchased Professional Services	5,500.00	13,500.00	19,000.00	18,332.23	667.77
Communications / Telephone	16,400.00		16,400.00	7,704.33	8,695.67
Other Purchased Services	7,000.00	500.00	7,500.00	7,151.54	348.46
Supplies and Materials	5,000.00		5,000.00	3,599.86	1,400.14
Miscellaneous Expenditures	2,950.00	(1,068.00)	1,882.00	850.00	1,032.00
BOE Membership Dues and Fees	525.00		525.00	525.00	
Total Undistributed Expenditures - Support Services - General Administration	85,375.00	12,932.00	98,307.00	83,088.96	15,218.04

(Continued)

BRIDGETON PUBLIC CHARTER SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Eighteen Month Period Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	\$ 40,000.00	\$ (40,000.00)			
Salaries of Other Professional Staff	15,000.00	(15,000.00)			
Salaries of Secretarial and Clerical Assistants	25,500.00	(5,500.00)	\$ 20,000.00	\$ 19,516.00	\$ 484.00
Other Purchased Services		31,000.00	31,000.00	29,993.60	1,006.40
Total Undistributed Expenditures - Support Services - School Administration	80,500.00	(29,500.00)	51,000.00	49,509.60	1,490.40
Undistributed Expenditures - Support Services - Central Services:					
Purchased Professional Services	5,000.00	7,000.00	12,000.00	11,443.00	557.00
Supplies and Materials	2,000.00	2,000.00	4,000.00	3,292.29	707.71
Other Objects	15,000.00	20,000.00	35,000.00	31,177.23	3,822.77
Total Undistributed Expenditures - Support Services - Central Services	22,000.00	29,000.00	51,000.00	45,912.52	5,087.48
Undistributed Expenditures - Support Services - Administrative Information Technology:					
Purchased Technical Services	10,000.00		10,000.00	9,062.00	938.00
Other Purchased Services (400-500 series)	1,000.00		1,000.00	900.00	100.00
Supplies and Materials	5,000.00		5,000.00	4,930.00	70.00
Total Undistributed Expenditures - Support Services - Administrative Information Technology	16,000.00	-	16,000.00	14,892.00	1,108.00
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	10,000.00	1,000.00	11,000.00	10,954.78	45.22
Other Objects	1,000.00	1,000.00	2,000.00	1,903.96	96.04
Total Undistributed Expenditures - Required Maintenance for School Facilities	11,000.00	2,000.00	13,000.00	12,858.74	141.26

(Continued)

BRIDGETON PUBLIC CHARTER SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Eighteen Month Period Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services					
Salaries	\$ 10,000.00	\$ 9,000.00	\$ 19,000.00	\$ 18,402.43	\$ 597.57
Purchased Professional and Technical Services	5,000.00	3,000.00	8,000.00	7,415.80	584.20
Cleaning, Repair and Maintenance Services	10,000.00	5,000.00	15,000.00	13,345.00	1,655.00
Rental of Land and Building Other than Lease Purchase	80,000.00	25,000.00	105,000.00	100,393.50	4,606.50
Other Purchased Property Services	13,000.00		13,000.00	12,636.98	363.02
Insurance	20,000.00	11,000.00	31,000.00	30,658.17	341.83
General Supplies	1,500.00		1,500.00	1,392.26	107.74
Energy (Electricity)	30,000.00	12,000.00	42,000.00	40,012.08	1,987.92
Energy (Natural Gas)	4,000.00	500.00	4,500.00	4,400.89	99.11
Other Objects	1,500.00		1,500.00	1,214.60	285.40
Total Undistributed Expenditures - Custodial Services	<u>175,000.00</u>	<u>65,500.00</u>	<u>240,500.00</u>	<u>229,871.71</u>	<u>10,628.29</u>
Unallocated Benefits - Employee Benefits:					
Group Insurance	2,500.00		2,500.00	2,421.73	78.27
Unemployment Compensation	10,735.00	265.00	11,000.00	10,276.23	723.77
Workers Compensation	5,000.00		5,000.00	5,000.00	5,000.00
Health Benefits	80,000.00	(54,000.00)	26,000.00	25,363.26	636.74
Other Employee Benefits	13,000.00		13,000.00	10,884.42	2,115.58
Total Unallocated Benefits	<u>111,235.00</u>	<u>(53,735.00)</u>	<u>57,500.00</u>	<u>48,945.64</u>	<u>8,554.36</u>

(Continued)

