

Comprehensive Annual Financial Report

of the

**Greater Brunswick Charter School
County of Middlesex, New Jersey
For the Fiscal Year Ended June 30, 2015**

OUTLINE OF CAFR

	Page
INTRODUCTORY SECTION	
Letter of Transmittal.....	2
Organizational Chart.....	6
Roster of Officials	7
Consultants and Advisors.....	8
FINANCIAL SECTION	
Independent Auditor's Report.....	10
Required Supplementary Information - Part I	
Management's Discussion and Analysis	14
BASIC FINANCIAL STATEMENTS	
A. Charter School-Wide Financial Statements:	
A-1 Statement of Net Position.....	23
A-2 Statement of Activities.....	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet.....	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances.....	28
B-3 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
Proprietary Funds:	
B-4 Statement of Net Position.....	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position.....	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position.....	35
B-8 Statement of Changes in Fiduciary Net Position.....	36
Notes to the Financial Statements	37
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	69
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	N/A
C-1b Education Jobs Fund Program - Budget and Actual.....	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	73

**OUTLINE OF CAFR
(Continued)**

Page

Notes to the Required Supplementary Information - Part II

C-3 Budget-to-GAAP Reconciliation	75
---	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	78
L-2 Schedule of the District Contributions PERS	79
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	80

Notes to the Required Supplementary Information - Part III	82
--	----

Other Supplementary Information

D. Not Applicable

E. Special Revenue Fund:

E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	86
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A

F. Capital Projects Fund:

F-1 Summary Schedule of Project Expenditures	88
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	89
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis - Project Fund	90
F-2b Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis - Repair and Replacement Fund	91

G. Proprietary Funds:

Enterprise Fund:

G-1 Combining Statement of Net Position	94
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	95
G-3 Combining Statement of Cash Flows	96

Internal Service Fund:

G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A

**OUTLINE OF CAFR
(Continued)**

	Page
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position.....	99
H-2 Combining Statement of Changes in Fiduciary Net Position	100
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	101
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements.....	102
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds.....	104
I-2 Schedule of Obligations Under Capital Leases.....	108
I-3 Debt Service Fund Budgetary Comparison Schedule.....	109
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Position by Component	113
J-2 Changes in Net Assets/Net Position	114
J-3 Fund Balances - Governmental Funds	116
J-4 Changes in Fund Balances - Governmental Funds.....	117
J-5 General Fund - Other Local Revenue by Source.....	118
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers.....	N/A
J-9 Property Tax Levies and Collections	N/A
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	121
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt.....	N/A
J-13 Legal Debt Margin Information	N/A
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	123
J-15 Principal Employers	N/A
Operating Information	
J-16 Full-Time Equivalent School Employees by Function/Program	125
J-17 Operating Statistics.....	126
J-18 School Building Information	127
J-19 Schedule of Required Maintenance Expenditures by School Facility.....	N/A
J-20 Insurance Schedule	128
J-21 Charter School Performance Framework, Financial Performance, Fiscal Ratios	129

**OUTLINE OF CAFR
(Continued)**

Page

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	131
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and New Jersey Circular Letter 04-04	133
K-3	Schedule of Expenditures of Federal Awards, Schedule A	136
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	137
K-5	Notes to the Schedules of Expenditures of Awards and Financial Assistance	138
K-6	Schedule of Findings and Questioned Costs.....	140
K-7	Summary Schedule of Prior Year Audit Findings	142

INTRODUCTORY SECTION

September 30, 2015

Trustees, Staff Members and Parents
The Greater Brunswick Charter School
New Brunswick, New Jersey

The comprehensive annual financial report of the Greater Brunswick Charter School for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Board of Trustees (the "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 various funds and account groups of the Greater Brunswick Charter School. All disclosures necessary to enable the reader to gain an understanding of the Greater Brunswick Charter School's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" as revised June 24, 1997, and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Greater Brunswick Charter School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the School are included in this report. The Greater Brunswick Charter School Board of Trustees constitutes the School's entire reporting entity.

The School is a charter school, established under the New Jersey Charter School Act. It opened in September 1998, with 88 students in grades K through 6. It currently offers a K-8 program for up to 390 students in the 2015-2016 school year.

The School completed the 2014-2015 fiscal year with an enrollment of 381.5 students, grades K through 8, from 13 different districts, distributed as follows:

Edgewater Park Twp	3.0
Cranbury Twp	1.0
Edison Twp	9.0
Highland Park Boro	3.1
New Brunswick	298.2
North Brunswick	31.6
Perth Amboy	1.0
Sayreville	4.0
South Brunswick	3.0
South River	3.0
Spotswood	1.0
Bound Brook	2.0
Franklin Twp	21.6

2. ECONOMIC CONDITION AND OUTLOOK: The Greater Brunswick Charter School receives a nominal 90% of the per pupil funding from each of its sending districts, as determined by the New Jersey Department of Education—in fact, given the method of calculating that aid (which excludes facilities aid and Abbott aid), the school receives far less than 90%. This reduced level of funding requires the Charter School to find economies where possible, and to rely on participation from its membership to perform tasks that support the School. The region of residence encompasses three districts: Edison, Highland Park and New Brunswick, which provide a large pool of potential students. The region is growing, and enrollments in all districts are expected to increase. The large number of resident students, and the School’s ability to draw students from outside the region of residence, should ensure adequate enrollment to meet projected growth.

However, the financial stability of charter schools throughout the State of New Jersey is in jeopardy. With per pupil funding levels rising slowly or remaining flat over the past several years and costs - particularly health benefits, facility costs, and salaries - increasing substantially, charter schools, including GBCS, face tightening budgets and potential revenue shortfalls.

The continued economic viability of GBCS will depend on careful planning and management, fundraising outside the traditional revenue sources, and significant changes in the public policy that determines the amount and type of funding that charter schools receive.

3. INTERNAL ACCOUNTING CONTROLS: The School Finance Committee (including the Education Director, Business Administrator and two Trustees) is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (GAAP). The internal control

requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act. During the 2014-2015 fiscal year all funds were maintained in accounts at Sun National Bank, Vineland and PNC Bank, New Brunswick.

8. RISK MANAGEMENT: The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, worker's compensation and fidelity bonds. The Fortitude Insurance Group served as the Board's insurance agent of record during the 2014-2015 school year.

9. INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm Samuel Klein and 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, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" as revised June 24, 1997, and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

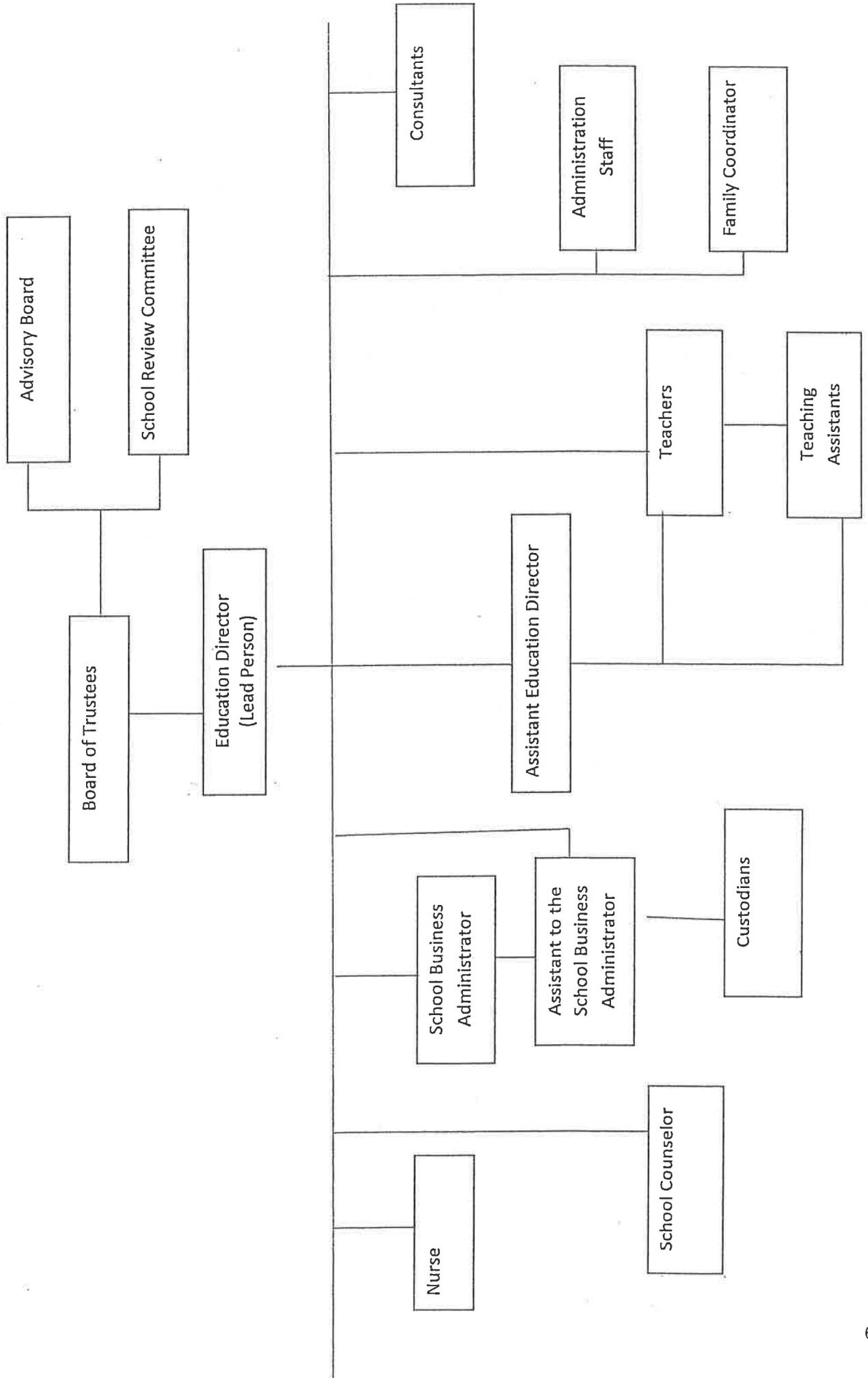
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the parents, teachers, administrative staff, and children of the Greater Brunswick Charter School for their support and hard work in making the school a success. The hard work contributed by staff and parents has ensured that the citizens and taxpayers of the Greater Brunswick Charter School region will continue to receive good value for their education dollars.

Respectfully submitted,



Donna Medea
Education Director

GREATER BRUNSWICK CHARTER SCHOOL
 ORGANIZATION CHART
 GENERAL MEMBERSHIP



**GREATER BRUNSWICK CHARTER SCHOOL
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Maria Marshall	Vice Chairperson to March 19, 2015	June 2017
David Learn	Chairperson	June 2016
Christopher Coulthard	Trustee from July 17, 2014	June 2017
Maria Rodriguez	Trustee to June 11, 2015	June 2016
Peter Schaeffing	Trustee	June 2015
Maria Vivar	Trustee to July 17, 2014	June 2016
George Waters	Trustee	June 2015
Javon Wilson	Trustee	June 2016
Choka Yogalingam	Trustee from May 7, 2015	June 2017

Two Teacher Representatives in Rotating Schedule

Other Officials

Donna Medea	Education Director
Edward Kent	Treasurer
Thomas O. Johnston, Esq.	Board Attorney
Carl Seils	Business Administrator/Board Secretary to September 30, 2014
Michael Falkowski	Business Administrator/Board Secretary from September 18, 2014

**GREATER BRUNSWICK CHARTER SCHOOL
CONSULTANTS AND ADVISORS
JUNE 30, 2015**

Audit Firm

Samuel Klein and Company
Certified Public Accountants
550 Broad Street, 11th Floor
Newark, New Jersey 07102

Attorney

Thomas O. Johnston, Esq.
Porzio, Bromberg & Newman, PC
100 Southgate Parkway
P.O. Box 1997
Morristown, New Jersey 07962-1997

Official Depositories

PNC Bank
New Brunswick, New Jersey

Sun National Bank
Vineland, New Jersey

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairperson and Members
of the Board of Trustees
Greater Brunswick Charter School
County of Middlesex
New Brunswick, New Jersey 08901

Report on the Financial Statement

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Greater Brunswick Charter School in the County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2015 and the related Notes to Financial Statements, which collectively comprise the School's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

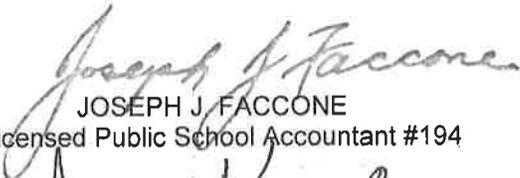
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greater Brunswick Charter School's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, noncurrent (long-term) debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

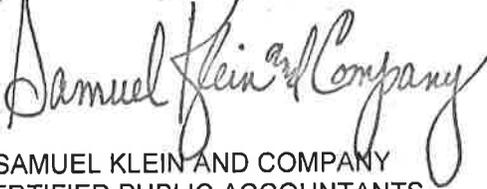
The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2015, on our consideration of the Greater Brunswick Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greater Brunswick Charter School's internal control over financial reporting and compliance.


