

GOLDEN DOOR CHARTER SCHOOL

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2011

GOLDEN DOOR CHARTER SCHOOL

***Golden Door Charter School
Board of Trustees
Jersey City, New Jersey***

***Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2011***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by
Golden Door Charter School
Finance Department**

And

Barre & Company, CPAs

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Secretary, State Board of Education**

**GOLDEN DOOR CHARTER SCHOOL
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INTRODUCTORY SECTION

***GOLDEN DOOR CHARTER SCHOOL
3044 KENNEDY BOULEVARD
JERSEY CITY, NEW JERSEY 07306
201-795-4440***

November 15, 2011

Honorable President and
Members of the Board of Trustees
Golden Door Charter School
County of Hudson
Jersey City, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Golden Door Charter School (Charter School) for the fiscal year ended June 30, 2011. This CAFR includes the Charter School's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34.

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

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Charter School. This report will provide the taxpayers of the Golden Door Charter School with comprehensive financial data in a format enabling them to gain an understanding of the Charter School's financial affairs.

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

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

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

Charter School Organization

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

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

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

The focus of education at Golden Door Charter School has always been what is best for the success of the children. With this in mind, the school provides a full range of services appropriate to meeting the needs of all students in Kindergarten through Grade Eight (8). Such instructional services include regular education, special education, and a basic skills program.

Golden Door Charter School ended the 2010-2011 school year with an enrollment of 473 students. The following details the student enrollment of the Charter School over the last five years:

REPORTING ENTITY AND ITS SERVICES (CONTINUED):

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Attendance Rate</u>
2010-2011	473	95.6%
2009-2010	494	95.8%
2008-2009	498	94.5%
2007-2008	495	93.99%
2006-2007	499	93.43%

2. ECONOMIC CONDITION AND OUTLOOK: The Charter School is located in Jersey City, New Jersey and has completed its eleventh year of implementation. The Charter School is located in one of the major urban areas in the State of New Jersey. They are experiencing some of the same social and economic phenomena as other urban areas its size. These phenomena include, but are not limited to, unemployment, and under employment among its working class population.

3. INITIATIVES: The Charter School has developed a comprehensive strategic plan to support its mission and vision which serves as a blueprint for the achievement of its goals. The plan includes objectives, such as pupil achievements, staff development and technology in the classroom.

4. INTERNAL ACCOUNTING CONTROLS: Management of the Charter School is responsible for establishing and maintaining an internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived;
- (2) the valuation of costs and benefits requires estimates and judgments by management.

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

INTERNAL ACCOUNTING CONTROLS (CONTINUED):

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

6. CASH MANAGEMENT: The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to Basic Financial Statement" Note 3. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

8. OTHER INFORMATION:

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

9. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of Golden Door Charter School Board of Trustees for their concerns in providing fiscal accountability to the citizens and taxpayers of the participating school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

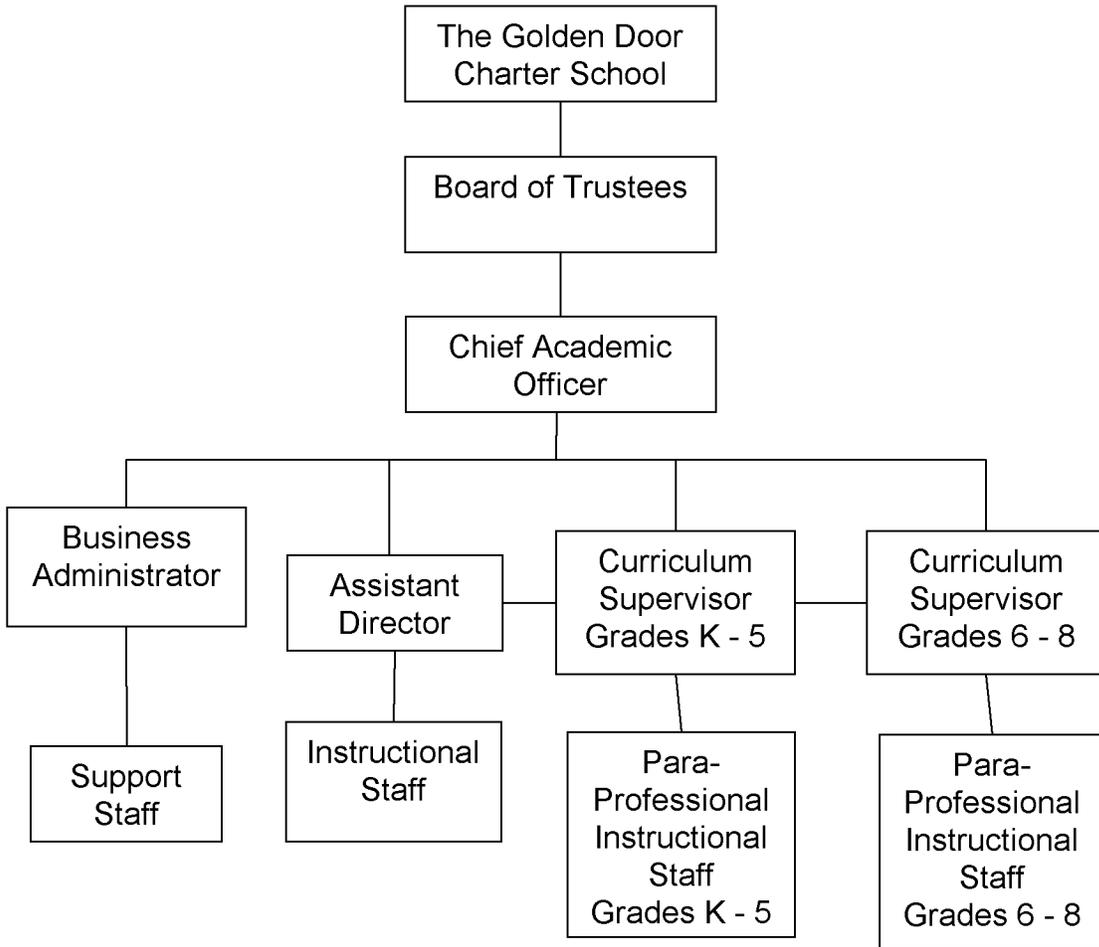


Ms. Elizabeth Flores
President, Board of Trustees



Mr. Brian Stiles
Chief Academic Officer

**GOLDEN DOOR CHARTER SCHOOL
ORGANIZATIONAL CHART
JUNE 30, 2011**



**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2011**

<u>MEMBERS OF THE BOARD OF TRUSTEES</u>	<u>TERM EXPIRES</u>
Elizabeth Aviles, President	Aug 11
Mireza Negrón-Morales, Vice-President	Aug 11
Claudia Ross	Aug 11
Ferdinand Fuentes	Aug 11
Theda Crawford	Aug 11

OTHER OFFICIALS

Brian Stiles, Chief Academic Officer

Fanny Lopez, Assistant Director

Meeta Kalawadia, Business Administrator

Tabitha Madera, Curriculum Supervisor K-5

Diana Figueroa, Curriculum Supervisor 6-8

Cindy Brown, Office Administrator

**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company
Certified Public Accountants
2204 Morris Avenue
Union, New Jersey 07083