BRIDGETON PUBLIC CHARTER SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Eighteen Month Period Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	\$ 30,633.90	\$ (30,633.90)
Total Undistributed Expenditures	\$ 517,610.00	\$ 26,197.00	\$ 543,807.00	532,119.60	11,687.40
Total Current Expense	951,919.00	109,988.00	1,061,907.00	1,005,370.00	56,537.00
Capital Outlay:					
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
General Administration	-	-	-	6,916.34	(6,916.34)
Total Expenditures	951,919.00	109,988.00	1,061,907.00	1,012,286.34	49,620.66
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,702.00	-	5,702.00	86,079.68	80,377.68
Other Financing Sources (Uses):					
Operating Transfers:					
Transfer to Food Service Fund - Board Contribution				(15,459.53)	(15,459.53)
Transfer to Before and After Care Fund - Board Contribution				(1,482.75)	(1,482.75)
Capital Leases (non-budgeted)				6,916.34	6,916.34
Total Other Financing Sources (Uses)	-	-	-	(10,025.94)	(10,025.94)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,702.00	-	5,702.00	76,053.74	70,351.74
Fund Balances, January 1	-	-	-	-	-
Fund Balances, June 30	\$ 5,702.00	-	\$ 5,702.00	\$ 76,053.74	\$ 70,351.74
Recapitulation:					
Assigned Fund Balance:					
Year-End Encumbrances				\$ 65,879.90	
Unassigned Fund Balance				10,173.84	
				\$ 76,053.74	

BRIDGETON PUBLIC CHARTER SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Eighteen Month Period Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Federal Sources:					
Title I	\$ 61,981.00		\$ 61,981.00	\$ 61,981.00	
Title IIA	4,010.00		4,010.00	4,010.00	
I.D.E.A. Basic	17,930.00		17,930.00	17,930.00	
Charter School Grant Program - Year I	150,000.00		150,000.00	150,000.00	
Instructional Improvement Grant	175,000.00		175,000.00	165,795.48	\$ (9,204.52)
Total - Federal Sources	408,921.00	-	408,921.00	399,716.48	(9,204.52)
Total Revenues	408,921.00	-	408,921.00	399,716.48	(9,204.52)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	51,000.00		51,000.00	51,000.00	
Purchased Professional and Technical Services	16,170.00		16,170.00	12,019.10	4,150.90
Instructional Supplies	39,121.00		39,121.00	39,121.00	
Total Instruction	106,291.00	-	106,291.00	102,140.10	4,150.90
Support Services:					
Personal Services - Salaries	6,750.00		6,750.00	6,750.00	
Personal Services - Employee Benefits	14,796.00		14,796.00	14,796.00	
Purchased Professional and Technical Services	142,742.00		142,742.00	142,382.54	359.46
Other Purchased Services (400-500 series)	59,925.00		59,925.00	59,925.00	
Supplies and Materials	29,067.00		29,067.00	24,372.84	4,694.16
Total Support Services	253,280.00	-	253,280.00	248,226.38	5,053.62
Facilities Acquisition and Construction Services:					
Instructional Equipment	45,896.00		45,896.00	45,896.00	
Noninstructional Equipment	3,454.00		3,454.00	3,454.00	
Total Facilities Acquisition and Construction Services	49,350.00	-	49,350.00	49,350.00	-
Total Expenditures	408,921.00	-	408,921.00	399,716.48	9,204.52
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

BRIDGETON PUBLIC CHARTER SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Eighteen Month Period Ended June 30, 2016

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 basis) "revenues" from the budgetary comparison schedules	\$ 1,098,366.02	\$ 399,716.48
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(30,702.95)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,098,366.02</u>	<u>\$ 369,013.53</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 1,012,286.34	\$ 399,716.48
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(30,702.95)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 1,012,286.34</u>	<u>\$ 369,013.53</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BRIDGETON PUBLIC CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Eighteen Month Period Ended June 30, 2016

	NCLB		IDEA Basic	Charter School Grant Program - Planning	Charter School Grant Program - Implementation	Total
	Title I	Title II A				
REVENUES:						
Federal Sources	\$ 61,981.00	\$ 4,010.00	\$ 17,930.00	\$ 150,000.00	\$ 165,795.48	\$ 399,716.48
Total Revenues	61,981.00	4,010.00	17,930.00	150,000.00	165,795.48	399,716.48
EXPENDITURES:						
Instruction:						
Salaries of Teachers	35,000.00			16,000.00		51,000.00
Purchased Professional and Technical Services					12,019.10	12,019.10
Instructional Supplies	2,881.00				36,240.00	39,121.00
Total Instruction	37,881.00	-	-	16,000.00	48,259.10	102,140.10
Support Services:						
Personal Services - Salaries				6,750.00		6,750.00
Personal Services - Employee Benefits	9,100.00			5,696.00		14,796.00
Purchased Professional and Technical Services	15,000.00	4,010.00	17,930.00	45,802.00	59,640.54	142,382.54
Other Purchased Services (400-500 series)				59,925.00		59,925.00
Supplies and Materials				15,827.00	8,545.84	24,372.84
Total Support Services	24,100.00	4,010.00	17,930.00	134,000.00	68,186.38	248,226.38
Facilities Acquisition and Construction Services:						
Instructional Equipment					45,896.00	45,896.00
Noninstructional Equipment					3,454.00	3,454.00
Total Facilities Acquisition and Construction Services	-	-	-	-	49,350.00	49,350.00
Total Expenditures	61,981.00	4,010.00	17,930.00	150,000.00	165,795.48	399,716.48
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