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
November 17, 2015

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

The discussion and analysis of the Greater Brunswick Charter School's financial performance provides an overview of the school's financial activities for the fiscal year ended June 30, 2015. This overview complements a review of the basic financial statements and financial statements provided in the audit.

Financial Highlights

Key financial highlights for 2015 are as follows:

General revenues accounted for \$6,267,947 or 94% of all revenues. The remaining revenues were program specific (e.g., No Child Left Behind or IDEA Funds).

The General Fund expenditures were \$5,759,105; Debt Service expenditures (Debt Service funds are derived from General Funds) were \$549,963. This resulted in a net loss in fund 10 of \$69,921. We ended the year with a fund balance of \$710,453.

Using the 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 GBCS as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about activities of the school, presenting both an aggregate view of the 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 statement also looks at the school's most significant funds with all other non-major funds, presented in total in one column. In the case of the Greater Brunswick Charter School, the General Fund is by far the most significant.

Reporting the School as a Whole

This document contains all funds used by GBCS to provide programs and activities, viewing the school as a whole, and reports the culmination of all financial transactions. The report answers the question "How did we do financially during fiscal year 2015?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Statement of Net Position and the Statement of Activities

These two statements report the school's net assets and changes in those assets. This change in net position is important because they report on whether the School's financial position has improved or diminished.

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

Governmental Activities - All of the School's programs and services are reported here including instruction, support services, operation and maintenance of buildings, and extracurricular activities.

Business-Type Activities - These activities include programs that are provided for a charge, such as the after school program, breakfast program, and lunch program.

Reporting on the School's Most Significant Funds

Fund Financial Statement:

Fund financial reports provide detailed information about the School's major funds. The School's major governmental funds are the General Fund and the Special Revenue Fund.

Governmental Funds:

The School's activities are reported in Governmental Funds which focus on how money flows into and out of the funds and balances left at year-end available for spending in future years. These funds are reported using a modified accrual accounting method, 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 School's general government operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund:

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not make a change with the conversion to GASB 34.

The School as a Whole:

The Comparative Statement of Net Position provides the financial perspective of the School as a whole.

Table 1 provides a summary of the School's comparative statement of governmental fund net assets for FY2015, FY2014, and FY2013:

TABLE 1
NET POSITION

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
<u>ASSETS</u>			
Current and Other Assets	\$ 2,782,992.90	\$ 1,147,286.65	\$ 1,022,931.09
Capital Assets, Net	<u>8,165,509.45</u>	<u>8,059,909.47</u>	<u>8,219,580.75</u>
Total Assets	<u>10,948,502.35</u>	<u>9,207,196.12</u>	<u>9,242,511.84</u>
<u>LIABILITIES</u>			
Noncurrent Liabilities	10,227,887.37	6,813,904.42	7,038,457.99
Other Liabilities	<u>794,345.37</u>	<u>355,562.04</u>	<u>349,225.81</u>
Total Liabilities	<u>11,022,232.74</u>	<u>7,169,466.46</u>	<u>7,387,683.80</u>
<u>NET ASSETS</u>			
Investment in Capital Assets, Net of Related Debt	143,009.45	1,246,005.05	1,181,122.76
Restricted	827,799.75	1,401.40	25,582.96
Unrestricted (Deficit)	<u>(1,044,539.59)</u>	<u>790,323.21</u>	<u>648,122.32</u>
Total Net Assets	<u>\$ (73,730.39)</u>	<u>\$ 2,037,729.66</u>	<u>\$ 1,854,828.04</u>

The amount recorded under noncurrent liabilities is detailed below:

Long-Term Debt	\$ 7,937,083.37
Net Pension Liability	<u>2,290,804.00</u>
	<u>\$ 10,227,887.37</u>

Table 2 shows the Changes in Net Position.

TABLE 2
CHANGES IN NET POSITION

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
General Revenue:			
LEA's Levy - Local Share	\$ 1,786,211	\$ 1,746,224	\$ 1,702,919
Federal and State Aid	4,029,021	3,775,172	3,567,157
Miscellaneous	22,103	18,380	14,233
Program Revenue:			
Charges for Services	42,378	66,761	62,978
Operating grants	294,208	255,573	239,854
	<u>6,173,921</u>	<u>5,862,110</u>	<u>5,587,141</u>
Expense by Function:			
Instruction:			
Regular	2,621,617	2,203,045	2,121,014
Special Education	378,257	360,364	321,242
Other Special Instruction	426,678	354,609	406,183
Other Instruction		1,622	
Support Services:			
Student and Instruction Related Services	621,040	562,829	509,751
General Administration	833,756	796,722	720,558
Central Services	56,205	68,209	33,995
Administrative Information Technology		827	7,453
Plant Operations and Maintenance	390,127	414,999	350,394
Depreciation	358,270	237,179	223,329
Debt Service	626,770	324,272	334,275
Business-Type Activities:			
Cost of Sales	226,429	212,896	217,270
Salaries and Wages	95,492	96,625	87,042
Other	15,729	45,010	10,383
	<u>6,650,370</u>	<u>5,679,208</u>	<u>5,342,889</u>
Increase in Net Position	<u>\$ (476,449)</u>	<u>\$ 182,902</u>	<u>\$ 244,252</u>

Governmental Activities

Local levy aid (local share) from district schools accounted for \$1,786,211 or 29% of total governmental revenue. Miscellaneous local aid, such as from fund raising or other local sources, accounted for \$22,103 or .4% of the total governmental revenue.

State aid received both through the sending school districts and directly from the state (in the form of state aid to district schools, and Special Education Categorical Aid) accounted for \$4,029,021 or 65% of the total general revenue.

The total cost of all programs and services was \$6,650,369, broken down as follows:

Instruction and Student Services	\$ 4,047,592	61%
Administrative Services	889,961	13%
Facilities (Plant Operations, Maintenance, Debt Service, Improvements)	1,375,167	21%
Business-Type Activities	337,650	5%

Business-Type Activities

Revenues for business-type activities (i.e., enterprise activities) consisted of charges for lunch, breakfast, and the after school program.

Revenues for the business-type activities were as follows:

Lunch and Breakfast Sales	\$ 11,361
Federal and State Lunch, Breakfast and Snack Payments	254,319
After School Program Fees	31,016
After School Program - Other Revenue	39,889

Food Service expenses exceeded revenues by \$214.

After School Program revenues exceeded expenses by \$10,216.

The School's Funds

All Governmental Funds, except for capital projects, had total revenues of \$6,681,266. As shown in the statements and schedules included in the financial section of this report, GBCS was able to meet its responsibility for sound financial management.

The following Table 3 provides comparative information about governmental revenues received and summarizes governmental expenditures over the past four years:

TABLE 3
SCHEDULE OF REVENUES AND EXPENDITURES
GOVERNMENTAL OPERATING FUNDS

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>
<u>REVENUE</u>				
State Sources	\$ 4,459,673	\$ 4,123,365	\$ 3,946,747	\$ 3,614,112
Federal Sources	403,174	518,751	245,651	176,904
Private Sources	10,120	8,415	22,695	10,334
LEA's Levy - Local Share	1,786,211	1,746,224	1,702,919	1,447,353
Miscellaneous	22,103	18,380	14,233	47,619
	<u>6,681,281</u>	<u>6,415,135</u>	<u>5,932,245</u>	<u>5,296,322</u>
<u>EXPENDITURES</u>				
Instruction:				
Regular	2,209,957	2,060,311	1,813,924	1,748,797
Special Education	276,306	278,006	245,573	227,109
Other Special	311,606	274,104	310,939	276,030
Other Instruction		1,250		
Undistributed Expenses:				
Health Services	74,977	77,131	68,988	67,334
Student Related Services	221,885	235,801	164,605	128,800
Student Extraordinary Services	68,408	61,187	49,567	43,135
Student Special Services	125,304	102,054	86,211	83,356
Instructional Services	138,701	121,141	108,931	35,865
Instructional Staff Training		1,650	7,658	26,950
General Administration	642,826	645,586	579,446	549,544
Central Services	56,205	68,209	33,995	33,581
Administrative Information Technology		637	5,696	7,440
Plant Operations and Maintenance	342,219	380,138	321,058	247,063
Employee Benefits	1,621,329	1,331,381	1,321,935	1,076,130
Debt Service	7,469,323	548,826	551,092	553,891
Capital Outlay	463,870	77,508	244,828	118,265
	<u>14,022,916</u>	<u>6,264,920</u>	<u>5,914,446</u>	<u>5,223,290</u>
Excess (Deficiency) of Revenue Over/(Under) Expenditures	<u>(7,341,635)</u>	<u>150,215</u>	<u>17,799</u>	<u>73,032</u>
Other Financing Sources/(Uses):				
Bond Proceeds	8,090,000			
Transfers	(11,000)	(42,000)	(10,000)	(20,735)
	<u>8,079,000</u>	<u>(42,000)</u>	<u>(10,000)</u>	<u>(20,735)</u>
Increase/(Decrease) in Net Position	<u>\$ 737,365</u>	<u>\$ 108,215</u>	<u>\$ 7,799</u>	<u>\$ 52,297</u>

General Fund Budget Highlighting

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

During the course of fiscal year 2015, the school amended its general fund budget as needed, based on changes in anticipated revenues and expenditures. The school uses a budgeting system that is designed to tightly control the overall budget while providing flexibility for program management. Transfers from one budget account to another must be approved by the Executive Director and the Board of Trustees. Transfers were necessary due to:

- Staffing changes based on student needs.
- Requirements for instructional materials and supplies throughout different parts of the program.
- Repairs to the facility.
- Other changes required to prevent budget overruns.

Future Outlook

As an established public charter school with a growing membership, GBCS is well positioned to continue its growth and to develop more fully its educational program. The future outlook for GBCS has improved considerably over the past year as we have continued our pursuit of improved instruction and increased achievement. We have recently been designated a Title I School Wide Program, which allows us a great deal of flexibility in the spending of the Title I funds. This flexibility will assist the school in meeting academic goals.

Even with less funding than traditional public schools and no support for facilities, GBCS has successfully moved forward on its own facility plans and has benefited from its larger facility and greater capacity for student support services. Our community is vested in the school's success and supports our efforts through volunteer hours and financial support when possible. GBCS has joined with other charter schools through the New Jersey Charter School Association to appeal to lawmakers and the Commissioner of Education to increase charter school funding to a more equitable level.

GBCS has achieved a fund surplus in its general operations and successfully secured over \$8 million in financing to support the expansion of its facility and programs. This has enabled the school to increase its student enrollment capacity to 396 students, thus improving its prospects for long-term viability.

GBCS continues to inspire great loyalty in its staff, as reflected in our high staff retention rates, as well as, in its students and families as evidenced by our low student mobility rates. There is a large pool for future GBCS student enrollment, and the school has maintained a substantial waiting list over the years. All this combined bodes well for the school's stability and future improvement.

Contacting the GBCS Financial Management

This financial report is designed to provide our members, taxpayers, and creditors with a general overview of the school's finances and to show the school's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Donna Medea, Education Director at the Greater Brunswick Charter School, 429 Joyce Kilmer Avenue, New Brunswick, New Jersey 08901.