Attorney

Joseph M. Wenzel, Esq.
Attorney At Law
452 Clifton Avenue
Clifton, NJ 07011

Official Depository

Sovereign Bank
400 Marin Boulevard
Jersey City, NJ 07302

and

BCB Community Bank
611 Avenue C
Bayonne, NJ 07002

FINANCIAL SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Golden Door Charter School
County of Hudson
Jersey City, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Golden Door Charter School (Charter School), in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Charter School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Golden Door Charter School (Charter School), in the County of Hudson, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2011 on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be in considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Information starting on pages 13 and 60, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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



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

November 15, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The discussion and analysis of Golden Door Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2011 are as follows:

- ❖ General revenues accounted for \$6,177,692 or 95% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$331,780 or 5% of total revenues of \$6,509,472.
- ❖ The Charter School had \$6,448,082 in expenses; only \$331,780 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$6,177,692 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$5,709,221 in revenues and \$5,914,967 in expenditures. The General Fund's fund balance decreased by \$205,746 over 2010. This decrease was anticipated by the Board of Trustees.

**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED
(CONTINUED)**

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the Charter School as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2011?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED
(CONTINUED)**

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

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

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

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED
(CONTINUED)**

Reporting the Charter School's Most Significant Funds (Continued)

Proprietary Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 37 of this report.

The Charter School as a Whole

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

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

The Charter School's combined Net Assets were \$1,058,323 on June 30, 2011 and \$996,933 on June 30, 2010.

Governmental Activities

The Charter School's total revenues were \$6,238,790 for 2011 and \$6,417,386 for 2010, this includes \$190,260 for 2011 and \$190,288 for 2010 of state reimbursed TPAF social security contributions.

The total cost of all program and services were \$6,177,400 for 2011 and \$6,281,759 for 2010. Instruction comprises 57% for 2011 and 56% for 2010 of Charter School expenses.

**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED
(CONTINUED)**

Business-Type Activities

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

- ❖ Revenues equaled expenses for both 2011 and 2010.
- ❖ Charges for services represent \$37,373 for 2011 and \$41,255 for 2010 of revenue. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, and state snack program were \$175,458 for 2011 and \$200,713 for 2010.

Governmental Activities

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

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

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

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

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting.

**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED
(CONTINUED)**

The Charter School's Funds (Continued)

Total revenues amounted to \$6,238,790 and expenditures were \$6,444,536. The net change in fund balance for the year was most significant in the general fund, a decrease of \$205,746 .

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2010	Percent of Increase/ (Decrease)
Local Sources	1,163,006	18.64%	\$ (2,765,733)	-70.40%
State Sources	4,546,215	72.87%	2,918,369	179.28%
Federal Sources	529,569	8.49%	(173,493)	-24.68%
Total	<u>\$ 6,238,790</u>	<u>100.00%</u>	<u>\$ (20,857)</u>	

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2011, and the amount and percentage of decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2010	Percent of Increase/ (Decrease)
Instruction	\$ 2,725,560	42.29%	\$ (58,406)	-2.10%
Administration	1,547,508	24.01%	243,400	18.66%
Support Services	1,899,992	29.48%	(121,194)	-6.00%
Capital Outlay	271,476	4.22%	67,327	32.98%
Total	<u>\$ 6,444,536</u>	<u>100.00%</u>	<u>\$ 131,127</u>	

Changes in expenditures were the results of varying factors.

**GOLDEN DOOR CHARTER SCHOOL
JERSEY CITY, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED
(CONTINUED)**

General Fund Budgeting Highlights

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

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

Capital Assets

The Charter School has \$471,476 invested in capital assets (net) for 2011 and \$204,340 for 2010.

For the Future

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

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

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Mrs. Meeta Kalawadia, School Board Administrator at Golden Door Charter School, 3044 Kennedy Boulevard, Jersey City, New Jersey 07306.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL – WIDE FINANCIAL STATEMENTS

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

GOLDEN DOOR CHARTER SCHOOL
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 889,380	\$ -	\$ 889,380
Interfund Receivables	464,632		464,632
Receivables	602,700	14,380	617,080
Capital Assets, Net	471,476		471,476
Total Assets	2,428,188	14,380	2,442,568
LIABILITIES:			
Interfund Payable	454,276	14,380	468,656
Payable to State Government	415,585		415,585
Payable to Federal Government	117,115		117,115
Accounts Payable and Accrued Expense	382,889		382,889
Total Liabilities	1,369,865	14,380	1,384,245
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	471,476		471,476
Unrestricted	586,847	-	586,847
Total Net Assets	\$ 1,058,323	\$ -	\$ 1,058,323

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

GOLDEN DOOR CHARTER SCHOOL
 Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes In Net Assets			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 2,725,560	\$ 811,103	\$ -	\$ 118,949	\$ -	\$ (3,417,714)	\$ -	\$ (3,417,714)
Administration	562,682	125,784				(688,466)	-	(688,466)
Support Services	1,842,141	105,790				(1,947,931)	-	(1,947,931)
Capital Outlay	-	-				-	-	-
Unallocated Depreciation	4,340	-				(4,340)	-	(4,340)
Total Governmental Activities	5,134,723	1,042,677	-	118,949	-	(6,058,451)	-	(6,058,451)
BUSINESS-TYPE ACTIVITIES:								
Food Service	270,682		37,373	175,458	-	-	(57,851)	(57,851)
Total Business-Type Activities	270,682		37,373	175,458	-	-	(57,851)	(57,851)
Total Primary Government	\$ 5,405,405		\$ 37,373	\$ 294,407	\$ -	\$ (6,058,451)	\$ (57,851)	\$ (6,116,302)
GENERAL REVENUES								
General Purposes						\$ 1,154,107	\$ -	\$ 1,154,107
Federal and State Aid Not Restricted						4,956,835		4,956,835
Investment Income						4,450		4,450
Miscellaneous Income						4,449	57,851	62,300
Total General Revenues						6,119,841	57,851	6,177,692
Change in Net Assets						61,390	-	61,390
Net Assets - Beginning						996,933	-	996,933
Net Assets - Ending						\$ 1,058,323	\$ -	\$ 1,058,323

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

SECTION B – FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

GOLDEN DOOR CHARTER SCHOOL
 Governmental Funds
 Combining Balance Sheet
 June 30, 2011

	General Fund	Special Revenue Fund	Total
ASSETS:			
Cash and Cash Equivalents	\$ 888,490	\$ -	\$ 888,490
Interfund Receivables	464,632		464,632
Receivables from Other Governments	132,479	470,221	602,700
Other Receivables	890		890
	<u>1,486,491</u>	<u>470,221</u>	<u>1,956,712</u>
Total Assets	<u>\$ 1,486,491</u>	<u>\$ 470,221</u>	<u>\$ 1,956,712</u>
 LIABILITIES AND FUND BALANCES:			
Liabilities:			
Interfund Payables	\$ -	\$ 454,276	\$ 454,276
Payables to State Government	415,585		415,585
Payables to Federal Government	117,115		117,115
Accounts Payable & Accrued Expenses	366,944	15,945	382,889
	<u>899,644</u>	<u>470,221</u>	<u>1,369,865</u>
Total Liabilities	<u>899,644</u>	<u>470,221</u>	<u>1,369,865</u>
 Fund Balances:			
Reserved For:			
General Fund	586,847		586,847
	<u>586,847</u>	<u>-</u>	<u>586,847</u>
Total Fund Balances	<u>586,847</u>	<u>-</u>	<u>586,847</u>
Total Liabilities and Fund Balances	<u>\$ 1,486,491</u>	<u>\$ 470,221</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets are \$803,271 and the accumulated depreciation is \$331,795.