PROPRIETARY FUNDS

BRIDGETON PUBLIC CHARTER SCHOOL
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2016

	<u>Food Service</u>	<u>Before/After Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Intergovernmental Accounts Receivable:			
State	\$ 266.24		\$ 266.24
Federal	20,743.05		20,743.05
	<u>21,009.29</u>	<u>-</u>	<u>21,009.29</u>
Total Current Assets			
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund	15,172.30		15,172.30
Accounts Payable	5,836.99		5,836.99
	<u>21,009.29</u>	<u>-</u>	<u>21,009.29</u>
Total Current Liabilities			
NET POSITION:			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

BRIDGETON PUBLIC CHARTER SCHOOL
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Eighteen Month Period Ended June 30, 2016

	<u>Food Service</u>	<u>Before/After Program</u>	<u>Total</u>
OPERATING REVENUES:			
Local Sources			
Daily Sales - Reimbursable Programs	\$ 3,548.65		\$ 3,548.65
Program Revenue		\$ 1,608.00	1,608.00
Total Local Sources	<u>3,548.65</u>	<u>1,608.00</u>	<u>5,156.65</u>
OPERATING EXPENSES:			
Salaries	14,504.60	2,998.75	17,503.35
Other Purchased Services	5,641.74		5,641.74
Cost of Sales - Reimbursable	58,524.77		58,524.77
Miscellaneous	115.50	92.00	207.50
Total Operating Expenses	<u>78,786.61</u>	<u>3,090.75</u>	<u>81,877.36</u>
Operating Income / (Loss)	<u>(75,237.96)</u>	<u>(1,482.75)</u>	<u>(76,720.71)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	755.84		755.84
Federal Sources:			
National School Lunch Program	41,067.99		41,067.99
National School Breakfast Program	17,954.60		17,954.60
Total Nonoperating Revenues (Expenses)	<u>59,778.43</u>	<u>-</u>	<u>59,778.43</u>
Income (Loss) before Contributions and Transfers	<u>(15,459.53)</u>	<u>(1,482.75)</u>	<u>(16,942.28)</u>
Operating Transfer In - General Fund	<u>15,459.53</u>	<u>1,482.75</u>	<u>16,942.28</u>
Change in Net Position			
Net Position -- January 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>
Net Position -- June 30, 2016	<u>-</u>	<u>-</u>	<u>-</u>

BRIDGETON PUBLIC CHARTER SCHOOL
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Eighteen Month Period Ended June 30, 2016

	<u>Food Service</u>	<u>Before/After Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 3,548.65	\$ 1,608.00	\$ 5,156.65
Payments to Employees	(14,504.60)		(14,504.60)
Payments to Suppliers	(64,282.01)	(3,090.75)	(67,372.76)
Net Cash Provided by (used for) Operating Activities	<u>(75,237.96)</u>	<u>(1,482.75)</u>	<u>(76,720.71)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	489.60		489.60
Federal Sources	38,279.54		38,279.54
Operating Subsidies and Transfers to Other Funds	36,468.82	1,482.75	37,951.57
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>75,237.96</u>	<u>1,482.75</u>	<u>76,720.71</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents -- January 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents -- June 30, 2016	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (75,237.96)	\$ (1,482.75)	\$ (76,720.71)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
(Increase) Decrease in Accounts Receivable, net	(21,009.29)		(21,009.29)
Increase (Decrease) in Accounts Payable	5,836.99		5,836.99
Increase (Decrease) in Other Current Liabilities	15,172.30		15,172.30
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (75,237.96)</u>	<u>\$ (1,482.75)</u>	<u>\$ (76,720.71)</u>