Respectfully submitted,
Donna Medea
Education Director

BASIC FINANCIAL STATEMENTS

A. CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
JUNE 30, 2015

A-1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,395,849.08	\$ 16,788.03	\$ 1,412,637.11
Receivables, Net	585,511.41	32,434.38	617,945.79
Interfunds Receivable		42,000.00	42,000.00
Total Current Assets	<u>1,981,360.49</u>	<u>91,222.41</u>	<u>2,072,582.90</u>
Non-Current Assets:			
Capital Assets, Net	<u>8,165,509.45</u>		<u>8,165,509.45</u>
Total Assets	<u>10,146,869.94</u>	<u>91,222.41</u>	<u>10,238,092.35</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>710,410.00</u>		<u>710,410.00</u>
LIABILITIES			
Current Liabilities:			
Cash Overdrafts		67,402.69	67,402.69
Accounts Payable	282,272.91	162.89	282,435.80
Accounts Payable - Pension Expense	116,970.00		116,970.00
Payable to Federal Government	454.31		454.31
Interfunds Payable	48,745.62		48,745.62
Unearned Revenue	15,179.62	2,370.66	17,550.28
Accrued Interest Payable	38,851.04		38,851.04
Due Within One Year (Note 6)	85,416.63		85,416.63
Total Current Liabilities	<u>587,890.13</u>	<u>69,936.24</u>	<u>657,826.37</u>
Long-Term Liabilities:			
Due Beyond One Year (Note 6)	7,937,083.37		7,937,083.37
Net Pension Liability (Note 8)	2,290,804.00		2,290,804.00
Total Long-Term Liabilities	<u>10,227,887.37</u>		<u>10,227,887.37</u>
Total Liabilities	<u>10,815,777.50</u>	<u>69,936.24</u>	<u>10,885,713.74</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>136,519.00</u>		<u>136,519.00</u>
NET POSITION			
Investment in Capital Assets, Net of Related Debt	143,009.45		143,009.45
Restricted for:			
Debt Service	549,962.53		549,962.53
Capital Projects	257,322.95		257,322.95
Other Purposes	20,514.27		20,514.27
Unrestricted	<u>(1,065,825.76)</u>	<u>21,286.17</u>	<u>(1,044,539.59)</u>
Total Net Position	<u>\$ (95,016.56)</u>	<u>\$ 21,286.17</u>	<u>\$ (73,730.39)</u>

See accompanying notes to financial statements.

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A-2

Function/Programs	Program Revenues		Net (Expense) Revenue and Change In Net Assets		
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:					
Instruction:					
Regular	\$ 3,092,006.82	\$ 470,390.30	\$ (2,621,616.52)	\$ (2,621,616.52)	\$ (2,621,616.52)
Special Education Instruction	412,758.21	34,501.15	(378,257.06)	(378,257.06)	(378,257.06)
Other Special Instruction	465,619.68	38,941.46	(426,678.22)	(426,678.22)	(426,678.22)
Support Services:					
Student and Instruction Related Services	840,328.37	219,288.74	(621,039.63)	(621,039.63)	(621,039.63)
General Administration	898,368.55	64,612.39	(833,756.15)	(833,756.15)	(833,756.15)
Central Services	56,204.93	-	(56,204.93)	(56,204.93)	(56,204.93)
Plant Operations and Maintenance	406,339.52	16,212.55	(390,126.97)	(390,126.97)	(390,126.97)
Debt Service:					
Interest	626,769.51	-	(626,769.51)	(626,769.51)	(626,769.51)
Unallocated Depreciation	358,270.00	-	(358,270.00)	(358,270.00)	(358,270.00)
Total Governmental Activities	<u>7,156,665.58</u>	<u>843,946.59</u>	<u>(6,312,718.99)</u>	<u>(6,312,718.99)</u>	<u>(6,312,718.99)</u>
Business-Type Activities:					
Food Services	271,640.21	11,361.31	-	(11,214.26)	(11,214.26)
After School Program	66,010.13	31,016.22	-	10,149.59	10,149.59
Total Business-Type Activities	<u>337,650.34</u>	<u>42,377.53</u>	<u>-</u>	<u>(1,064.67)</u>	<u>(1,064.67)</u>
Total Primary Government	<u>\$ 7,494,315.92</u>	<u>\$ 1,138,154.73</u>	<u>\$ (6,312,718.99)</u>	<u>\$ (1,064.67)</u>	<u>\$ (6,313,783.66)</u>
General Revenues:					
General Purpose Local Levy - Local Share	\$ 1,786,211.00	-	\$ 1,786,211.00	\$ 1,786,211.00	\$ 1,786,211.00
Unrestricted Federal and State Aid	4,029,021.00	-	4,029,021.00	4,029,021.00	4,029,021.00
Miscellaneous	22,102.61	-	22,102.61	22,102.61	22,102.61
Transfers	(11,000.00)	-	(11,000.00)	11,000.00	11,000.00
Total General Revenues	<u>5,826,334.61</u>	<u>-</u>	<u>5,826,334.61</u>	<u>11,000.00</u>	<u>5,837,334.61</u>
Change in Net Position	(486,384.38)	-	(486,384.38)	9,935.33	(476,449.05)
Net Position - Beginning - Restated	391,367.82	-	391,367.82	11,350.84	402,718.66
Net Position - Ending	<u>\$ (95,016.56)</u>	<u>-</u>	<u>\$ (95,016.56)</u>	<u>\$ 21,286.17</u>	<u>\$ (73,730.39)</u>

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

B-1

<u>ASSETS</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 470,416.65	\$ 13,146.95	\$ 337,322.95	\$ 549,962.53	\$ 1,370,849.08
Cash - Charter School Escrow Account	25,000.00				25,000.00
Due from State of New Jersey	8,297.41				8,297.41
Due from Federal Government		3,128.00			3,128.00
Due from LEA's	573,861.00				573,861.00
Interfunds Receivable	18.02				18.02
Deposits	225.00				225.00
Total Assets	<u>\$ 1,077,818.08</u>	<u>\$ 16,274.95</u>	<u>\$ 337,322.95</u>	<u>\$ 549,962.53</u>	<u>\$ 1,981,378.51</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 201,649.91	\$ 623.00	\$ 80,000.00	\$	\$ 282,272.91
Accounts Payable - Pension Expense	116,970.00				116,970.00
Due to Federal Government		454.31			454.31
Interfunds Payable	48,745.62	18.02			48,763.64
Unearned Revenue		15,179.62			15,179.62
Total Liabilities	<u>367,365.53</u>	<u>16,274.95</u>	<u>80,000.00</u>		<u>463,640.48</u>
Fund Balances:					
Restricted for:					
Debt Service				549,962.53	549,962.53
Committed to:					
Other Purposes	20,514.27				20,514.27
Assigned to:					
Capital Projects			257,322.95		257,322.95
Unassigned:					
General Fund	689,938.28				689,938.28
Total Fund Balances	<u>710,452.55</u>		<u>257,322.95</u>	<u>549,962.53</u>	<u>1,517,738.03</u>
Total Liabilities and Fund Balances	<u>\$ 1,077,818.08</u>	<u>\$ 16,274.95</u>	<u>\$ 337,322.95</u>	<u>\$ 549,962.53</u>	<u>\$ 1,981,378.51</u>

Total Fund Balance Above \$ 1,517,738.03

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

Deferred outflows related to pension contributions subsequent to the net position liability measurement date and other deferred items are not current financial resources and therefore are not reported as assets in the funds (See Note 8).	710,410.00
Deferred inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds (See Note 8).	(136,519.00)
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 8).	(2,290,804.00)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of capital assets is \$9,768,209.45 and the accumulated depreciation is \$1,602,700.00 (See Note 5).	8,165,509.45
Long-term liabilities consisting of outstanding bonds are not payable in the current period and therefore are not reported as liabilities in the funds (See Note 6).	(8,022,500.00)
Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.	(38,851.04)
Net Assets of Governmental Activities (A-1)	<u>\$ (95,016.56)</u>

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues					
Local Sources:					
Local LEA's Levy	\$ 1,786,211.00	\$	\$	\$	\$ 1,786,211.00
Miscellaneous	22,062.68		14.90	25.03	22,102.61
Total Revenue Local Sources	1,808,273.68		14.90	25.03	1,808,313.61
State Sources	4,459,673.16				4,459,673.16
Federal Sources		403,174.00			403,174.00
Private Sources		10,120.43			10,120.43
	6,267,946.84	413,294.43	14.90	25.03	6,681,281.20
Expenditures					
Current:					
Regular Instruction	1,980,742.07	229,214.43			2,209,956.50
Special Education Instruction	276,306.03				276,306.03
Other Special Instruction	311,606.05				311,606.05
Support Services and Undistributed Costs:					
Student and Instruction Related					
Services	471,195.42	158,081.00			629,276.42
General Administration	642,826.26				642,826.26
Central Services	56,204.93				56,204.93
Plant Operations and Maintenance	342,218.81				342,218.81
Employee Benefits	1,595,330.07	25,999.00			1,621,329.07
Debt Service:					
Principal				6,881,404.42	6,881,404.42
Interest				587,918.47	587,918.47
Capital Outlay	82,675.03		381,194.95		463,869.98
Total Expenditures	5,759,104.67	413,294.43	381,194.95	7,469,322.89	14,022,916.94
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	508,842.17		(381,180.05)	(7,469,297.86)	(7,341,635.74)
Other Financing Sources (Uses):					
Bond Proceeds			620,503.00	7,469,497.00	8,090,000.00
Operating Transfers In			18,000.00	549,763.39	567,763.39
Operating Transfers (Out)	(578,763.39)				(578,763.39)
Total Other Financing Sources (Uses)	(578,763.39)		638,503.00	8,019,260.39	8,079,000.00
Net Change in Fund Balances	(69,921.22)		257,322.95	549,962.53	737,364.26
Fund Balance, July 1	780,373.77				780,373.77
Fund Balance, June 30	\$ 710,452.55	\$ -	\$ 257,322.95	\$ 549,962.53	\$ 1,517,738.03

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

B-3

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ 737,364.26
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$ (358,270.00)
Capital Outlays		<u>463,869.98</u>
		105,599.98
<p>Repayment of loan and bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		6,881,404.42
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
Proceeds of Long-Term Debt		(8,090,000.00)
<p>Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.</p>		
		(81,902.00)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)</p>		
Accrued Interest Payable:		
Less: Balance June 30, 2015		<u>(38,851.04)</u>
Change in Net Position of Governmental Activities	A-2	<u>\$ (486,384.38)</u>

PROPRIETARY FUNDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

B-4

	Business-Type Activities Enterprise Funds		
<u>ASSETS</u>	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
Current Assets:			
Cash and Cash Equivalents	\$	\$ 16,788.03	\$ 16,788.03
Accounts Receivable:			
State Sources	253.45		253.45
Federal Sources	22,639.14	504.30	23,143.44
Other Sources	4,841.04	4,196.45	9,037.49
Interfunds Receivable:			
Due from General Fund	42,000.00		42,000.00
 Total Assets	 \$ 69,733.63	 \$ 21,488.78	 \$ 91,222.41
 <u>LIABILITIES</u>			
Current Liabilities:			
Cash Overdraft	\$ 67,402.69	\$	\$ 67,402.69
Accounts Payable		162.89	162.89
Deferred Inflows	1,410.66	960.00	2,370.66
 Total Liabilities	 \$ 68,813.35	 \$ 1,122.89	 \$ 69,936.24
 <u>NET POSITION</u>			
Unrestricted	\$ 920.28	\$ 20,365.89	\$ 21,286.17

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

B-5

	Business-Type Activities Enterprise Funds		
	Food Service	After School Program	Total
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 11,361.31	\$	\$ 11,361.31
Miscellaneous		31,016.22	31,016.22
Total Operating Revenues	11,361.31	31,016.22	42,377.53
Operating Expenses:			
Cost of Sales	226,428.90		226,428.90
Salaries	43,965.91	51,526.37	95,492.28
Employee Benefits	266.83	351.79	618.62
Purchased Professional and Technical Services		1,031.97	1,031.97
Supplies and Materials	978.57	1,770.51	2,749.08
Total Operating Expenses	271,640.21	54,680.64	326,320.85
Operating Loss	(260,278.90)	(23,664.42)	(283,943.32)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,732.46		2,732.46
Federal Sources:			
National School Breakfast Program	105,101.00		105,101.00
National School Lunch Program	138,176.10		138,176.10
National School Snack Program		5,254.56	5,254.56
Healthy, Hunger-Free Kids Act	3,055.08		3,055.08
New Jersey E-Childcare		39,888.94	39,888.94
Prior Year Accounts Receivable Cancelled		(11,329.49)	(11,329.49)
Total Nonoperating Revenues (Expenses)	249,064.64	33,814.01	282,878.65
Income (Loss) Before Contributions and Transfers	(11,214.26)	10,149.59	(1,064.67)
Transfers In (Out)	11,000.00		11,000.00
Change in Net Position	(214.26)	10,149.59	9,935.33
Total Net Position - Beginning	1,134.54	10,216.30	11,350.84
Total Net Position - Ending	\$ 920.28	\$ 20,365.89	\$ 21,286.17