	<u>471,476</u>
Net Assets of Governmental Activities	<u>\$ 1,058,323</u>

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

GOLDEN DOOR CHARTER SCHOOL
 Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,154,107	\$ -	\$ 1,154,107
Interest on Investments	4,450		4,450
Miscellaneous	4,449		4,449
Total Local Sources	1,163,006	-	1,163,006
State Sources	4,546,215		4,546,215
Federal Sources		529,569	529,569
Total Revenues	5,709,221	529,569	6,238,790
EXPENDITURES:			
Instruction	2,382,814	342,746	2,725,560
Administration	1,547,508		1,547,508
Support Services	1,713,169	186,823	1,899,992
Capital Outlay	271,476		271,476
Total Expenditures	5,914,967	529,569	6,444,536
NET CHANGE IN FUND BALANCES	(205,746)	-	(205,746)
FUND BALANCES, JULY 1	792,593	-	792,593
FUND BALANCES, JUNE 30	<u>\$ 586,847</u>	<u>\$ -</u>	<u>\$ 586,847</u>

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

GOLDEN DOOR CHARTER SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Total net change in fund balances - governmental funds (B-2)	\$ (205,746)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p style="padding-left: 40px;">Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.</p>	
Depreciation Expense	(4,340)
Capital Outlays	271,476
	271,476
Change in net assets of governmental activities	\$ 61,390

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

PROPRIETARY FUNDS

GOLDEN DOOR CHARTER SCHOOL
 Proprietary Fund
 Statement of Fund Net Assets
 June 30, 2011

	Business-Type Activities
	Food Service
ASSETS:	
Intergovernmental Accounts Receivable:	
Federal	\$ 14,150
State	230
	14,380
Total Assets	14,380
LIABILITIES:	
Interfund Accounts Payable	14,380
Total Liabilities	14,380
Total Net Assets	\$ -

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

GOLDEN DOOR CHARTER SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities
	Food Service
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Reimbursable Program	\$ 37,373
Total Operating Revenues	37,373
OPERATING EXPENSES:	
Salaries	72,739
Cost of Sales	197,943
Total Operating Expenses	270,682
OPERATING LOSS	(233,309)
NONOPERATING REVENUES:	
State Source:	
State School Lunch Program	2,799
State School Breakfast Program	
Federal Source:	
National School Lunch Program	172,659
National School Breakfast Program	
Total Nonoperating Revenues	175,458
CHANGE IN NET ASSETS BEFORE OTHER FINANCING SOURCES:	(57,851)
OTHER FINANCING SOURCES:	
Transfers In	57,851
Total Other Financing Sources	57,851
CHANGE IN NET ASSETS	-
TOTAL NET ASSETS, JULY 1	-
TOTAL NET ASSETS, JUNE 30	\$ -

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

GOLDEN DOOR CHARTER SCHOOL
 Proprietary Fund
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2011

	Business-Type Activities
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 40,765
Cash Payments to Suppliers and Employees	(274,074)
Net Cash Used In Operating Activities	(233,309)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	175,458
Transfers In	57,851
Net Cash Provided By Noncapital Financing Activities	233,309
Net Increase (Decrease) In Cash And Cash Equivalents	-
Cash And Cash Equivalents, Beginning Of Year	-
Cash And Cash Equivalents, End Of Year	\$ -
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss Used In Operating Activities	\$ (233,309)
Change In Assets And Liabilities:	
Decrease In Receivables From Other Governments	3,392
Increase In Interfund Payable	(3,392)
Net Cash Used In Operating Activities	\$ (233,309)

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

FIDUCIARY FUNDS

GOLDEN DOOR CHARTER SCHOOL
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 June 30, 2011

	Unemployment Compensation Insurance	Payroll Agency	Net Payroll	Student Activities	Total Agency Fund
ASSETS:					
Cash and Cash Equivalents	\$ 5,153	\$ 20,287	\$ -	\$ 5,586	\$ 25,873
Interfund Accounts Receivable	-	16,347	6,643	-	22,990
Other Accounts Receivable	-	-	-	9,527	9,527
Total Assets	5,153	\$ 36,634	\$ 6,643	\$ 15,113	\$ 58,390
LIABILITIES:					
Cash Overdraft	-	\$ -	\$ 6,643	\$ -	\$ 6,643
Interfund Accounts Payable	-	-	-	18,966	18,966
Accounts Payable	22,718	-	-	-	-
Payroll Deductions and Withholdings Due to Student Groups	-	36,634	-	-	36,634
	-	-	-	(3,853)	(3,853)
Total Liabilities	22,718	\$ 36,634	\$ 6,643	\$ 15,113	\$ 58,390
NET ASSETS:					
Reserved for Unemployment Claims	34,054				
Total Net Assets	\$ (17,565)				

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

GOLDEN DOOR CHARTER SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Assets
 For the Fiscal Year Ended June 30, 2011

	<u>Unemployment Compensation Insurance</u>
ADDITIONS:	
Contributions	\$ 34,864
Miscellaneous	
	<hr/>
Total Additions	<u>34,864</u>
DEDUCTIONS:	
Unemployment Claims	<u>57,582</u>
Total Deductions	<u>57,582</u>
CHANGE IN NET ASSETS	(22,718)
NET ASSETS, JULY 1	<u>\$ 5,153</u>
NET ASSETS, JUNE 30	<u><u>\$ (17,565)</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Trustees (Board) of Golden Door Charter School (Charter School) have been prepared in conformity with generally accepted accounting principles (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 more significant accounting policies of the Board's accounting policies are described below.

A. Reporting Entity

The Charter School is an instrumentality of the State of New Jersey, established to function as an educational institution. The school is governed by an independent Board of Trustees, which consists of parents, founders and other community representatives in accordance with its charter, which was appointed by the State Department of Education. An administrator is appointed by the board and is responsible for the administrative control of the Charter School.

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

B. Basis of Presentation, Basis of Accounting

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

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Basis of Presentation

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

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

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

Fund Financial Statements: During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the Charter School's funds, including its fiduciary funds. Separate statements for each fund category — *governmental*, *proprietary*, and *fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting models.

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

The Charter School reports the following governmental funds:

General Fund: The general fund is the general operating fund of the Charter School and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay subfund.