FIDUCIARY FUNDS

BRIDGETON PUBLIC CHARTER SCHOOL
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	<u>Private-Purpose Trust Fund</u>	<u>Agency Funds</u>		
	<u>Unemployment</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:				
Cash and Cash Equivalents	\$ 9,069.74	\$ 1,539.51	\$ 2,317.66	\$ 12,926.91
Interfund Accounts Receivable Due from General Fund	0.03			0.03
Total Assets	9,069.77	\$ 1,539.51	\$ 2,317.66	\$ 12,926.94
LIABILITIES:				
Payable to State Government	\$ 8,714.06			\$ 8,714.06
Payroll Deductions and Withholdings			\$ 2,237.51	2,237.51
Payable to PTA		\$ 1,539.51		1,539.51
Interfund Accounts Payable: Due to General Fund			80.15	80.15
Total Liabilities	8,714.06	\$ 1,539.51	\$ 2,317.66	12,571.23
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	355.71			355.71
Total Net Position	\$ 355.71			\$ 355.71

BRIDGETON PUBLIC CHARTER SCHOOL
 Fiduciary Funds
 Statement of Net Changes in Fiduciary Net Position
 For the Eighteen Month Period Ended June 30, 2016

	Private-Purpose <u>Trust Fund</u> Unemployment <u>Compensation</u>
ADDITIONS:	
Contributions:	
Budget Contribution	\$ 10,276.23
Employee Contributions	1,830.09
Investment Earnings	
Interest	0.37
Total Additions	12,106.69
DEDUCTIONS:	
Program Expenditures	11,750.98
Total Deductions	11,750.98
Change in Net Position	355.71
Net Position -- January 1, 2015	-
Net Position -- June 30, 2016	\$ 355.71

BRIDGETON PUBLIC CHARTER SCHOOL
Fiduciary Funds
Student Activity Account Schedule of Receipts and Disbursements
For the Eighteen Month Period Ended June 30, 2016

	Balance <u>Jan. 1, 2015</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2016</u>
Student Activity	<u>-</u>	<u>\$ 4,775.55</u>	<u>\$ 3,236.04</u>	<u>\$ 1,539.51</u>

BRIDGETON PUBLIC CHARTER SCHOOL
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Eighteen Month Period Ended June 30, 2016

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	<u> </u>	\$ 662,616.29	\$ 660,298.63	\$ 2,317.66
Total Assets	<u> </u> <u>-</u>	<u> </u> <u>\$ 662,616.29</u>	<u> </u> <u>\$ 660,298.63</u>	<u> </u> <u>\$ 2,317.66</u>
LIABILITIES:				
Payroll Deductions and Withholdings		\$ 205,626.74	\$ 203,389.23	\$ 2,237.51
Net Payroll		455,076.82	455,076.82	
Interfund Accounts Payable:				
Due General Fund		82.64	2.49	80.15
Due Unemployment Trust Fund		1,830.09	1,830.09	
Total Liabilities	<u> </u> <u>-</u>	<u> </u> <u>\$ 662,616.29</u>	<u> </u> <u>\$ 660,298.63</u>	<u> </u> <u>\$ 2,317.66</u>

LONG-TERM DEBT

BRIDGETON PUBLIC CHARTER SCHOOL
 Schedule of Obligations Under Capital Leases
 For the Eighteen Month Period Ended June 30, 2016

<u>SERIES</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>		<u>Amount Outstanding January 1, 2015</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2016</u>
				<u>Principal</u>	<u>Interest</u>				
Telephone Equipment	9/1/2015	8/31/2019	12.00%	\$ 6,916.34	\$ 1,400.02	_____	\$ 6,916.34	\$ 1,921.20	\$ 4,995.14
						-	\$ 6,916.34	\$ 1,921.20	\$ 4,995.14

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the Charter School's financial position has changed over time. Please refer to the following exhibits for a historical view of the Charter School's financial performance.

BRIDGETON PUBLIC CHARTER SCHOOL
 Net Position by Component
 Last One Year (accrual basis of accounting)
 Unaudited

	Eighteen Month Period Ended <u>June 30, 2016</u>
Governmental Activities	
Net Investment in Capital Assets	\$ 45,759.70
Unrestricted	<u>76,053.74</u>
Total Governmental Activities Net Position	<u>\$ 121,813.44</u>
Business-type Activities	
Net Investment in Capital Assets	-
Restricted	-
Unrestricted	<u>-</u>
Total Business-type Activities Net Position	<u>-</u>
Government-wide	
Net Investment in Capital Assets	\$ 45,759.70
Unrestricted	<u>76,053.74</u>
Total Government-wide Net Position	<u>\$ 121,813.44</u>

Source: Charter School's Records

BRIDGETON PUBLIC CHARTER SCHOOL
 Changes in Net Position
 Last One Year (accrual basis of accounting)
 Unaudited