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

B-6

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers and Other Funds	\$ 11,870.81	\$ 34,909.16	\$ 46,779.97
Payments to Employees	(44,602.16)	(52,110.31)	(96,712.47)
Payments for Employee Benefits	(317.09)	(397.92)	(715.01)
Payments to Suppliers	(247,462.47)	(2,447.22)	(249,909.69)
Net Cash Used for Operating Activities	<u>(280,510.91)</u>	<u>(20,046.29)</u>	<u>(300,557.20)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	2,862.11		2,862.11
Federal Sources	244,530.90	5,194.26	249,725.16
Other Sources		41,382.06	41,382.06
Operating Subsidies and Transfers to Other Funds	11,000.00		11,000.00
Net Cash Provided by Noncapital Financing Activities	<u>258,393.01</u>	<u>46,576.32</u>	<u>304,969.33</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(22,117.90)	26,530.03	4,412.13
Balances - Beginning of Year	<u>(45,284.79)</u>	<u>(9,742.00)</u>	<u>(55,026.79)</u>
Balances - End of Year	<u>\$ (67,402.69)</u>	<u>\$ 16,788.03</u>	<u>\$ (50,614.66)</u>
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</u>			
Operating Loss	\$ (260,278.90)	\$ (23,664.42)	\$ (283,943.32)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable, Net	115.17	3,989.02	4,104.19
Increase (Decrease) in Accounts Payable, Net	(20,741.51)	(1,143.89)	(21,885.40)
Increase (Decrease) in Deferred Inflows	394.33	773.00	1,167.33
Total Adjustments	<u>(20,232.01)</u>	<u>3,618.13</u>	<u>(16,613.88)</u>
Net Cash Used for Operating Activities	<u>\$ (280,510.91)</u>	<u>\$ (20,046.29)</u>	<u>\$ (300,557.20)</u>

FIDUCIARY FUNDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

B-7

<u>ASSETS</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
Cash and Cash Equivalents	\$ 24,997.48	\$154,769.17
Other Accounts Receivable	2,622.03	
Interfunds Receivable:		
Due from General Fund	<u>6,198.90</u>	<u>546.72</u>
 Total Assets	 <u><u>\$ 33,818.41</u></u>	 <u><u>\$155,315.89</u></u>
 <u>LIABILITIES</u>		
Payable to Student Groups	\$	\$ 6,379.28
Payroll Deductions and Withholdings		25,310.82
Accrued Salaries and Benefits		123,625.79
Accounts Payable	<u>17,807.82</u>	
 Total Liabilities	 <u><u>17,807.82</u></u>	 <u><u>155,315.89</u></u>
 <u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	 <u><u>\$ 16,010.59</u></u>	 <u><u>\$ -</u></u>

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

B-8

Unemployment
Compensation
Trust Fund

Additions

Deductions from Employees' Salaries

\$ 7,267.98

Investment Earnings:

Interest

37.45

Total Additions

7,305.43

Deductions

Unemployment Claims

21,560.93

Change in Net Position

(14,255.50)

Total Net Position - Beginning

30,266.09

Total Net Position - Ending

\$ 16,010.59

NOTES TO THE FINANCIAL STATEMENTS

GREATER BRUNSWICK CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Charter School is an instrumentality of the State of New Jersey, established in September 1998 to function as an educational institution. The Charter School functions independently through a Board of Trustees. The Board is comprised of ten members and two teacher representatives and is responsible for the fiscal control. A Superintendent is appointed by the Board of Trustees and is responsible for the administrative control of the Charter School. The purpose of the Charter School is to educate students in grades K - 8. The Charter School had an approximate enrollment at June 30, 2015 of 381 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the Greater Brunswick Charter School, this includes general operations, food service, and student related activities of the School.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the School has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Greater Brunswick 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 School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the School's accounting policies are described below.

A. Basis of Presentation

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the School at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

2. Fund Financial Statements

During the year, the School segregates transactions related to certain School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the School at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The Charter School uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School's major governmental funds:

General Fund - The General Fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from various types of debt instruments.

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

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the School is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The School presently has no resources that are considered permanent funds.

2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the School.

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

The School's Enterprise Fund is comprised of the Food Service and After School Program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

Enterprise Fund (Continued)

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

The Enterprise Fund has not acquired any fixed assets.

Internal Service Funds - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The School does not currently utilize any internal service funds.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the district's own programs. There are four fiduciary fund types - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

Unemployment Insurance Trust - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

4. Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes debt instruments outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be 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 recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

In its accounting and financial reporting, the School follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The School's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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

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

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budget/Budgetary Control (Continued)

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 6,267,946.84	\$420,048.43
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(6,754.00)
Total revenue as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds	<u>\$ 6,267,946.84</u>	<u>\$413,294.43</u>
Uses/Outflow of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,642,134.67	\$420,048.43
Difference - Budget-to-GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	-	(6,754.00)
Pension expense recognized for GAAP but not for budgetary purposes	<u>116,970.00</u>	-
Total expenditures as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,759,104.67</u>	<u>\$413,294.43</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances

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

Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as deferred inflows 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.

G. Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the School has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

H. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School and that are due within one year.

I. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School maintains a capitalization threshold of two thousand. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	40 Years
Furniture and Equipment	5 - 20 Years
Vehicles	5 Years

J. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

The Charter School does not allow for the accumulation of sick and vacation to be compensated for at a later time.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Position

The District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

M. Unearned Revenue

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. Unearned revenue in the General Fund represents prepaid fees collected for future programs.

N. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. 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.

P. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Charter School Enterprise Fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Q. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

R. Allocation of Expenses

The school reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, worker's 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 direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

S. 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.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. 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.

Deposits

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

3. 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 5% 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 Charter School to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund
- Repurchase agreements of fully collateralized securities, subject to special conditions.

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.

As of June 30, 2015, cash and cash equivalents (deposits) of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking and Money Market Accounts	<u>\$ 1,804,617.53</u>

For fiscal year 2015, the Board did not hold any investments.

All of the balances were covered by either federal depository insurance or by a collateral pool maintained by the banks, as required by New Jersey statutes.

4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23-2.13(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The Charter School does not maintain a Capital Reserve Account.

5. CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2015</u>
Nondepreciable Assets:				
Land	\$ 1,111,663.00	\$	\$	\$ 1,111,663.00
Depreciable Assets:				
Building and Building Improvements	7,921,054.80	403,108.78		8,324,163.58
Machinery and Equipment	271,621.67	60,761.20		332,382.87
	<u>9,304,339.47</u>	<u>463,869.98</u>	<u>-</u>	<u>9,768,209.45</u>
Less Accumulated Depreciation:				
Building and Building Improvements	(1,148,779.00)	(306,785.00)		(1,455,564.00)
Machinery and Equipment	(95,651.00)	(51,485.00)		(147,136.00)
	<u>(1,244,430.00)</u>	<u>(358,270.00)</u>		<u>(1,602,700.00)</u>
Governmental Activities - Net Capital Assets	<u>\$ 8,059,909.47</u>	<u>\$ 105,599.98</u>	<u>\$ -</u>	<u>\$ 8,165,509.45</u>

6. LONG-TERM DEBT

During the fiscal year ended June 30, 2015, the following changes in long-term debt occurred:

	Balance June 30, 2014	Additions	Budget Appropriation	Retired Loans Refinanced	Balance June 30, 2015	Amounts Due Within One Year	Long-Term Portion
Serial Bonds Payable	\$	\$ 8,090,000.00	\$ 67,500.00	\$	\$ 8,022,500.00	\$ 85,416.63	\$ 7,937,083.37
N.J. Economic Development Authority Loan	820,175.23		8,771.94	811,403.29			
Sun National Bank Loan	5,993,729.19		29,309.94	5,964,419.25			
	<u>\$ 6,813,904.42</u>	<u>\$ 8,090,000.00</u>	<u>\$ 105,581.88</u>	<u>\$ 6,775,822.54</u>	<u>\$ 8,022,500.00</u>	<u>\$ 85,416.63</u>	<u>\$ 7,937,083.37</u>

6. LONG-TERM DEBT (Continued)

A. Bonds Payable

On August 29, 2014, the Greater Brunswick Charter School issued Charter School Revenue Bonds in the sum of \$8,090,000.00 at variable interest rates from 4.75% to 6.375%. The Bonds consisted of Series 2014A (Tax Exempt) in the sum of \$7,850,000.00 and Series 2014B (Taxable) in the sum of \$240,000.00. Part of the proceeds from the bond was used to refinance two existing long-term loans in the sum of \$6,775,822.54 for principal and \$143,736.96 for interest. Also, part of the proceeds from the bond was used to establish a debt service reserve fund in the sum of \$533,622.91 for the Series 2014A and \$16,314.59 for the Series 2014B.

A schedule of principal and interest payments for serial bonds is as follows:

Fiscal Year	Total	Serial Bonds	
		Principal	Interest
2016	\$ 547,246.27	\$ 85,416.63	\$ 461,829.64
2017	546,047.37	89,583.33	456,464.04
2018	545,485.51	94,583.37	450,902.14
2019	545,884.38	99,583.30	446,301.08
2020	546,154.13	104,583.33	441,570.80
2021	546,186.51	109,583.37	436,603.14
2022	551,186.44	114,583.30	436,603.14
2023	550,981.23	119,583.33	431,397.90
2024	555,121.80	129,166.63	425,955.17
2025	554,858.29	134,583.33	420,274.96
2026	553,722.95	139,583.37	414,139.58
2027	555,830.76	149,166.67	406,664.09
2028	557,979.16	159,166.63	398,812.53
2029	555,005.18	164,583.33	390,421.85
2030	555,635.35	174,166.63	381,468.72
2031	556,377.69	184,166.70	372,210.99
2032	556,580.71	194,166.67	362,414.04
2033	556,221.37	204,166.63	352,054.74
2034	559,882.75	218,749.96	341,132.79
2035	558,815.19	229,166.70	329,648.49
2036	561,093.85	243,750.04	317,343.81
2037	562,676.05	258,750.04	303,926.01
2038	563,355.83	273,750.04	289,605.79
2039	563,154.24	288,750.04	274,404.20
2040	566,654.62	308,333.30	258,321.32
2041	565,107.23	323,749.96	241,357.27
2042	566,576.00	343,333.33	223,242.67
2043	567,555.79	363,333.37	204,222.42
2044	567,384.92	383,333.30	184,051.62
2045	570,622.48	407,916.70	162,705.78
2046	573,101.57	432,916.67	140,184.90
2047	573,666.63	457,916.63	115,750.00
2048	572,691.70	482,916.70	89,775.00
2049	574,800.04	512,500.04	62,300.00
2050	45,491.56	42,916.63	2,574.93
	<u>\$ 19,049,135.55</u>	<u>\$ 8,022,500.00</u>	<u>\$ 11,026,635.55</u>

6. LONG-TERM DEBT (Continued)

B. Capital Leases

As of June 30, 2015, the Board had no capital leases.

7. OPERATING LEASES

The School is leasing computer equipment and copiers under operating leases.

A schedule of payments for operating leases is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 35,966.01
2017	35,966.01
2018	<u>5,772.60</u>
	<u>\$ 77,704.62</u>

8. PENSION PLANS

Description of Plan

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 (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A 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.

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:6 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 1/55 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). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). 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 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 6.92% of employees' annual compensation, as defined.