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

Capital Projects Fund: Not Applicable.

Debt Service Fund: Not Applicable.

The Charter School reports the following proprietary funds:

Enterprise (Food Service) Fund: This enterprise fund accounts for all revenues and expenses pertaining to the cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Additionally, the Charter School reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the Charter School on behalf of others and include unemployment compensation fund, the Net Payroll Account, Payroll Agency Fund and Student Activities.

Basis of Accounting

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

Charter School-wide, Proprietary, and Fiduciary Fund Financial Statements: The Charter School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

All governmental and business-type activities and enterprise funds of the Charter School follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. Budgets are prepared using the modified accrual basis of accounting except for special revenue funds as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting:

Total Revenues & Expenditures (Budgetary Basis)	\$ 529,569
Adjustments:	
Less Encumbrances at June 30,2011	-
Plus Encumbrances at June 30,2010	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 529,569</u>

D. Encumbrances Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenues fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Encumbrances Accounting (Continued)

Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Equity

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building Improvements	20
Office & Computer Equipment	5-10

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

Deferred Revenue:

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

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the Charter School-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Net Assets:

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

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Assets, Liabilities, and Equity (Continued)

Fund Balance Reserves:

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

Revenues — Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Accrued Salaries and Wages:

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

Deposits

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Charter Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

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

Deposits (Continued)

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

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

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

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

Investments

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

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

As of June 30, 2011, cash and cash equivalents and investments of the Charter School consisted of the following:

	General Fund	Fiduciary Funds	Total
Operating Account	\$ 888,490	\$ 24,383	\$ 912,873

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

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

Investments (Continued)

The investments recorded in the Charter School-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from

the maturity date, the difference between the carrying amount and market value is not material to the Charter School-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2011 was \$912,873 and the bank balance was \$1,104,031. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

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

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

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

As of June 30, 2011, the Board had funds invested and on deposit in checking accounts. These funds constitute deposits with financial institutions" as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

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

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2011, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 3: RECEIVABLES

Receivables at June 30, 2011, consisted of accounts (tuition), intergovernmental, grants, and miscellaneous.

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

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ -	\$ 230
Federal Aid	470,221	484,371
Other	15,364	15,364
Gross Receivables	485,585	499,965
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 485,585</u>	<u>\$ 499,965</u>

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

The following interfund balances remained on the fund financial statements at June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 464,632	\$ -
Special Revenue Fund		454,276
Proprietary Fund		14,380
Fiduciary Fund	22,990	18,966
Total	<u>\$ 487,622</u>	<u>\$ 487,622</u>

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Pre Lease Costs	\$ 200,000	\$ -	\$ -	\$ 200,000
Construction-in-Progress		\$ 271,476		\$ 271,476
Total Capital Assets Not Being Depreciated	200,000	271,476	-	471,476
<i>Capital Assets Being Depreciated:</i>				
Building and Building Improvements	\$ 70,304	\$ -	\$ -	\$ 70,304
Machinery and Equipment	261,491	-	-	261,491
Totals at Historical Cost	331,795	-	-	331,795
Less Accumulated Depreciation For:				
Building and Building Improvements	55,224	15,080	-	70,304
Machinery and Equipment	272,231	(10,740)	-	261,491
Total Accumulated Depreciation	327,455	4,340	-	331,795
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	4,340	(4,340)	-	-
Government Activity Capital Assets, Net	<u>\$ 204,340</u>	<u>\$ 267,136</u>	<u>\$ -</u>	<u>\$ 471,476</u>

In January 11, 2001, the New Jersey State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Charter Schools in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the Charter School has removed from

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 5: CAPITAL ASSETS (CONTINUED)

their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense of was charged to an unallocated function.

NOTE 6: RENTAL LEASE

The Charter School entered into a lease agreement with Friends of Golden Door Charter School, Inc., (“Friends”) a non-profit organization, for the building located at 3044 Kennedy Boulevard, Jersey City, New Jersey. The Charter School will begin occupying the new building for the 2011-2012 school year. The lease with Friends will expire on July 31, 2031. The previous lease with Jersey City Redevelopment Agency for the building located at 180 Ninth Street, Jersey City, New Jersey, expired on June 30, 2011. For the fiscal year ended June 30, 2011 rent expense amounted to \$931,741. Future minimum lease rental payments are as follows:

<u>School Year</u>	<u>Rent Expense</u>
2011-2012	809,900
2012-2013	854,588

NOTE 7: OBLIGATIONS UNDER EQUIPMENT LEASES

The Charter School entered into an equipment lease agreement for one (1) copier with an option to purchase, effective July 1, 2008 for a period of five (5) years with a minimum monthly payment of \$1,515. The following is a schedule of the future minimum lease payments at June 30, 2011:

<u>Year</u>	<u>Amount</u>
2011-2013	<u>36,360</u>
Total Minimum Lease Payments	<u><u>\$ 36,360</u></u>

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 8: PENSION PLANS

Description of Plans

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

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A. 43:1 5A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 8: PENSION PLANS (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for two percent 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.

Significant Legislation

Legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of one percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Charter Schools' normal contributions to the Fund may be reduced based on the revaluation of assets.

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 8: PENSION PLANS (CONTINUED)

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of five percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a noncontributing employer of TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$55,985	100%	\$55,985
6/30/10	\$50,455	80%	\$40,364
6/30/09	\$33,895	60%	\$20,337

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	None	100%	None
6/30/10	None	100%	None
6/30/09	None	100%	None

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 9: POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2008, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve by one half of one percent of the active State payroll.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2010.

NOTE 10: COMPENSATED ABSENCES

The Board accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Charter School employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policy. Upon termination, employees are paid for accrued vacation. The Charter School's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the Charter School for the unused sick leave in accordance with the Charter School's agreements with the various employee unions.

**GOLDEN DOOR CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 11: FUND BALANCE APPROPRIATED

General Fund

The General Fund fund balance of \$586,847 in the fund financial statements at June 30, 2011 is unreserved and undesignated.

NOTE 12: 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.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