	<u>Eighteen Month Period Ended June 30, 2016</u>
Expenses	
Governmental Activities	
Instruction:	
Regular	\$ 570,971.73
Support Services:	
Student and Instruction Related Services	243,629.96
School Administrative Services	132,598.56
General and Business Administrative Services	59,113.59
Plant Operations and Maintenance	242,730.45
Pupil Transportation	
Unallocated Benefits	48,945.64
Reimbursed TPAF and Social Security	<u>30,633.90</u>
Total Governmental Activities Expenses	<u>1,328,623.83</u>
Business-type Activities:	
Food Service	78,786.61
Before and After Care Program	<u>3,090.75</u>
Total Business-type Activities Expense	<u>81,877.36</u>
Total District Expenses	<u>\$ 1,410,501.19</u>
Program Revenues	
Governmental Activities:	
Operating Grants and Contributions	<u>\$ 350,297.43</u>
Total Governmental Activities Program Revenues	<u>350,297.43</u>
Business-type activities:	
Charges for services	
Food Service	3,548.65
Before and After Care Program	1,608.00
Operating Grants and Contributions	<u>59,778.43</u>
Total Business-type Activities Program Revenues	<u>64,935.08</u>
Total District Program Revenues	<u>\$ 415,232.51</u>
General Revenues and Other Changes in Net Position	
Governmental Activities:	
Local Levy and Charter School Aid	\$ 1,067,609.00
State and Federal Aid	49,350.00
Miscellaneous Income	123.12
Transfers	<u>(16,942.28)</u>
Total Governmental Activities	<u>1,100,139.84</u>
Business-type activities:	
Transfers	<u>16,942.28</u>
Total Business Activities	<u>16,942.28</u>
Total Government-wide	<u>\$ 1,100,139.84</u>
Net (Expense)/Revenue	
Governmental Activities	\$ 121,813.44
Business-type Activities	<u>-</u>
Total Government-wide Net (Expense)/Revenue	<u>\$ 121,813.44</u>

Source: Charter School's Records

BRIDGETON PUBLIC CHARTER SCHOOL
 Fund Balances - Governmental Funds
 Last One Year (modified accrual basis of accounting)
 Unaudited

	Eighteen Month Period Ended <u>June 30, 2016</u>
General Fund	
Assigned	\$ 65,879.90
Unassigned	<u>10,173.84</u>
Total General Fund	<u><u>\$ 76,053.74</u></u>

Source: Charter School's Records

BRIDGETON PUBLIC CHARTER SCHOOL
 Changes in Fund Balances, Governmental Funds
 Last One Year (modified accrual basis of accounting)
 Unaudited

	<u>2016</u>
Revenues	
Revenue From Other Sources	\$ 123.12
State Sources	1,098,242.90
Federal Sources	<u>369,013.53</u>
Total Revenue	<u>1,467,379.55</u>
Expenditures	
Instruction:	
Regular	565,690.50
Support Services:	
Student and Instruction Related Services	243,629.96
School Administrative Services	132,598.56
General and Business Administrative Services	60,804.52
Plant Operations and Maintenance	242,730.45
Unallocated Benefits	48,945.64
Reimbursed TPAF Pension and Social Security	30,633.90
Capital Outlay	<u>56,266.34</u>
Total Expenditures	<u>1,381,299.87</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>86,079.68</u>
Other Financing Sources (Uses)	
Capital Leases (Non-budgeted)	6,916.34
Transfers Out	<u>(16,942.28)</u>
Total Other Financing Sources (Uses)	<u>(10,025.94)</u>
Net Change in Fund Balances	<u><u>\$ 76,053.74</u></u>
Debt Service as a Percentage of Noncapital Expenditures	N/A

Source: Charter School's Records

BRIDGETON PUBLIC CHARTER SCHOOL
General Fund - Other Local Revenue by Source
Last One Year (modified accrual basis of accounting)
Unaudited

	<u>2016</u>
Miscellaneous	<u>\$ 123.12</u>

Source: District Records.

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the Charter School's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the Charter School's outstanding debt and its debt capacity.

BRIDGETON PUBLIC CHARTER SCHOOL
 Ratios of Outstanding Debt by Type
 Last One Year
 Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal <u>Income</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Mortgages Payable</u>	<u>Capital Leases</u>	<u>Loan Payable</u>	<u>Capital Leases</u>			
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: The Charter School does not have outstanding debt.

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the Charter School operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Charter Schools. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the Charter School operates.