8. PENSION PLANS (Continued)

Contribution Requirements (Continued)

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the school is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2015	\$100,867.00	\$100,867.00	100%
June 30, 2014	67,105.00	67,105.00	100%
June 30, 2013	70,695.00	70,695.00	100%

**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>Post-Retirement Medical Benefits</u>
June 30, 2015	\$102,469.00	100%	\$162,669.00
June 30, 2014	76,859.00	100%	126,020.00
June 30, 2013	111,853.00	100%	126,477.00

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$102,469.00 to the TPAF for pension and \$162,669.00 for post-retirement medical benefits On-Behalf of the Charter School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Charter School \$165,514.16 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the State's portion of the net pension liability that was associated with the district was \$9,477,362, as measured on June 30, 2014 and \$8,482,968 as measured on June 30, 2013.

For the year ended June 30, 2015, the district recognized pension expense of \$509,971 and revenue of \$509,971 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2013 and June 30, 2014.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Collective Deferred Outflows of Resources	\$	\$ 2,306,623,861
Collective Deferred Inflows of Resources		1,763,205,593
Collective Net Pension Liability (Nonemployer - State of New Jersey)	50,539,213,484	53,446,745,367
State's Portion of the Net Pension Liability that was Associated with the District	8,482,968	9,477,362
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.0167849231%	0.0177323472%

Actuarial Assumptions

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

Inflation:	2.5%
Salary Increases:	Varies Based on Experience
Investment Rate of Return:	7.90%

8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

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

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

Long-Term Expected Rate of Return

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

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

8. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2015, the District reported a liability of \$2,290,804 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was .00122354154%, which was an increase of 0.0033294009% from its proportion measured as of June 30, 2013.

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

For the year ended June 30, 2015, the District recognized pension expense of \$217,837. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Differences Between Expected and Actual Experience</u>		
Changes of Assumptions	\$ 72,035	\$
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		136,519
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	537,508	
District Contributions Subsequent to the Measurement Date	<u>100,867</u>	
Total	<u>\$ 710,410</u>	<u>\$ 136,519</u>

The \$32,233.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015 the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability measured as of June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2015	\$ (20,888.11)
2016	(20,888.11)
2017	(20,888.11)
2018	(20,888.11)
2019	13,241.76
Thereafter	<u>5,826.38</u>
	<u>\$ (64,484.30)</u>

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Additional Information:

Collective balances at June 30, 2013 and 2014 are as follows:

	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Collective Deferred Outflows of Resources	\$	\$ 952,194,674
Collective Deferred Inflows of Resources		1,479,224,662
Collective Net Pension Liability (Non State - Local Group)	19,111,896,911	18,722,735,003
District's Portion of Net Pension Liability	1,702,116	2,290,804
District's Proportion %	0.0089060145%	0.0122354154%

Actuarial Assumptions

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

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

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

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

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

8. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease (4.39%)</u>	<u>Current Discount Rate (5.39%)</u>	<u>1% Increase (6.39%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 2,881,910	\$ 2,290,804	\$ 1,794,426

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PERS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 Hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirement, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past three years are as follows:

<u>Year</u>	<u>Charter School</u>	<u>Employees</u>
2015	\$ 3,416.73	\$ 6,264.13
2014	2,059.63	3,775.92
2013	1,853.94	3,398.83

10. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c. 62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c. 126, which provides employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

11. DEFERRED COMPENSATION

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

Axa Equitable
Mass Mutual
First Investors

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. The following is a summary of Charter School contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Charter School's expendable trust fund for the current year and previous two years:

<u>Fiscal Year</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ -	\$ 7,267.98	\$37.45	\$21,560.93	\$16,010.59
2013-2014	-	6,916.99	34.18	-	30,266.09
2012-2013	-	6,400.15	18.99	-	23,314.92

13. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2015 consisted of the following:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund:		
Due from Special Revenue Fund	\$ 18.02	\$
Due to Enterprise Fund:		
Food Service		42,000.00
Due to Unemployment Compensation Trust Fund		6,198.90
Due to Payroll Agency		546.72
Special Revenue Fund:		
Due to General Fund		18.02
Enterprise Fund:		
Food Service:		
Due from General Fund	42,000.00	
Unemployment Compensation Trust Fund:		
Due from General Fund	6,198.90	
Payroll Agency:		
Due from General Fund	546.72	
	<u>\$ 48,763.64</u>	<u>\$ 48,763.64</u>

14. FUND BALANCE APPROPRIATED

General Fund - Of the \$710,452.55 General Fund fund balance (B-1) at June 30, 2015, \$20,514.27 is reserved for encumbrances, \$689,938.28 is unreserved and undesignated.

15. CONTINGENT LIABILITIES

A. Litigation

General liability and other claims, currently pending against the Charter School, are handled by insurance carriers.

B. Federal and State Awards

The Charter School participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Charter School has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2015 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying general purpose financial statements for such contingencies.

16. RECONCILIATION OF FUND BALANCE - GENERAL FUND

The Surpluses are presented on a GAAP basis and a reconciliation to the budget basis is as follows:

	Unreserved and <u>Designated</u>
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$ 827,422.55
Less: Pension Expense Recognized for GAAP but Not for Budgetary Purposes	<u>710,452.55</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	<u><u>\$ 116,970.00</u></u>

17. RESTATEMENT OF PRIOR PERIOD

The District adopted GASB No. 68 - *Accounting and Financial Reporting for Pensions - As amendment of GASB No. 27* during the 2015 fiscal year as required by the pronouncement. This pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the measurement date of the net pension liability is June 30, 2014 (as described in Note 7), the restatement adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The district restated its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

<u>Governmental Activities Net Position</u>	
Net Position (per A-1), June 30, 2014	\$ 2,026,378.82
Restatement of Net Pension Liability	(1,702,116.00)
Restatement of Deferred Outflows - Pension	<u>67,105.00</u>
Net Position (per A-1), June 30, 2014, as Restated	<u>\$ 391,367.82</u>

18. SUBSEQUENT EVENT

The Greater Brunswick Charter School has evaluated subsequent events that occurred after the balance sheet date, but before November 17, 2015. No items were determined to require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. BUDGETARY COMPARISON SCHEDULES

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

C-1
Sheet #1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
Local Sources:					
"Local Levy" Local Share - Charter School Aid	\$ 1,744,282.00	\$ 70,933.00	\$ 1,815,215.00	\$ 1,786,211.00	\$ (29,004.00)
Miscellaneous				22,062.68	22,062.68
<u>Total - Local Sources</u>	<u>1,744,282.00</u>	<u>70,933.00</u>	<u>1,815,215.00</u>	<u>1,808,273.68</u>	<u>(6,941.32)</u>
State Sources:					
"Local Levy" State Share - Charter School Aid:					
Equalization Aid	3,407,675.00	248,697.00	3,656,372.00	3,656,372.00	
Special Education Categorical Aid	219,501.00	26,998.00	246,499.00	246,499.00	
Security Aid	119,720.00	6,430.00	126,150.00	126,150.00	
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions				162,669.00	162,669.00
On-Behalf Teacher's Pension and Annuity Fund				102,469.00	102,469.00
Contributions				165,514.16	165,514.16
Reimbursed TPAF Social Security Contributions				4,459,673.16	430,652.16
<u>Total - State Sources</u>	<u>3,746,896.00</u>	<u>282,125.00</u>	<u>4,029,021.00</u>		
Total Revenues	<u>\$ 5,491,178.00</u>	<u>\$ 353,058.00</u>	<u>\$ 5,844,236.00</u>	<u>\$ 6,267,946.84</u>	<u>\$ 423,710.84</u>
Expenditures					
Instruction:					
Salaries of Teachers	\$ 1,804,560.00	\$ 81,182.66	\$ 1,885,742.66	\$ 1,883,518.60	\$ 2,224.06
Other Salaries for Instruction	377,674.00	24,856.62	402,530.62	401,820.95	709.67
Purchased Professional and Technical Services	3,000.00	16,518.00	19,518.00	19,340.97	177.03
Other Purchased Services	65,500.00	59,886.35	125,386.35	125,386.35	
General Supplies	46,100.00	147,031.47	193,131.47	182,576.82	10,554.65
<u>Total Instructional Expense</u>	<u>2,296,834.00</u>	<u>329,475.10</u>	<u>2,626,309.10</u>	<u>2,612,643.69</u>	<u>13,665.41</u>

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

C-1
Sheet #2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures</u>					
Administrative:					
Salaries - Administration	\$ 547,838.00	\$ (91,379.50)	\$ 456,458.50	\$ 451,960.20	\$ 4,498.30
Salaries of Secretarial/Administrative Assistants	203,149.00	(517.30)	202,631.70	202,253.74	377.96
Total Benefit Costs	986,453.00	61,254.91	1,047,707.91	1,047,707.91	
Purchased Professional and Technical Services	83,135.00	(14,133.93)	69,001.07	67,843.91	1,157.16
Other Purchased Services	80,626.00	(11,681.04)	68,944.96	64,714.47	4,230.49
Communications/Telephone	11,800.00	(3,579.73)	8,220.27	8,220.27	
Supplies and Materials	14,200.00	5,171.11	19,371.11	19,063.32	307.79
Judgments Against Charter School	1,000.00	(1,000.00)	3,517.00	3,514.81	2.19
Interest on Lease Purchase Agreements	3,517.00	(181.85)	24,793.15	23,676.48	1,116.67
Miscellaneous Expense	24,975.00	(56,047.33)	1,900,645.67	1,888,955.11	11,690.56
Total Administrative Expense	<u>1,956,693.00</u>	<u>(56,047.33)</u>	<u>1,900,645.67</u>	<u>1,888,955.11</u>	<u>11,690.56</u>
Support Services:					
Salaries	305,801.00	(13,204.71)	292,596.29	292,450.30	145.99
Purchased Professional and Technical Services	122,680.00	(24,705.58)	97,974.42	97,153.81	820.61
Other Purchased Services	56,700.00	18,305.96	75,005.96	69,137.61	5,868.35
Insurance for Property, Liability and Fidelity	36,452.00	1,618.14	38,070.14	37,892.63	177.51
Supplies and Materials	17,250.00	14,160.07	31,410.07	29,867.49	1,542.58
Energy Costs (Heat and Electricity)	75,800.00	3,836.84	79,636.84	79,636.84	
Miscellaneous Expense	500.00	500.00	500.00	166.00	334.00
Total Support Services Expense	<u>615,183.00</u>	<u>10.72</u>	<u>615,193.72</u>	<u>606,304.68</u>	<u>8,889.04</u>
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions			162,669.00	162,669.00	(162,669.00)
On-Behalf Teacher's Pension and Annuity Fund Contributions			102,469.00	102,469.00	(102,469.00)
Reimbursed TPAF Social Security Contributions			165,514.16	165,514.16	(165,514.16)
Total On-Behalf Contributions			<u>430,652.16</u>	<u>430,652.16</u>	<u>(430,652.16)</u>

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

C-1
Sheet #3

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures</u>					
Capital Outlay:					
Instructional Equipment	\$	\$ 58,622.72	\$ 58,622.72	\$ 57,808.59	\$ 814.13
Noninstructional Equipment		3,000.00	3,000.00	2,952.61	47.39
Purchase of Land/Improvements		33,008.71	33,008.71	21,913.83	11,094.88
Lease Purchase Agreements - Principal	20,904.00		20,904.00	20,904.00	
Total Capital Outlay	<u>20,904.00</u>	<u>94,631.43</u>	<u>115,535.43</u>	<u>103,579.03</u>	<u>11,956.40</u>
Total Expenditures	4,889,614.00	368,069.92	5,257,683.92	5,642,134.67	(384,450.75)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>601,564.00</u>	<u>(15,011.92)</u>	<u>586,552.08</u>	<u>625,812.17</u>	<u>39,260.09</u>
Other Financing Sources/(Uses):					
Operating Transfer Out:					
Transfer to Food Service Fund - Board Contribution		(11,000.00)	(11,000.00)	(11,000.00)	
Transfer to Capital Projects Fund	(545,759.00)	(18,000.00)	(18,000.00)	(18,000.00)	
Transfer to Debt Service Fund	<u>(545,759.00)</u>	<u>(27,501.08)</u>	<u>(573,260.08)</u>	<u>(549,763.39)</u>	23,496.69
		<u>(56,501.08)</u>	<u>(602,260.08)</u>	<u>(578,763.39)</u>	<u>23,496.69</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	55,805.00	(71,513.00)	(15,708.00)	47,048.78	62,756.78
Fund Balances, July 1	<u>780,373.77</u>		<u>780,373.77</u>	<u>780,373.77</u>	
Fund Balances, June 30	<u>\$ 836,178.77</u>	<u>\$ (71,513.00)</u>	<u>\$ 764,665.77</u>	<u>\$ 827,422.55</u>	<u>\$ 62,756.78</u>