GOLDEN DOOR CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Levy Budget:					
"Local Levy" Local Share-Charter School Aid	\$ 1,154,107	\$ -	\$ 1,154,107	\$ 1,154,107	\$ -
Total Local Levy Budget	1,154,107	-	1,154,107	1,154,107	-
Categorical Aid:					
"Local Levy" State Share-Charter School Aid	3,577,389		3,577,389	3,577,389	-
Special Education	118,949		118,949	118,949	-
Security Aid	171,825		171,825	171,825	-
Adjustment Aid	316,063		316,063	316,063	-
Total Categorical Aid	4,184,226	-	4,184,226	4,184,226	-
Revenues From Other Sources:					
Interest Income				4,450	4,450
Donations and Contributions				4,449	4,449
On-Behalf TPAF Pension Contributions (Non-Budgeted)			-	171,729	171,729
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				190,260	190,260
Total Revenues From Other Sources	-	-	-	370,888	370,888
Total Revenues	5,338,333	-	5,338,333	5,709,221	370,888
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,852,621	-	1,852,621	1,835,786	16,835
Other Salaries for Instruction	435,700	878	436,578	436,578	-
Purchased Prof/Tech Services	10,000		10,000	-	10,000
Other Purchased Services	30,000		30,000	26,536	3,464
General Supplies	65,000		65,000	55,026	9,974
Textbooks	29,500		29,500	26,995	2,505
Miscellaneous	3,000		3,000	1,893	1,107
Total Instruction	2,425,821	878	2,426,699	2,382,814	43,885
Administration:					
Salaries - General Administration	118,590		118,590	117,590	1,000
Salaries of Secretarial/Clerical Assistants	235,000		235,000	234,803	197
Total Benefits Cost	670,553		670,553	657,972	12,581
Purchases Prof/Tech Services	98,000		98,000	97,062	938
Other Purchased Services	8,000		8,000	3,629	4,371
Communications/Telephone	43,300		43,300	42,364	936
Supplies and Materials	34,000		34,000	32,099	1,901
Miscellaneous Expenses	7,000		7,000	-	7,000
Total Administration	1,214,443	-	1,214,443	1,185,519	28,924

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

GOLDEN DOOR CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
(Continued from Prior Page)					
Support Services:					
Salaries	\$ 301,220		\$ 301,220	\$ 296,378	\$ 4,842
Purchased Prof/Tech Services	85,500		85,500	84,836	664
Rental of Land and Buildings	932,040		932,040	931,741	299
Other Purchased Services	168,000		168,000	165,255	2,745
Transportation-Other Than To/From School	2,500		2,500	2,350	150
Insurance for Property, Liability and Fidelity	53,500		53,500	49,355	4,145
Supplies and Materials	30,000		30,000	29,306	694
Energy Costs (Heat and Electricity)	150,000		150,000	149,742	258
Miscellaneous Expenses	4,700		4,700	4,206	494
Total Support Services	1,727,460	-	1,727,460	1,713,169	14,291
Capital Outlay:					
Instructional Equipment	7,000		7,000	-	7,000
Non-Instructional Equipment	5,000		5,000	-	5,000
Lease Purchase Option	292,000		292,000	271,476	20,524
Total Capital Outlay	304,000	-	304,000	271,476	32,524
Reimbursed TPAF Pension				171,729	(171,729)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				190,260	(190,260)
Total Expenditures	5,671,724	878	5,672,602	5,914,967	(242,365)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(333,391)	(878)	(334,269)	(205,746)	128,523
FUND BALANCE, JULY 1	792,593	-	792,593	792,593	-
FUND BALANCE, JUNE 30	\$ 459,202	\$ (878)	\$ 458,324	\$ 586,847	\$ 128,523
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ 459,202	\$ (878)	\$ 458,324	\$ 586,847	\$ 128,523
Total	\$ 459,202	\$ (878)	\$ 458,324	\$ 586,847	\$ 128,523

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

GOLDEN DOOR CHARTER SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Years Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Federal Sources	\$ 581,750		\$ 581,750	\$ 529,569	\$ (52,181)
Total Revenues	581,750	-	581,750	529,569	(52,181)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	256,406		256,406	256,406	-
Purchased Prof/Tech Services	137,255		137,255	85,818	51,437
General Supplies	522		522	522	-
Total Instruction	394,183	-	394,183	342,746	51,437
Support Services:					
Salaries of Supervisors of Instruction	100,538		100,538	100,538	-
Personal Services - Employee Benefits	65,573		65,573	65,573	-
Purchased Prof/Ed Services	147		147		147
Purchased Technical Services	18,099		18,099	18,099	-
Other Purchased Services	2,210		2,210	1,613	597
Supplies and Materials	1,000		1,000	1,000	-
Total Support Services	187,567	-	187,567	186,823	744
Total Expenditures	581,750	-	581,750	529,569	52,181
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

GOLDEN DOOR CHARTER SCHOOL
 Budgetary Comparison Schedule
 Budget To GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2011

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 5,709,221	[C-2] \$ 529,569
 Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 5,709,221	[B-2] \$ 529,569
 Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 5,914,967	[C-2] \$ 529,569
 Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		-
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 5,914,967	[B-2] \$ 529,569

OTHER SUPPLEMENTAL INFORMATION

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

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

GOLDEN DOOR CHARTER SCHOOL
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Title I	Title I - SIA	Title I Carryover	ARRA Title I	Title II Part A	Title IV Carryover	Title II Part D	IDEA	Title II Part D Carryover	Total
REVENUES:										
Federal Sources	\$ 249,436	\$ 15,945	\$ 46,361	\$ 75,983	\$ 37,153	\$ 2,601	\$ 696	\$ 100,544	\$ 850	\$ 529,569
Total Revenues	249,436	15,945	46,361	75,983	37,153	2,601	696	100,544	850	529,569
EXPENDITURES:										
Instruction:										
Salaries of Teachers	132,526	-	-	40,093	-	-	-	83,787	-	256,406
Purchased Prof/Tech Services	8,739		45,808	31,271			522			8,739
Other Purchased Services										77,079
General Supplies										522
Total Instruction	141,265	-	45,808	71,364	-	-	522	83,787	-	342,746
Support Services:										
Support Salaries	68,055			1,522	30,961					100,538
Employee Benefits	40,116			2,508	6,192			16,757		65,573
Purchased Technical Services		15,945	553	589		1,601	174		850	18,099
Other Purchased Services										1,613
Supplies and Materials						1,000				1,000
Total Support Services	108,171	15,945	553	4,619	37,153	2,601	174	16,757	850	186,823
Total Expenditures	\$ 249,436	\$ 15,945	\$ 46,361	\$ 75,983	\$ 37,153	\$ 2,601	\$ 696	\$ 100,544	\$ 850	\$ 529,569

**SECTION G – PROPRIETARY FUND
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Charter School’s board is that the costs of providing goods and services be financed through user charges.

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

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

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

**SECTION H – FIDUCIARY FUNDS
DETAIL STATEMENTS**

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

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

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

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

GOLDEN DOOR CHARTER SCHOOL
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 June 30, 2011

	Trust		Agency		
	Unemployment Compensation Insurance	Payroll Agency	Net Payroll	Student Activities	Agency Fund
ASSETS:					
Cash and Cash Equivalents	\$ 5,153	\$ 20,287	\$ -	\$ 5,586	\$ 25,873
Accounts Receivable				13,380	13,380
Interfund Accounts Receivable		16,347	6,643		22,990
Total Assets	5,153	\$ 36,634	\$ 6,643	\$ 18,966	\$ 62,243
LIABILITIES:					
Cash Overdraft	-	\$ -	\$ 6,643	\$ -	\$ 6,643
Interfund Accounts Payable		\$ -	\$ -	\$ 18,966	\$ 18,966
Accounts Payable	22,718	-	-	-	-
Payroll Deductions and Withholdings		36,634			36,634
Total Liabilities	22,718	\$ 36,634	\$ 6,643	\$ 18,966	\$ 62,243
NET ASSETS:					
Reserved for Unemployment Claims	34,054				
Total Net Assets	\$ (17,565)				