BRIDGETON PUBLIC CHARTER SCHOOL
 Demographic and Economic Statistics (1)
 Last One Fiscal Year
 Unaudited

<u>Year</u>	<u>Population (2)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (4)</u>	<u>Unemployment Rate (5)</u>
2016	unavailable	unavailable	unavailable	unavailable

Source:

- (1) Data provided for Bridgeton, New Jersey.
- (2) Population information provided by the NJ Dept of Education
- (3) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (4) Per capita personal income information provided by the NJ Dept of Education
- (5) Unemployment data provided by the NJ Dept of Education

BRIDGETON PUBLIC CHARTER SCHOOL
Principal Employers
Current Year
Unaudited

<u>Employer (1)</u>	<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
Southwoods State Prison	1,100	1	13.09%
Bridgeton Health Center	900	2	10.71%
Cumberland County Family Part	500	3	5.95%
Seabrook Brothers & Sons, Inc.	464	4	5.52%
Ardagh Group	561	5	6.68%
Walmart	215	6	2.56%
Boscov's Department Store	200	7	2.38%
Cumberland Manor Nurse & Rehab	200	8	2.38%
Seabrook House	200	9	2.38%
Shop Rite	200	10	2.38%
	<u>4,540</u>		<u>54.04%</u>

(1) Source: ReferenceUSA.com

(2) Data was not available from sources contacted.

Operating Information

Operating information is intended to provide contextual information about the Charter School's operations and resources to assist readers in using financial statement information to understand and assess the Charter School's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the Charter School's operations.

BRIDGETON PUBLIC CHARTER SCHOOL
Full-time Equivalent District Employees by Function/Program
Last One Year
Unaudited

<u>Function/Program</u>	<u>2016</u>
Instruction	9
Administration	1
Support Services	<u>2</u>
Total	<u><u>12</u></u>

Source: Charter School Personnel Records

BRIDGETON PUBLIC CHARTER SCHOOL

Operating Statistics

Last One Year

Unaudited

<u>Fiscal Year</u> <u>June 30.</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil/Teacher Ratio Elementary (K-5)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2016	96.1	\$ 1,325,033.53	\$ 13,788.07	N/A	8	12:1	96.44	89.89	N/A	93.21%

Sources: Charter School Records

Note: Enrollment based on annual October enrollment count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from members of the administrative staff.

BRIDGETON PUBLIC CHARTER SCHOOL
School Building Information
Last One Year
Unaudited

Not Applicable. The Charter School does not own any facilities.

BRIDGETON PUBLIC CHARTER SCHOOL

Insurance Schedule

June 30, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>Policy Level Information</u>		
Property - Blanket Building & Personal Property		
Limit of Liability		
Per Occurance	\$ 500,000,000	\$ 5,000.00
Boiler and Machinery		
Limit of Liability		
Per Occurance	100,000,000	5,000
Cyber		
Limit of Liability		
Per Occurance	100,000	10,000
Annual Aggregate	2,000,000	
Crime - Blanket Employee Dishonesty		
Limit of Liability		
Per Loss	500,000	1,000
Comprehensive General Liability & Automobile Liability		
Limit of Liability		
Per Occurance	5,000,000	
Workers Compensation		
Limit of Liability		
Employers Liability (per occurrence / aggregate)	5,000,000	
Sexual Abuse & Molestation		
Limit of Liability		
Per Incident	10,000,000	
Annual Aggregate	30,000,000	
Environmental Impairment		
Limit of Liability		
Per Incident	1,000,000	10,000
Annual Aggregate	5,000,000	
Employee Benefits		
Limit of Liability		
Each Accident	5,000,000	
School Leaders Professional Liability		
Limit of Liability		
Aggregate/ Per Occurance	5,000,000	5,000
Excess Liability		
Limit of Liability		
Per Person/ Per Claim	15,000,000	

Source: District Records

Charter School Performance Framework - Financial Indicators

The New Jersey Department of Education (NJDOE) developed the comprehensive Performance Framework to ensure that each and every NJ charter school is serving students with a high-quality public education. The Performance Framework – Financial Indicators set the fiscal standards by which all NJ public charter schools will be evaluated, informing both NJDOE and individual school officials about school performance and sustainability. By utilizing the Performance Framework throughout the charter school's life cycle, NJDOE officials will expand the rigorous standards and metrics by which each and every public charter school is evaluated. Please refer to the following exhibit for the Charter School's Performance Framework Financial Indicators.

BRIDGETON PUBLIC CHARTER SCHOOL
Charter School Performance Framework
Financial Indicators - Fiscal Ratios
Unaudited

	2014	2015	2016	Source
	Audit	Audit	Audit	
Cash			\$ 35,815.95	Audit: Exhibit A-1
Current Assets			121,895.31	Audit: Exhibit A-1
Total Assets			172,650.15	Audit: Exhibit A-1
Current Liabilities			48,147.01	Audit: Exhibit A-1
Total Liabilities			50,836.71	Audit: Exhibit A-1
Net Position			121,813.44	Audit: Exhibit A-1
Total Revenue			1,117,082.12	Audit: Exhibit A-2
Total Expenses			995,268.68	Audit: Exhibit A-2
Change in Net Position			121,813.44	Audit: Exhibit A-2
Depreciation Expense			5,511.50	Financial Statements/Audit Workpapers
Interest Expense			388.90	Financial Statements/Audit Workpapers
Principal Payments			1,921.20	Financial Statements/Audit Workpapers
Interest Payments			388.90	Financial Statements/Audit Workpapers
Final Average Daily Enrollment			96.10	DOE Enrollment Reports
March 30th Budgeted Enrollment			105	Charter School Budget

RATIOS ANALYSIS...