COUNTY OF MIDDLESEX
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

C-1
Sheet #4

Recapitulation:	
Committed Fund Balance:	
Year End Encumbrances	\$ 20,514.27
Unassigned Fund Balance	<u>806,908.28</u>
Total	827,422.55
Reconciliation to Governmental Funds Statements (GAAP):	
Pension Expense Recognized for GAAP Basis	<u>(116,970.00)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 710,452.55</u></u>

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

C-2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>REVENUES</u>					
Federal Sources	\$ 588,415.00	\$ (178,487.00)	\$ 409,928.00	\$ 409,928.00	\$
Local Sources		10,120.43	10,120.43	10,120.43	
Total Revenues	<u>\$ 588,415.00</u>	<u>\$ (168,366.57)</u>	<u>\$ 420,048.43</u>	<u>\$ 420,048.43</u>	<u>\$ -</u>
<u>EXPENDITURES</u>					
Instruction:					
Salaries of Teachers	\$ 216,649.00	\$ (98,011.00)	\$ 118,638.00	\$ 118,638.00	\$
Other Salaries for Instruction	50,877.00	(21,096.00)	29,781.00	29,781.00	
Purchased Professional/Educational Services	35,232.00	(35,054.97)	177.03	177.03	
General Supplies	72,448.00	8,170.40	80,618.40	80,618.40	
Other Objects	1,660.00	(1,660.00)			
Total Instruction	<u>376,866.00</u>	<u>(147,651.57)</u>	<u>229,214.43</u>	<u>229,214.43</u>	
Support Services:					
Salaries of Program Directors	22,236.00	(5,159.00)	17,077.00	17,077.00	
Salaries of Other Professional Staff		17,054.00	17,054.00	17,054.00	
Other Salaries	6,193.00	23,807.00	30,000.00	30,000.00	
Personnel Services - Employee Benefits	31,893.00	(5,894.00)	25,999.00	25,999.00	
Purchased Professional and Technical Services	10,000.00	(8,062.00)	1,938.00	1,938.00	
Purchased Professional/Educational Services	72,750.00	13,500.00	86,250.00	86,250.00	
Cleaning, Repair and Maintenance Services		5,000.00	5,000.00	5,000.00	
Other Purchased Services	28,170.00	(25,666.00)	2,504.00	2,504.00	
Supplies and Materials	21,707.00	(16,695.00)	5,012.00	5,012.00	
Total Support Services	<u>192,949.00</u>	<u>(2,115.00)</u>	<u>190,834.00</u>	<u>190,834.00</u>	
Facilities Acquisition and Construction Services:					
Instructional Equipment	18,600.00	(18,600.00)			
Total Expenditures	<u>\$ 588,415.00</u>	<u>\$ (168,366.57)</u>	<u>\$ 420,048.43</u>	<u>\$ 420,048.43</u>	<u>\$ -</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

Note: GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

GREATER BRUNSWICK CHARTER SCHOOL
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST TWO FISCAL YEARS
 (Unaudited)

L-1

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0036%	0.0039%
District's proportionate share of the net pension liability (asset)	\$ 2,290,804	\$ 1,702,116
State's proportionate share of the net pension liability (asset) associated with the District	<u>18,722,735,003</u>	<u>19,111,986,911</u>
Total	<u>\$18,725,025,807</u>	<u>\$19,113,689,027</u>
District's covered-employee payroll	\$ 844,867	*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	271.14%	*
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

*Data was not provided by School District.

GREATER BRUNSWICK CHARTER SCHOOL
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST TWO FISCAL YEARS
 (Unaudited)

L-2

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 100,867	\$ 67,105
Contributions in relation to the contractually required contribution	(100,867)	(67,105)
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 844,867	*
Contributions as a percentage of covered-employee payroll	11.94%	*

*Data was not provided by School District.

GREATER BRUNSWICK CHARTER SCHOOL
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 TEACHERS' PENSION AND ANNUITY FUND
 LAST TWO FISCAL YEARS
 (Unaudited)

L-3

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.018%	0.017%
District's proportionate share of the net pension liability (asset)	\$ 9,477,362	\$ 8,482,968
State's proportionate share of the net pension liability (asset) associated with the District	<u>53,446,745,367</u>	<u>50,539,213,484</u>
Total	<u>\$ 53,456,222,729</u>	<u>\$ 50,547,696,452</u>
District's covered-employee payroll	\$ 1,964,881	*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	482.34%	*
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

*Data was not provided by School District.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2015**

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 8 on the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. SCHOOL BASED BUDGET SCHEDULES (IF APPLICABLE)

E. SPECIAL REVENUE FUND

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

E-1

	Title I, Part A Basic 2014-2015	Title IIA 2014-2015	Title III 2014-2015	I.D.E.A. Part B Basic 2014-2015	Arter Charter Grant Carryover		Safety Grant	Totals FY 2015
REVENUES								
Federal Sources	\$ 267,784.00	\$ 8,535.00	\$ 24,616.00	\$ 108,993.00	\$ 5,120.43	\$	5,000.00	\$ 409,928.00
Local Sources								10,120.43
Total Revenues	<u>\$ 267,784.00</u>	<u>\$ 8,535.00</u>	<u>\$ 24,616.00</u>	<u>\$ 108,993.00</u>	<u>\$ 5,120.43</u>		<u>\$ 5,000.00</u>	<u>\$ 420,048.43</u>
EXPENDITURES								
Instruction:								
Salaries of Teachers	\$ 118,638.00	\$	\$	\$	\$	\$		\$ 118,638.00
Other Salaries for Instruction				29,781.00				29,781.00
Purchased Professional/Educational Services	64,547.00		3,128.00		177.03			177.03
General Supplies	183,185.00		3,128.00	8,000.00	4,943.40			80,618.40
Total Instruction			<u>3,128.00</u>	<u>37,781.00</u>	<u>5,120.43</u>			<u>229,214.43</u>
Support Services:								
Salaries of Program Directors	11,777.00	5,300.00						17,077.00
Salaries of Other Professional Staff			17,054.00					17,054.00
Other Salaries				30,000.00				30,000.00
Personnel Services - Employee Benefits	11,082.00	405.00	4,434.00	10,078.00				25,999.00
Purchased Professional and Technical Services		1,938.00						1,938.00
Purchased Professional/Educational Services	57,620.00			28,630.00				86,250.00
Cleaning, Repair and Maintenance Services							5,000.00	5,000.00
Other Purchased Services	4,120.00	892.00						2,504.00
Supplies and Materials	84,599.00	8,535.00	21,488.00	71,212.00			5,000.00	5,012.00
Total Support Services		<u>8,535.00</u>	<u>21,488.00</u>	<u>71,212.00</u>			<u>5,000.00</u>	<u>190,834.00</u>
Total Expenditures	<u>\$ 267,784.00</u>	<u>\$ 8,535.00</u>	<u>\$ 24,616.00</u>	<u>\$ 108,993.00</u>	<u>\$ 5,120.43</u>		<u>\$ 5,000.00</u>	<u>\$ 420,048.43</u>

F. CAPITAL PROJECTS FUND

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

F-1

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriation</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriation June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Project Fund	5/12/14	\$ 620,517.58	\$	\$ 381,194.95	\$ 239,322.63
Repair and Replacement Fund	5/12/14	200,000.32			200,000.32
Totals		\$ 820,517.90	\$ -	\$ 381,194.95	\$ 439,322.95

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
PROJECT FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

F-2a

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<u>Revenues and Other Financing Sources</u>				
Bond Proceeds	\$	\$ 620,503.00	\$ 620,503.00	\$ 620,503.00
Miscellaneous		14.58	14.58	14.58
Total Revenues		620,517.58	620,517.58	620,517.58
<u>Expenditures and Other Financing Uses</u>				
Other Purchased Professional and Technical Services		301,194.95	301,194.95	301,194.95
Construction Services		80,000.00	80,000.00	319,322.63
Total Expenditures		381,194.95	381,194.95	620,517.58
 Excess (Deficiency) of Revenues Over/ (Under) Expenditures	 \$	 \$ 239,322.63	 \$ 239,322.63	 \$ -

Additional Project Information:

Project Number	-
Grant Date	5/12/14
Bond Authorization Date	8/29/14
Bonds Authorized	\$ 620,503.00
Bonds Issued	\$ 620,503.00
Original Authorized Cost	\$ 620,503.00
Additional Authorized Cost	\$ 4.96
Revised Authorized Cost	\$ 620,507.96
Percentage Increase Over Original Authorized Cost	0.00%
Percentage of Completion	61.4%
Original Target Completion Date	12/31/17
Revised Target Completion Date	N/A

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
REPAIR AND REPLACEMENT FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

F-2b

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Miscellaneous	\$	\$ 0.32	\$ 0.32	\$ 0.32
Transfer from General Fund		<u>18,000.00</u>	<u>18,000.00</u>	<u>200,000.00</u>
Total Revenues		<u>18,000.32</u>	<u>18,000.32</u>	<u>200,000.32</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services				<u>200,000.32</u>
Total Expenditures				<u>200,000.32</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ -</u>	<u>\$ 18,000.32</u>	<u>\$ 18,000.32</u>	<u>\$ -</u>
Additional Project Information:				
Project Number		-		
Grant Date		5/12/14		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	200,000.00		
Additional Authorized Cost	\$	0.32		
Revised Authorized Cost	\$	200,000.32		
Percentage Increase Over Original Authorized Cost		0.00%		
Percentage of Completion		0.00%		
Original Target Completion Date		1/01/23		
Revised Target Completion Date		N/A		

G. PROPRIETARY FUNDS

ENTERPRISE FUND

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

G-1

<u>ASSETS</u>	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
Current Assets:			
Cash and Cash Equivalents	\$	\$16,788.03	\$ 16,788.03
Accounts Receivable:			
State Sources	253.45		253.45
Federal Sources	22,639.14	504.30	23,143.44
Other Sources	4,841.04	4,196.45	9,037.49
Interfunds Receivable:			
Due from General Fund	42,000.00		42,000.00
Total Assets	\$69,733.63	\$21,488.78	\$ 91,222.41
<u>LIABILITIES</u>			
Current Liabilities:			
Cash Overdraft	\$67,402.69	\$	\$67,402.69
Accounts Payable		162.89	162.89
Deferred Inflows	1,410.66	960.00	2,370.66
Total Liabilities	\$68,813.35	\$ 1,122.89	\$69,936.24
<u>NET POSITION</u>			
Unrestricted	\$ 920.28	\$20,365.89	\$21,286.17

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

G-2

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>After School Program</u>	<u>Total</u>
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 11,361.31	\$	\$ 11,361.31
Miscellaneous		31,016.22	31,016.22
Total Operating Revenues	11,361.31	31,016.22	42,377.53
Operating Expenses:			
Cost of Sales	226,428.90		226,428.90
Salaries	43,965.91	51,526.37	95,492.28
Employee Benefits	266.83	351.79	618.62
Purchased Professional and Technical Services		1,031.97	1,031.97
Supplies and Materials	978.57	1,770.51	2,749.08
Total Operating Expenses	271,640.21	54,680.64	326,320.85
Operating Loss	(260,278.90)	(23,664.42)	(283,943.32)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,732.46		2,732.46
Federal Sources:			
National School Breakfast Program	105,101.00		105,101.00
National School Lunch Program	138,176.10		138,176.10
National School Snack Program		5,254.56	5,254.56
Healthy, Hunger-Free Kids Act	3,055.08		3,055.08
New Jersey E-Childcare		39,888.94	39,888.94
Prior Year Accounts Receivable Cancelled		(11,329.49)	(11,329.49)
Total Nonoperating Revenues (Expenses)	249,064.64	33,814.01	282,878.65
Income (Loss) Before Contributions and Transfers	(11,214.26)	10,149.59	(1,064.67)
Transfers In (Out)	11,000.00		11,000.00
Change in Net Position	(214.26)	10,149.59	9,935.33
Total Net Position - Beginning	1,134.54	10,216.30	11,350.84
Total Net Position - Ending	\$ 920.28	\$ 20,365.89	\$ 21,286.17