GOLDEN DOOR CHARTER SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Assets
 For the Fiscal Year Ended June 30, 2011

	<u>Unemployment Compensation Insurance</u>
ADDITIONS:	
Contributions	<u>34,864</u>
Total Additions	<u>34,864</u>
DEDUCTIONS:	
Unemployment Claims	<u>57,582</u>
Total Deductions	<u>57,582</u>
CHANGE IN NET ASSETS	(22,718)
NET ASSETS, JULY 1	<u>\$ 5,153</u>
NET ASSETS, JUNE 30	<u><u>\$ (17,565)</u></u>

GOLDEN DOOR CHARTER SCHOOL
 Fiduciary Funds
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Student Activities	\$ 11,728	\$ 39,848	\$ 45,990	\$ 5,586
Total	<u>\$ 11,728</u>	<u>\$ 39,848</u>	<u>\$ 45,990</u>	<u>\$ 5,586</u>

GOLDEN DOOR CHARTER SCHOOL
 Fiduciary Funds
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and Cash Equivalents	\$ 30,889	\$ 1,377,002	\$ 1,387,604	\$ 20,287
Interfund Accounts Receivable	-	16,347	-	16,347
Total Assets	\$ 30,889	\$ 1,393,349	\$ 1,387,604	\$ 36,634
LIABILITIES:				
Interfund Accounts Payable	\$ 20,362	\$ -	\$ 20,362	\$ -
Payroll Deductions and Withholdings	\$ 10,527	\$ 1,393,349	\$ 1,367,242	\$ 36,634
Total Liabilities	\$ 30,889	\$ 1,393,349	\$ 1,387,604	\$ 36,634

**STATISTICAL SECTION
(UNAUDITED)**

Golden Door Charter School has been in operation for eleven (11) years. GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available for the last six (6) years.

Contents

Financial Trends

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

Revenue Capacity (Not Applicable To Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The charter school implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

GOLDEN DOOR CHARTER SCHOOL
 Net Assets by Component
 Last Seven Fiscal Years
(accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005
Governmental Activities							
Invested in capital assets, net of related debt	\$ 471,476	\$ 204,340	\$ 14,951	\$ 25,562	\$ 36,173	\$ 98,093	\$ 149,401
Unrestricted	586,847	792,593	846,355	774,213	682,581	611,678	582,281
Total Governmental Activities Net Assets	<u>\$ 1,058,323</u>	<u>\$ 996,933</u>	<u>\$ 861,306</u>	<u>\$ 799,775</u>	<u>\$ 718,754</u>	<u>\$ 709,771</u>	<u>\$ 731,682</u>
Charter School-wide							
Invested in capital assets, net of related debt	\$ 471,476	\$ 204,340	\$ 14,951	\$ 25,562	\$ 36,173	\$ 98,093	\$ 149,401
Unrestricted	586,847	792,593	846,355	774,213	682,581	611,678	582,281
Total Charter School-wide Net Assets	<u>\$ 1,058,323</u>	<u>\$ 996,933</u>	<u>\$ 861,306</u>	<u>\$ 799,775</u>	<u>\$ 718,754</u>	<u>\$ 709,771</u>	<u>\$ 731,682</u>

Source: Charter School's Records

GOLDEN DOOR CHARTER SCHOOL
 Changes in Net Assets
 Last Seven Fiscal Years
(accrual basis of accounting)

	2011	2010	2009	2008	2006	2005	2004
Expenses							
Governmental Activities:							
Instruction	\$ 3,536,663	\$ 3,521,680	\$ 3,313,098	\$ 3,503,251	\$ 3,234,071	\$ 2,401,966	\$ 2,401,966
Administration	688,466	624,880	491,028	554,155	1,379,434	1,063,526	1,063,526
Support Services	1,947,931	2,120,439	2,176,087	1,836,082	1,046,833	1,737,161	1,737,161
Capital Outlay	-	4,149	11,965	-	11,954	8,032	8,032
Unallocated	4,340	10,611	10,611	10,611	10,611	51,308	51,308
Total Governmental Activities Expenses	6,177,400	6,281,759	6,002,789	5,904,099	5,682,903	5,261,993	
Business-Type Activities:							
Food Service	270,682	274,779	260,327	241,494	226,316	224,992	224,992
Total Business-Type Activities Expenses	270,682	274,779	260,327	241,494	226,316	224,992	224,992
Total Charter School Expenses	\$ 6,448,082	\$ 6,556,538	\$ 6,263,116	\$ 6,145,593	\$ 5,909,219	\$ 5,486,985	\$ 224,992
Program Revenues							
Governmental Activities:							
Operating Grants and Contributions	\$ 118,949	\$ 106,512	\$ 124,203	\$ 131,254	\$ 132,810	\$ 147,748	\$ 147,748
Total Governmental Activities Expenses	118,949	106,512	124,203	131,254	132,810	147,748	147,748
Business-Type Activities:							
Charges for Services	37,373	41,255	18,526	51,582	38,299	31,299	31,299
Operating Grants and Contributions	175,458	200,713	135,403	176,956	183,555	169,045	169,045
Total Business-Type Activities Expenses	212,831	241,968	153,929	228,538	221,854	200,344	200,344
Total Charter School Program Revenue	\$ 331,780	\$ 348,480	\$ 278,132	\$ 359,792	\$ 354,664	\$ 348,092	\$ 348,092
Net (Expense)/Revenue							
Governmental Activities	\$ (6,058,451)	\$ (6,175,247)	\$ (5,878,586)	\$ (5,772,845)	\$ (5,550,093)	\$ (5,114,245)	\$ 147,748
Business-Type Activities	(57,851)	(32,811)	(106,398)	(12,956)	(4,462)	(24,648)	(24,648)
Total Charter School Net Expense	\$ (6,116,302)	\$ (6,208,058)	\$ (5,984,984)	\$ (5,785,801)	\$ (5,554,555)	\$ (5,138,893)	\$ 123,100
General Revenues							
Governmental Activities:							
General Purposes	\$ 1,154,107	\$ 3,900,775	\$ 3,758,455	\$ 1,448,001	\$ 1,137,076	\$ 1,030,081	\$ 1,030,081
Federal and State Aid Not Restricted	4,956,835	2,382,135	2,157,548	4,380,372	4,384,359	4,164,295	4,164,295
Investment Earnings	4,450	15,221	24,114	24,548	37,641	11,493	11,493
Miscellaneous Income	4,449	12,743	-	945	-	77,538	77,538
Total Governmental Activities	6,119,841	6,310,874	5,940,117	5,853,866	5,559,076	5,283,407	5,283,407
Business-Type Activities:							
Miscellaneous Income	57,851	32,811	106,398	12,956	4,462	24,648	24,648
Total Business-Type Activities Expenses	57,851	32,811	106,398	12,956	4,462	24,648	24,648
Total Charter School Wide	\$ 6,177,692	\$ 6,343,685	\$ 6,046,515	\$ 5,866,822	\$ 5,563,538	\$ 5,308,055	\$ 5,308,055
Change in Net Assets							
Governmental Activities	\$ 61,390	\$ 135,627	\$ 61,531	\$ 81,021	\$ 8,983	\$ 169,162	\$ 5,431,155
Total Charter School	\$ 61,390	\$ 135,627	\$ 61,531	\$ 81,021	\$ 8,983	\$ 169,162	\$ 5,431,155