Near Term Indicators	2014	2015	2016	3 YR CUM	Source:
1a. Current Ratio	N/A	N/A	2.53	0.84	Current Assets/Current Liabilities
1b. Unrestricted Days Cash	N/A	N/A	13.13	4.38	Cash/(Total Expenses/365)
1c. Enrollment Variance	N/A	N/A	92%	31%	Average Daily Enrollment/Budgeted Enrollment
1d.* Default	N/A	N/A	N/A	N/A	Audit
Sustainability Indicators					
2a. Total Margin	N/A	N/A	11%	4%	Change in Net Position/Total Revenue
2b. Debt to Asset	N/A	N/A	0.29	0.10	Total Liabilities/Total Assets
2c. ** Cash Flow	N/A	N/A	35,815.95	11,938.65	Net change in cash flow from prior years (Change in Net Position+Depreciation+Interest Expense)/(Principal & Interest Payments)
2d. Debt Service Coverage Ratio	N/A	N/A	55.28	18.43	

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

** 2016=2016 Cash-2015 Cash

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairperson and
Members of the Board of Trustees
Bridgeton Public Charter School
Bridgeton, New Jersey 08302

Report on Compliance for Each Major State Program

We have audited the Bridgeton Public Charter School's, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major state programs for the eighteen month period ended June 30, 2016. The Charter School's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Charter School's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Bridgeton Public Charter School's, in the County of Cumberland, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Bridgeton Public Charter School, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the eighteen month period ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Bridgeton Public Charter School, in the County of Cumberland, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
December 1, 2016

BRIDGETON PUBLIC CHARTER SCHOOL
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Eighteen Months Ended June 30, 2016

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal FAIN Number</u>	<u>Pass-Thru Entity ID Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance Jan. 1, 2015</u>
					<u>From</u>	<u>To</u>	
Special Revenue Fund:							
U.S. Department of Education							
Passed-through State Department of Education:							
Charter Schools Grant Program - Planning	84.282A	U282A120015	NJ-CA85-B07	\$ 150,000.00	1/15/2015	9/15/2015	
Charter Schools Grant Program - Implementation - Year 1	84.282A	U282A120015	NJ-CA87-B07	175,000.00	11/1/2015	10/31/2016	
Total Charter Schools Grant Programs Cluster							-
No Child Left Behind:							
Title I (P.L. 103-382)	84.010	S010A150030	NCLB610016	61,981.00	7/1/2015	6/30/2016	
Title IIA	84.367	S367A150029	NCLB610016	4,010.00	7/1/2015	6/30/2016	
Total No Child Left Behind							-
I.D.E.A., Part B Basic	84.027	H027A150100	IDEA610016	17,930.00	7/1/2015	6/30/2016	
Total U.S. Department of Education							-
Total Special Revenue Fund							-
Enterprise Fund:							
U.S. Department of Agriculture							
Passed-through State Department of Education:							
Child Nutrition Cluster:							
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	41,067.99	7/1/2015	6/30/2016	
School Breakfast Program	10.553	16161NJ304N1099	Unavailable	17,954.60	7/1/2015	6/30/2016	
Total U.S. Department of Agriculture							-
Total Enterprise Fund							-
Total Federal Financial Assistance							-

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

These funds were not audited in accordance with the *Uniform Guidance* since the total of all grant award expenditures were less than \$750,000.

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2016		Due to Grantor at June 30, 2016
		Pass- Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	
	\$ 150,000.00	\$ (150,000.00)		\$ (150,000.00)						
	175,000.00	(165,795.48)		(165,795.48)					\$ 9,204.52	
-	325,000.00	(315,795.48)	-	(315,795.48)	-	-	-	-	9,204.52	-
	32,218.00	(61,981.00)		(61,981.00)				\$ (29,763.00)		
		(4,010.00)		(4,010.00)				(4,010.00)		
-	32,218.00	(65,991.00)	-	(65,991.00)	-	-	-	(33,773.00)	-	-
	7,597.00	(17,930.00)		(17,930.00)				(10,333.00)		
-	364,815.00	(399,716.48)	-	(399,716.48)	-	-	-	(44,106.00)	9,204.52	-
-	364,815.00	(399,716.48)	-	(399,716.48)	-	-	-	(44,106.00)	9,204.52	-
	26,596.57	(41,067.99)		(41,067.99)				(14,471.42)		
	11,682.97	(17,954.60)		(17,954.60)				(6,271.63)		
-	38,279.54	(59,022.59)	-	(59,022.59)	-	-	-	(20,743.05)	-	-
-	38,279.54	(59,022.59)	-	(59,022.59)	-	-	-	(20,743.05)	-	-
-	\$ 403,094.54	\$ (458,739.07)	-	\$ (458,739.07)	-	-	-	\$ (64,849.05)	\$ 9,204.52	-