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

G-3

	Business-Type Activities Enterprise Funds		
	Food Service	After School Program	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers and Other Funds	\$ 11,870.81	\$ 34,909.16	\$ 46,779.97
Payments to Employees	(44,602.16)	(52,110.31)	(96,712.47)
Payments for Employee Benefits	(317.09)	(397.92)	(715.01)
Payments to Suppliers	(247,462.47)	(2,447.22)	(249,909.69)
Net Cash Used for Operating Activities	(280,510.91)	(20,046.29)	(300,557.20)
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	2,862.11		2,862.11
Federal Sources	244,530.90	5,194.26	249,725.16
Other Sources		41,382.06	41,382.06
Operating Subsidies and Transfers to Other Funds	11,000.00		11,000.00
Net Cash Provided by Noncapital Financing Activities	258,393.01	46,576.32	304,969.33
Net Increase (Decrease) in Cash and Cash Equivalents	(22,117.90)	26,530.03	4,412.13
Balances - Beginning of Year	(45,284.79)	(9,742.00)	(55,026.79)
Balances - End of Year	\$ (67,402.69)	\$ 16,788.03	\$ (50,614.66)
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</u>			
Operating Loss	\$ (260,278.90)	\$ (23,664.42)	\$ (283,943.32)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable, Net	115.17	3,989.02	4,104.19
Increase (Decrease) in Accounts Payable, Net	(20,741.51)	(1,143.89)	(21,885.40)
Increase (Decrease) in Deferred Inflows	394.33	773.00	1,167.33
Total Adjustments	(20,232.01)	3,618.13	(16,613.88)
Net Cash Used for Operating Activities	\$ (280,510.91)	\$ (20,046.29)	\$ (300,557.20)

INTERNAL SERVICE FUND

H. FIDUCIARY FUNDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

H-1

<u>ASSETS</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
Cash and Cash Equivalents	\$ 24,997.48	\$ 154,769.17
Other Accounts Receivable	2,622.03	
Interfunds Receivable:		
Due from General Fund	<u>6,198.90</u>	<u>546.72</u>
 Total Assets	 <u><u>\$ 33,818.41</u></u>	 <u><u>\$ 155,315.89</u></u>
 <u>LIABILITIES</u>		
Payable to Student Groups	\$	\$ 6,379.28
Payroll Deductions and Withholdings		25,310.82
Accrued Salaries and Benefits		123,625.79
Accounts Payable	<u>17,807.82</u>	<u></u>
 Total Liabilities	 <u><u>17,807.82</u></u>	 <u><u>155,315.89</u></u>
 <u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	 <u><u>\$ 16,010.59</u></u>	 <u><u>\$ -</u></u>

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

H-2

	<u>Unemployment Compensation Trust Fund</u>
<u>Additions</u>	
Deductions from Employees' Salaries	\$ 7,267.98
Investment Earnings:	
Interest	<u>37.45</u>
Total Additions	<u>7,305.43</u>
 <u>Deductions</u>	
Unemployment Claims	<u>21,560.93</u>
 Change in Net Position	 (14,255.50)
 Total Net Position - Beginning	 <u>30,266.09</u>
 Total Net Position - Ending	 <u><u>\$16,010.59</u></u>

GREATER BRUNSWICK CHARTER SCHOOL
 COUNTY OF MIDDLESEX
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

H-3

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary School: Student Activity Fund	<u>\$ 1,048.46</u>	<u>\$ 10,336.04</u>	<u>\$ 5,005.22</u>	<u>\$ 6,379.28</u>

I. LONG-TERM DEBT

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Principal Payments Outstanding</u>		<u>Interest Rate</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
School Revenue Bonds: Series 2014A (Tax Exempt)	8/29/14	\$ 7,850,000.00		\$	4.750%			
	8-01-2016			833.33	4.750			
	9-01-2016			833.33	4.750			
	10-01-2016			833.33	4.750			
	11-01-2016			833.33	4.750			
	12-01-2016			833.33	4.750			
	1-01-2017			833.33	4.750			
	2-01-2017			833.33	4.750			
	3-01-2017			833.33	4.750			
	4-01-2017			833.33	4.750			
	5-01-2017			833.33	4.750			
	6-01-2017			833.33	4.750			
	7-01-2017			833.33	4.750			
	8-01-2017			7,916.67	4.750			
	9-01-2017			7,916.67	4.750			
	10-01-2017			7,916.67	4.750			
	11-01-2017			7,916.67	4.750			
	12-01-2017			7,916.67	4.750			
	1-01-2018			7,916.67	4.750			
	2-01-2018			7,916.67	4.750			
	3-01-2018			7,916.67	4.750			
	4-01-2018			7,916.67	4.750			
	5-01-2018			7,916.67	4.750			
	6-01-2018			7,916.67	4.750			
	7-01-2018			7,916.67	4.750			
	8-01-2018			8,333.33	4.750			
	9-01-2018			8,333.33	4.750			
	10-01-2018			8,333.33	4.750			
	11-01-2018			8,333.33	4.750			
	12-01-2018			8,333.33	4.750			
	1-01-2019			8,333.33	4.750			
	2-01-2019			8,333.33	4.750			
	3-01-2019			8,333.33	4.750			
	4-01-2019			8,333.33	4.750			
	5-01-2019			8,333.33	4.750			
	6-01-2019			8,333.33	4.750			

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

I-1
Sheet #2

Issue	Date of Issue	Amount of Issue	Annual Principal Payments Outstanding		Interest Rate	Retired	Balance June 30, 2015
			Date	Amount			
School Revenue Bonds: Series 2014A (Tax Exempt)	8/29/14	\$ 7,850,000.00	7-01-2019	\$ 8,333.33	4.750%		
			8-01-2019	8,750.00	4.750		
			9-01-2019	8,750.00	4.750		
			10-01-2019	8,750.00	4.750		
			11-01-2019	8,750.00	4.750		
			12-01-2019	8,750.00	4.750		
			1-01-2020	8,750.00	4.750		
			2-01-2020	8,750.00	4.750		
			3-01-2020	8,750.00	4.750		
			4-01-2020	8,750.00	4.750		
			5-01-2020	8,750.00	4.750		
			6-01-2020	8,750.00	4.750		
			7-01-2020	8,750.00	4.750		
			8-01-2020	9,166.67	4.750		
			9-01-2020	9,166.67	4.750		
			10-01-2020	9,166.67	4.750		
			11-01-2020	9,166.67	4.750		
			12-01-2020	9,166.67	4.750		
			1-01-2021	9,166.67	4.750		
			2-01-2021	9,166.67	4.750		
			3-01-2021	9,166.67	4.750		
			4-01-2021	9,166.67	4.750		
			5-01-2021	9,166.67	4.750		
		6-01-2021	9,166.67	4.750			
		7-01-2021	9,166.67	4.750			
		8-01-2021/2022	9,583.33	4.750			
		8-01-2022/2023	10,000.00	4.750			
		8-01-2023/2024	10,833.33 *	4.750			
		8-01-2024/2025	11,250.00	5.625			
		8-01-2025/2026	11,666.67	5.625			
		8-01-2026/2027	12,500.00	5.625			
		8-01-2027/2028	13,333.33	5.625			
		8-01-2028/2029	13,750.00	5.625			
		8-01-2029/2030	14,583.33	5.625			
		8-01-2030/2031	15,416.67	5.625			

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

I-1
Sheet #4

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Principal Payments Outstanding June 30, 2015</u>		<u>Interest Rate</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
School Revenue Bonds: Series 2014B (Taxable)	8/29/14	\$ 240,000.00	11-01-2016	\$ 6,666.67	6.375%			
			12-01-2016	6,666.67	6.375			
			1-01-2017	6,666.67	6.375			
			2-01-2017	6,666.67	6.375			
			3-01-2017	6,666.67	6.375			
			4-01-2017	6,666.67	6.375			
			5-01-2017	6,666.67	6.375			
			6-01-2017	6,666.67	6.375			
			7-01-2017	6,666.67 *	6.375			
						\$ 240,000.00	\$ 67,500.00	\$ 172,500.00
						\$ 8,090,000.00	\$ 67,500.00	\$ 8,022,500.00

*Sinking Fund Requirement

GREATER BRUNSWICK CHARTER SCHOOL
 COUNTY OF MIDDLESEX
 LONG-TERM DEBT
 SCHEDULE OF LOANS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1-2

<u>Purpose</u>	<u>Issued</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Retired</u>	
	<u>Date</u>	<u>Amount</u>			<u>Budget Appropriation</u>	<u>Loans Refinanced</u>
N.J. Economic Development Authority Loan	12/23/09	\$1,000,000.00	5.00%	\$ 820,175.23	\$ 8,771.94	\$ 811,403.29
Refinancing of Loan	12/24/09	6,550,000.00	4.55%	5,993,729.19	29,309.94	5,964,419.25
				<u>\$6,813,904.42</u>	<u>\$38,081.88</u>	<u>\$6,775,822.54</u>

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

I-3

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>REVENUES</u>					
Interest Earned on Debt Service Reserve	\$	\$	\$	\$ 25.03	\$ 25.03
Total Revenues				<u>25.03</u>	<u>25.03</u>
<u>EXPENDITURES</u>					
Regular Debt Service:					
Interest	313,103.00	154,103.04	467,206.04	444,181.51	23,024.53
Redemption of Principal	232,656.00	(126,601.96)	106,054.04	105,581.88	472.16
Early Retirement of Loans:					
Interest				143,736.96	(143,736.96)
Redemption of Principal				6,775,822.54	(6,775,822.54)
Total Expenditures	<u>545,759.00</u>	<u>27,501.08</u>	<u>573,260.08</u>	<u>7,469,322.89</u>	<u>(6,896,062.81)</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(545,759.00)</u>	<u>(27,501.08)</u>	<u>(573,260.08)</u>	<u>(7,469,297.86)</u>	<u>(6,896,037.78)</u>
Other Financing Sources:					
Bond Proceeds				7,469,497.00	7,469,497.00
Operating Transfers In:					
General Fund	545,759.00	27,501.08	573,260.08	549,763.39	(23,496.69)
	<u>545,759.00</u>	<u>27,501.08</u>	<u>573,260.08</u>	<u>8,019,260.39</u>	<u>7,446,000.31</u>
Excess (Deficiency) of Revenues and Other Sources Over/(Under) Expenditures				549,962.53	549,962.53
Fund Balance, July 1					
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,962.53</u>	<u>\$ 549,962.53</u>

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

J-1

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 517,828	\$ 513,741	\$ 369,079	\$ 343,445	\$ (1,252,631)	\$ 820,685	\$ 942,807	\$ 1,181,123	\$ 1,246,005	\$ 143,009
Restricted	9,266	4,033	128,361	300,323	2,095,808	38,674	56,293	25,583	1,402	827,800
Unrestricted	(88,270)	(139,622)	(36,510)	166,445	414,754	573,388	608,066	646,575	778,972	(1,065,826)
Total Governmental Activities	\$ 438,824	\$ 378,152	\$ 460,930	\$ 810,213	\$ 1,257,931	\$ 1,432,746	\$ 1,607,166	\$ 1,853,281	\$ 2,026,379	\$ (95,017)
Business-Type Activities:										
Unrestricted:										
Food Service	\$ (18,869)	\$ (23,737)	\$ (16,586)	\$ 1,894	\$ (6,251)	\$ 2,584	\$ 2,610	\$ 841	\$ 1,135	\$ 920
After School Program	10,975	7,569	7,819	1,293	1,030	811	801	706	10,216	20,366
Fund Raising	(1,983)	(1,983)	(1,983)							
Total Business-Type Activities	\$ (9,877)	\$ (18,151)	\$ (10,750)	\$ 3,187	\$ (5,221)	\$ 3,396	\$ 3,411	\$ 1,547	\$ 11,351	\$ 21,286
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ 517,828	\$ 513,741	\$ 369,079	\$ 343,445	\$ (1,252,631)	\$ 820,685	\$ 942,807	\$ 1,181,123	\$ 1,246,005	\$ 143,009
Restricted	9,266	4,033	128,361	300,323	2,095,808	38,674	56,293	25,583	1,402	827,800
Unrestricted	(98,147)	(157,773)	(47,260)	169,632	409,533	576,784	611,477	648,122	790,323	(1,044,540)
Total District Net Position	\$ 428,947	\$ 360,001	\$ 450,180	\$ 813,400	\$ 1,252,710	\$ 1,436,142	\$ 1,610,577	\$ 1,854,828	\$ 2,037,730	\$ (73,731)