Source: Charter School's Records

GOLDEN DOOR CHARTER SCHOOL
Fund Balances - Governmental Funds
Last Seven Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund							
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>586,847</u>	<u>792,593</u>	<u>846,355</u>	<u>774,213</u>	<u>682,581</u>	<u>662,987</u>	<u>633,589</u>
Total General Fund	<u>\$ 586,847</u>	<u>\$ 792,593</u>	<u>\$ 846,355</u>	<u>\$ 774,213</u>	<u>\$ 682,581</u>	<u>\$ 662,987</u>	<u>\$ 633,589</u>

Source: Charter School's Records

GOLDEN DOOR CHARTER SCHOOL
 Changes in Fund Balances - Governmental Funds
 Last Seven Fiscal Years
(modified accrual basis of accounting)

	2011	2010	2009	2008	2007	2006	2005
Revenues:							
Local Sources	1,163,006	\$ 3,928,739	\$ 3,782,569	\$ 1,473,494	\$ 1,174,717	\$ 1,133,434	\$ 1,119,112
State Sources	4,546,215	1,785,585	1,760,356	4,059,423	4,049,781	3,950,002	3,804,352
Federal Sources	529,569	703,062	521,395	452,203	467,388	455,004	507,691
Total Revenues	<u>6,238,790</u>	<u>6,417,386</u>	<u>6,064,320</u>	<u>5,985,120</u>	<u>5,691,886</u>	<u>5,538,440</u>	<u>5,431,155</u>
Expenditures:							
Instruction	2,725,560	2,783,966	2,704,751	2,877,785	2,603,606	2,644,122	2,423,899
Administration	1,547,508	1,304,108	1,194,629	1,241,795	1,304,701	1,143,400	1,063,526
Support Services	1,899,992	2,021,186	2,080,833	1,773,908	1,752,031	1,711,968	1,737,161
Capital Outlay	271,476	204,149	11,965	-	11,954	9,552	8,032
Total Expenditures	<u>6,444,536</u>	<u>6,313,409</u>	<u>5,992,178</u>	<u>5,893,488</u>	<u>5,672,292</u>	<u>5,509,042</u>	<u>5,232,618</u>
Net Change in Fund Balance	<u>\$ (205,746)</u>	<u>\$ 103,977</u>	<u>\$ 72,142</u>	<u>\$ 91,632</u>	<u>\$ 19,594</u>	<u>\$ 29,398</u>	<u>\$ 198,537</u>

Source: Charter School's Records

GOLDEN DOOR CHARTER SCHOOL
 General Fund - Other Local Revenue by Source
 Last Four Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Donations	Interest	Miscellaneous Revenue	Total
2011	\$ 4,449	\$ 4,450	\$ -	\$ 8,899
2010	-	15,221	4,489	19,710
2009	-	24,548	4,489	29,037
2008	-	11,493	77,538	89,031

Source: Charter School's Records

OPERATING INFORMATION

GOLDEN DOOR CHARTER SCHOOL
 Full-Time Equivalent Charter School Employees by Function
 Last Six Fiscal Years
 (Unaudited)

Function	2011	2010	2009	2005	2004
Instruction	40	N/A	N/A	N/A	N/A
Administrative	5	N/A	N/A	N/A	N/A
Support Services	13	N/A	N/A	N/A	N/A
Food Service	3	N/A	N/A	N/A	N/A
Total	<u>61</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source: Charter School's Records

GOLDEN DOOR CHARTER SCHOOL
 Operating Statistics
 Last Seven Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2011	473	\$ 6,173,060	\$ 13,051	15.17%	40	12:1	473	452	-4.25%	95.56%
2010	491	5,563,937	11,332	2.55%	N/A	N/A	494	472	-0.80%	95.55%
2009	494	5,458,818	11,050	1.22%	N/A	N/A	498	477	0.61%	95.78%
2008	498	5,436,755	10,917	4.10%	N/A	N/A	495	468	-0.80%	94.55%
2007	495	5,191,058	10,487	3.82%	N/A	N/A	499	469	2.46%	93.99%
2006	499	5,040,486	10,101	4.88%	N/A	N/A	487	455	-0.20%	93.43%
2005	487	4,690,242	9,631	0.00%	N/A	N/A	488	454	39.00%	93.03%

GOLDEN DOOR CHARTER SCHOOL
Insurance Schedule
June 30, 2011

	<u>Coverage</u>	<u>Deductible</u>
COMMERCIAL PACKAGE		
<i>Commercial General Liability - NJ School Boards Assoc. Insurance Group</i>		
Products-completed operations aggregate limit	\$ 1,000,000	
Personal and advertising injury		
Aggregate limit	1,000,000	
Per occurrence	1,000,000	
Employee benefits liability	16,000,000	\$ 1,000
Child molestation/sexual abuse	4,000,000	
Premises medical payments		
Per person	1,000	100
Per accident	10,000	
<i>Commercial Property - NJSBA Insurance Group</i>		
Blanket real and personal property	1,228,098	1,000
Per occurrence	300,000	
Blanket extra expense	250,000	
Blanket valuable papers and records	50,000	
<i>EDP Coverage - NJSBA Insurance Group</i>		
Blanket hardware	63,000	1,000
<i>Business Automobile Coverage - NJSBA Insurance Group</i>		
Combined single limit for bodily injury and property damage		
Per accident	16,000,000	
<i>Crime Coverage - NJSBA Insurance Group</i>		
Faithful performance limit	500,000	1,000
<i>Errors and Omissions - NJSBA Insurance Group</i>		
Aggregate limit	16,000,000	100,000
<i>Excess Liability - Umbrella Form - NJSBA Insurance Group</i>		
Aggregate limit	4,000,000	
Self-insured retention	10,000	
<i>Workman's Compensation - NJSBA Insurance Group</i>		
Each accident	2,000,000	
Disease		
Each employee	2,000,000	
Policy limit	2,000,000	
<i>Boiler and Machinery - NJSBA Insurance Group</i>		
Combined single limit for property damage and extra expense	100,000,000	1,000

Source: Charter School's Records

SINGLE AUDIT SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable President and
Members of the Board of Trustees
Golden Door Charter School
County of Hudson
Jersey City, New Jersey

We have audited the financial statements of Golden Door Charter School (Charter School), in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the audit committee, the Golden Door Charter School Board of Trustees, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.



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

November 15, 2011

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

FAX – (908) 686-6055

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB COMPLIANCE CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and
Members of the Board of Trustees
Golden Door Charter School
County of Hudson
Jersey City, New Jersey

Compliance

We have audited the compliance of the Golden Door Charter School (Charter School), in the County of Hudson, State of New Jersey, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal and state programs for the year ended June 30, 2011. The Charter School's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Charter School's management. Our responsibility is to express an opinion on the Charter School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local governments, and Non-Profit Organization*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Charter School's compliance with those requirements.