BRIDGETON PUBLIC CHARTER SCHOOL
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Eighteen Months Ended June 30, 2016

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance Jan. 1, 2015</u>
			<u>From</u>	<u>To</u>	
General Fund:					
New Jersey Department of Education:					
Current Expense:					
Charter School Aid:					
Equalization Aid	16-495-034-5120-078	\$ 1,031,975.00	7/1/15	6/30/16	
Security Aid	16-495-034-5120-084	35,634.00	7/1/15	6/30/16	
Total State Aid - Public Cluster					-
T.P.A.F. Social Security Aid	16-495-034-5095-002	30,633.90	7/1/15	6/30/16	
Total General Fund					-
Enterprise Fund:					
New Jersey Department of Agriculture:					
State School Lunch Program	16-100-010-3350-023	755.84	7/1/15	6/30/16	
Total Enterprise Fund					-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					-

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

Carryover / (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2016			(Memo Only)	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
	\$ 1,011,046.00	\$ (1,031,975.00)				\$ (20,929.00)				\$ 1,031,975.00
	35,610.00	(35,634.00)				(24.00)				35,634.00
-	1,046,656.00	(1,067,609.00)	-	-	-	(20,953.00)	-	-	-	1,145,254.00
		(30,633.90)				(30,633.90)				30,633.90
-	1,046,656.00	(1,098,242.90)	-	-	-	(51,586.90)	-	-	-	1,255,514.65
	489.60	(755.84)				(266.24)				755.84
-	489.60	(755.84)	-	-	-	(266.24)	-	-	-	2,006.95
-	\$ 1,047,145.60	\$ (1,098,998.74)	-	-	-	\$ (51,853.14)	-	-	-	\$ 1,257,521.60

BRIDGETON PUBLIC CHARTER SCHOOL

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Eighteen Month Period Ended June 30, 2016

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Bridgeton Public Charter School (hereafter referred to as the "Charter School"). The Charter School is defined in note 1 to the Charter School's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the Charter School, it is not intended to and does not present the financial position and changes in operations of the Charter School.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the Charter School's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, or State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Charter School has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

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. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$30,702.95) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the special revenue fund.

Awards and financial assistance expenditures reported in the Charter School's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 1,098,242.90	\$ 1,098,242.90
Special Revenue	\$ 369,013.53		369,013.53
Food Service	59,022.59	755.84	59,778.43
	<u> </u>	<u> </u>	<u> </u>
Total Awards and Financial Assistance	<u>\$ 428,036.12</u>	<u>\$ 1,098,998.74</u>	<u>\$ 1,527,034.86</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: REIMBURSED PAYMENTS

During the eighteen month period ended June 30, 2016, the Charter School was the recipient of federal and state assistance that represented reimbursements to the Charter School. 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 fiscal year.

Note 6: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

BRIDGETON PUBLIC CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Eighteen Month Period Ended June 30, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? ___ yes ___ X no
Significant deficiency(ies) identified? ___ yes ___ X none reported
Noncompliance material to financial statements noted? ___ yes ___ X no

Federal Awards Not applicable.

Internal control over major programs:
Material weakness(es) identified? ___ yes ___ no
Significant deficiency(ies) identified? ___ yes ___ none reported
Type of auditor's report issued on compliance for major programs
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? ___ yes ___ no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Multiple rows of empty lines for data entry.

Dollar threshold used to determine Type A programs \$
Auditee qualified as low-risk auditee? ___ yes ___ no

BRIDGETON PUBLIC CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Eighteen Month Period Ended June 30, 2016

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? yes no

Identification of major programs:

GMIS Number(s)

Name of State Program

	Charter School Aid:
16-495-034-5120-078	Equalization Aid
16-495-034-5120-084	Security Aid

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? yes no

BRIDGETON PUBLIC CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Eighteen Month Period Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

BRIDGETON PUBLIC CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Eighteen Month Period Ended June 30, 2016

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not applicable.

BRIDGETON PUBLIC CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Eighteen Month Period Ended June 30, 2016

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

BRIDGETON PUBLIC CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Not applicable.

FEDERAL AWARDS

Not applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

Not applicable.