In our opinion, the Golden Door Charter School, in the County of Hudson, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of the Charter School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Charter School's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. The Charter School's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Charter School's responses and, accordingly, we express no opinion on the responses.

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

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

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

November 15, 2011

GOLDEN DOOR CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2010			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011		
					(Accounts Receivable)	Deferred Revenue	(Accounts Receivable)					Deferred Revenue	(Accounts Receivable)	Deferred Revenue
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I														
Title I Carryover	84.010	NCLB 2010	\$ 300,873	9/1/10-8/31/11	\$ -	\$ -	\$ -	\$ (249,436)	\$ -	\$ -	\$ -	\$ (249,436)	\$ -	\$ -
Title I Carryover	84.010	NCLB 2010	327,431	9/1/09-8/31/10	(124,506)		124,506	(46,361)				(46,361)		
ARRA-Title I	84.010	NCLB 2009	312,740	9/1/09-8/31/09	(22,571)		19,120					(3,451)		
Title I S/A	84.010	NCLB 2011	\$ 179,588	9/1/10-8/31/11	(48,471)		48,471							
Title II Part A	84.367	NCLB 2011	15,945	9/1/10-8/31/11				(15,945)				(15,945)		
Title II Part A Carryover	84.367	NCLB 2010	40,840	9/1/10-8/31/11			40,840	(37,153)				(37,153)		
Title II Part D	84.318	NCLB 2011	40,840	9/1/09-8/31/10	(40,840)							(696)		
Title II Part D Carryover	84.318	NCLB 2011	3,259	9/1/10-8/31/11				(696)						
Title IV Carryover	84.186	NCLB 2010	3,259	9/1/09-8/31/10	(2,409)		3,259	(850)						
I.D.E.A. Part B Basic	84.027	IDEA 2011	4,480	9/1/09-8/31/10	(1,879)		4,480	(2,601)						
I.D.E.A. Part B Basic Carryover	84.027	IDEA 2010	100,544	9/1/09-8/31/10	(34,702)		59,348	(100,544)				(41,196)		
ARRA - Title I	84.389	ARRA 2011	179,588	7/1/10-8/31/12			34,702	(75,983)				(75,983)		
ARRA - I.D.E.A. Part B Basic	84.391	ARRA 2011	144,268	7/1/10-9/30/12	(144,268)		144,268							
ARRA - I.D.E.A. Part B Basic, Preschool	84.392	ARRA 2011	5,181	7/1/10-9/30/12	(5,181)		5,181							
Total Special Revenue Fund					(424,827)		484,175	(529,569)				(470,221)		
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
National School Breakfast Program	10.553	N/A	46,375	7/1/10-6/30/11			40,179	(43,928)				(3,749)		
National School Breakfast Program	10.553	N/A	33,419	7/1/09-6/30/10	(3,796)		3,796							
National School Lunch Program	10.555	N/A	145,395	7/1/10-6/30/11			118,330	(128,731)				(10,401)		
National School Lunch Program	10.555	N/A	93,664	7/1/09-6/30/10	(13,202)		13,202							
Total Enterprise Fund					(16,998)		175,507	(172,659)				(14,150)		
Sub-Total Federal Financial Awards					\$ (441,825)		\$ 659,682	\$ (702,228)			\$ -	\$ (484,371)		\$ -

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

GOLDEN DOOR CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June, 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2010		Balance at June 30, 2011			MEMO
				Deferred Revenue (Accounts Receivable)	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue	
State Department of Education									
General Fund:									
"Local Levy" State Share - Charter School Aid	11-495-034-5120-071	\$3,577,389	7/1/10-6/30/11	\$ -	\$ 3,577,389	\$ (3,577,389)	\$ -	\$ -	* \$ -
Special Education Aid	11-495-034-5120-089	118,949	7/1/10-6/30/11	-	118,949	(118,949)	-	-	* 118,949
Security Aid	11-495-034-5120-084	171,825	7/1/10-6/30/11	-	171,825	(171,825)	-	-	* 171,825
State Adjustment Aid	11-495-034-5120-085	316,063	7/1/10-6/30/11	-	316,063	(316,063)	-	-	* 316,063
Reimbursed TPAF - Pension	10-495-034-5120-006	171,729	7/1/10-6/30/11	-	171,729	(171,729)	-	-	* (171,729)
Reimbursed TPAF - Social Security	11-495-034-5095-002	190,260	7/1/10-6/30/11	-	174,896	(190,260)	(15,364)	-	* 190,260
Reimbursed TPAF - Social Security	10-495-034-5095-000	190,288	7/1/09-6/30/10	(102,906)	102,906	-	-	-	* -
Total General Fund				(102,906)	4,633,757	(4,546,215)	(15,364)	-	-
State Department of Agriculture									
Enterprise Fund:									
State School Breakfast Program	11-100-10-3350-021	-	7/1/10-6/30/11	-	-	-	-	-	* -
State School Breakfast Program	10-100-10-3350-021	240	7/1/09-6/30/10	(240)	240	-	-	-	* -
State School Lunch Program	11-100-10-3350-023	2,799	7/1/10-6/30/11	-	2,569	(2,799)	(230)	-	* 2,799
State School Lunch Program	10-100-10-3350-023	534	7/1/09-6/30/10	(534)	534	-	-	-	* -
Total Enterprise Fund				(774)	3,343	(2,799)	(230)	-	-
Total State Financial Assistance				\$ (103,680)	\$ 4,637,100	\$ (4,549,014)	\$ (15,594)	\$ -	\$ 4,208,355

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

GOLDEN DOOR CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Trustees, Golden Door Charter School. The Board of Trustees is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on 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 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 grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

GOLDEN DOOR CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2011

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The net adjustment to reconcile from the budgetary basis to GAAP basis is none for the general fund and none for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	4,546,215	\$ 4,546,215
Special Revenue Fund	529,569	-	529,569
Food Service Fund	172,659	2,799	175,458
Total Awards & Financial Assistance	<u>\$ 702,228</u>	<u>\$ 4,549,014</u>	<u>\$ 5,251,242</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOAN OUTSTANDING

Golden Door Charter School has no loan balances outstanding at June 30, 2011.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

GOLDEN DOOR CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements Unqualified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal control over financial reporting:

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

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

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

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

Identification of major state programs:

CFDA Number(s)	Name of Federal Program or Cluster
<u>84.010</u>	<u>Title I</u>
<u>84.027</u>	<u>I.D.E.A. Part B Basic</u>
<u>10.555</u>	<u>National School Lunch</u>

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

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

GOLDEN DOOR CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section II – Financial Statement Findings

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

Finding

There were no matters reported.

GOLDEN DOOR CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

Findings

There were no matters reported.

STATE AWARDS

Findings

There were no matters reported.

GOLDEN DOOR CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2011

STATUS OF PRIOR-YEAR FINDINGS

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

Findings

There were no matters reported.