Source: CAFR Schedule A-1

GREATER BRUNSWICK CHARTER SCHOOL
 COUNTY OF MIDDLESEX
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 1,051,620	\$ 1,178,194	\$ 1,444,147	\$ 1,666,548	\$ 2,039,351	\$ 2,258,939	\$ 2,358,370	\$ 2,527,706	\$ 2,781,395	\$ 3,092,007
Special Education	52,488	117,384	140,760	122,732	133,154	159,237	315,784	351,723	389,531	412,758
Other Special Instruction	63,168	35,118	115,565	132,982	203,413	220,296	382,682	444,549	383,120	465,620
Other Instruction									1,753	
Support Services:										
Student and Instruction Related Services	308,010	421,633	273,871	272,955	357,394	372,873	464,184	612,782	736,082	840,328
School Administrative Services	341,416	346,271	531,120	612,383	687,637	683,666	712,947	777,399	850,247	898,369
General Administration	92,183	43,403	13,631	171,154	687,637	16,233	33,580	33,995	68,209	56,205
Central Services					8,359	6,698	10,366	8,161	894	
Administrative Information Technology					306,392	259,297	273,220	362,211	427,345	406,340
Plant Operations and Maintenance	136,757	166,009	215,703	223,240	306,392	259,297	273,220	362,211	427,345	406,340
Pupil Transportation	450				4,905					
Other Support Services					22,268					
Interest on Long-Term Debt	189,929	174,570	179,112	164,654	76,318	145,294	345,242	334,275	324,272	626,770
Unallocated Depreciation	53,294	54,304	57,002	62,047	150,573	232,398	204,792	223,329	237,179	358,270
	<u>2,289,315</u>	<u>2,536,886</u>	<u>2,970,911</u>	<u>3,428,695</u>	<u>3,989,764</u>	<u>4,354,931</u>	<u>5,101,167</u>	<u>5,676,130</u>	<u>6,200,037</u>	<u>7,156,667</u>
Business-Type Activities:										
Food Service	38,198	46,844	61,734	71,096	100,261	125,926	115,307	264,555	282,797	271,640
After School Program	44,260	55,512	65,765	67,906	66,104	72,584	74,680	50,141	71,734	66,010
	<u>82,458</u>	<u>102,356</u>	<u>127,499</u>	<u>139,002</u>	<u>166,365</u>	<u>198,510</u>	<u>189,987</u>	<u>314,696</u>	<u>354,531</u>	<u>337,650</u>
Total District Expenses	<u>\$ 2,371,773</u>	<u>\$ 2,639,242</u>	<u>\$ 3,098,410</u>	<u>\$ 3,567,697</u>	<u>\$ 4,156,129</u>	<u>\$ 4,553,441</u>	<u>\$ 5,291,154</u>	<u>\$ 5,990,826</u>	<u>\$ 6,554,568</u>	<u>\$ 7,494,317</u>
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 222,937	\$ 369,820	\$ 264,796	\$ 322,966	\$ 443,427	\$ 477,637	\$ 474,267	\$ 647,936	\$ 875,359	\$ 843,947
Business-Type Activities:										
Charges for Services:										
Food Service	6,203	9,650	17,162	18,212	18,537	14,444	21,352	15,592	21,355	11,361
After School Program	49,912	52,106	66,015	61,380	61,343	65,015	52,554	47,386	45,406	31,016
Operating Grants and Contributions:										
Food Service	25,418	32,325	51,723	54,778	65,878	88,168	83,111	207,194	219,736	249,065
After School Program	81,533	94,081	134,900	134,371	150,256	172,477	169,268	302,832	322,335	336,586
Total District Program Revenues	<u>\$ 304,470</u>	<u>\$ 463,901</u>	<u>\$ 399,696</u>	<u>\$ 457,337</u>	<u>\$ 593,683</u>	<u>\$ 650,113</u>	<u>\$ 643,535</u>	<u>\$ 950,768</u>	<u>\$ 1,197,694</u>	<u>\$ 1,180,533</u>
Net (Expense)/Revenue	\$ (2,066,378)	\$ (2,167,066)	\$ (2,706,115)	\$ (3,105,729)	\$ (3,546,337)	\$ (3,877,294)	\$ (4,626,900)	\$ (5,028,194)	\$ (5,324,678)	\$ (6,312,720)
Governmental Activities	(925)	(8,275)	7,401	(4,632)	(16,109)	(26,033)	(20,719)	(11,864)	(32,196)	(1,064)
Business-Type Activities										
Total District-Wide Net Expense	<u>\$ (2,067,303)</u>	<u>\$ (2,175,341)</u>	<u>\$ (2,698,714)</u>	<u>\$ (3,110,361)</u>	<u>\$ (3,562,446)</u>	<u>\$ (3,903,327)</u>	<u>\$ (4,647,619)</u>	<u>\$ (5,040,058)</u>	<u>\$ (5,356,874)</u>	<u>\$ (6,313,784)</u>

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

J-2
Sheet #2

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenue and Other Changes in Net Position										
Governmental Activities:										
General Purpose Local Levy - Local Share	\$ 835,791	\$ 820,113	\$ 1,135,642	\$ 1,089,236	\$ 1,338,936	\$ 1,402,762	\$ 1,447,353	\$ 1,702,919	\$ 1,746,224	\$ 1,786,211
Unrestricted Grants and Contributions	1,096,506	1,150,953	1,565,775	2,358,791	2,601,851	2,631,561	3,327,083	3,567,157	3,775,172	4,029,021
Miscellaneous	156,634	135,328	87,475	37,241	60,968	52,437	47,618	14,233	18,380	22,103
Other Financing (Uses)	(31,821)			(18,570)	(7,700)	(34,650)	(20,735)	(10,000)	(42,000)	(11,000)
Transfers	2,057,110	2,106,394	2,788,892	3,466,698	3,994,055	4,052,110	4,801,319	5,274,309	5,497,776	5,826,335
Business-Type Activities:										
Transfers				18,570	7,700	34,650	20,735	10,000	42,000	11,000
Total District-Wide	\$ 2,057,110	\$ 2,106,394	\$ 2,788,892	\$ 3,485,268	\$ 4,001,755	\$ 4,086,760	\$ 4,822,054	\$ 5,284,309	\$ 5,539,776	\$ 5,837,335
Change in Net Position	\$ (9,268)	\$ (60,672)	\$ 82,777	\$ 360,969	\$ 447,718	\$ 174,816	\$ 174,419	\$ 246,115	\$ 173,098	\$ (486,384)
Governmental Activities	(925)	(8,275)	7,401	13,938	(8,409)	8,617	16	(1,864)	9,804	9,935
Business-Type Activities										
Total District	\$ (10,193)	\$ (68,947)	\$ 90,178	\$ 374,907	\$ 439,309	\$ 183,432	\$ 174,435	\$ 244,251	\$ 182,902	\$ (476,449)

Source: CAFR Schedule A-2

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

Unaudited

J-3

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 2,401	\$ 337	\$ 300	\$	\$	\$ 22,875	\$ 44,828	\$ 25,583	\$ 1,402	\$ 20,514
Unreserved	(73,580)	(125,199)	(22,924)	179,759	414,754	573,388	608,066	646,575	778,972	689,938
	<u>\$ (71,179)</u>	<u>\$ (124,862)</u>	<u>\$ (22,624)</u>	<u>\$ 179,759</u>	<u>\$ 414,754</u>	<u>\$ 596,263</u>	<u>\$ 652,894</u>	<u>\$ 672,158</u>	<u>\$ 780,374</u>	<u>\$ 710,452</u>
All Other Governmental Funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 549,963
Unreserved, reported in:										
Capital Projects Fund	6,865	3,696	128,061	300,323	2,095,808	15,798	11,464			257,323
	<u>\$ 6,865</u>	<u>\$ 3,696</u>	<u>\$ 128,061</u>	<u>\$ 300,323</u>	<u>\$ 2,095,808</u>	<u>\$ 15,798</u>	<u>\$ 11,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 807,286</u>

Source: CAFR Schedule B-1

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited

J-4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Local LEA's Levy	\$ 835,791	\$ 820,113	\$ 1,135,642	\$ 3,278,795	\$ 1,338,936	\$ 1,402,762	\$ 1,447,353	\$ 1,702,919	\$ 1,746,224	\$ 1,786,211
Miscellaneous	156,635	135,328	87,475	42,866	60,968	52,437	47,619	14,233	18,380	22,103
State Sources	1,240,142	1,396,116	1,703,038	338,085	2,794,624	2,856,052	3,614,112	3,946,747	4,123,365	4,459,673
Federal Sources	79,301	124,657	127,533	148,488	250,654	253,146	176,904	245,651	518,751	403,174
Private Sources	2,311,869	2,476,214	3,053,688	3,808,234	4,445,182	4,564,396	5,296,322	5,932,245	6,415,135	6,681,281
Expenditures										
Instruction:										
Regular Instruction	814,519	894,817	1,111,338	1,280,662	1,588,521	1,684,786	1,748,797	1,813,924	2,060,311	2,209,957
Special Education Instruction	40,185	87,792	120,407	92,699	102,357	123,567	227,109	245,573	278,006	276,306
Other Special Instruction	49,722	35,118	88,826	100,808	155,320	162,930	276,030	310,939	274,104	311,606
Other Instruction									1,250	
Support Services:										
Student and Instruction Related Services	269,194	363,568	229,841	219,255	309,180	316,662	385,440	485,960	598,964	629,276
School Administrative Services	285,552	291,446	439,519	489,449	545,731	529,484	549,544	579,446	645,586	642,826
General Administration	73,171	33,853	13,326	171,154	171,154	16,233	33,581	33,995	68,209	56,205
Central Services					6,367	4,913	7,440	5,696	637	
Administrative Information Technology					293,725	243,392	247,063	321,058	380,138	342,219
Plant Operations and Maintenance	125,970	150,559	203,047	213,656	4,905					
Pupil Transportation	450				22,267					
Other Support Services	387,330	450,859	528,493	634,310	734,500	895,271	1,076,130	1,321,935	1,331,380	1,621,329
Employee Benefits	10,100	3,169	78,634	192,185	3,253,874	2,219,639	118,265	244,828	77,508	463,870
Capital Outlay										
Debt Service:										
Principal	151,459	47,048	1,280,016	49,845	26,165	86,075	208,649	216,817	224,554	6,881,404
Interest	177,926	174,837	179,950	164,925	89,633	145,294	345,242	334,275	324,272	587,918
	2,385,578	2,533,066	4,273,397	3,608,948	7,132,545	6,428,247	5,223,290	5,914,446	6,264,919	14,022,917
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(73,709)	(56,852)	(1,219,709)	199,285	(2,687,363)	(1,863,850)	73,032	17,799	150,216	(7,341,636)
Other Financing Sources/(Uses)										
Bond/Loan Proceeds			1,446,311	191,472	4,725,542					8,090,000
Prior Years Disallowed Costs	(31,821)			2,459						
Prior Year Accounts Payable Cancelled	361,206	221,885	214,155	364,795	323,023	337,921	553,891	581,092	548,826	567,763
Transfers In	(361,206)	(221,885)	(214,155)	(383,365)	(330,723)	(372,571)	(574,626)	(591,092)	(590,826)	(578,763)
Transfers (Out)	(31,821)	-	1,446,311	(175,360)	4,717,842	(34,650)	(20,735)	(10,000)	(42,000)	8,079,000
Net Change in Fund Balances	\$ (105,530)	\$ (56,852)	\$ 226,602	\$ 374,646	\$ 2,030,479	\$ (1,898,500)	\$ 52,297	\$ 7,799	\$ 108,216	\$ 737,364
Debt Service as a Percentage of Noncapital Expenditures	13.87%	8.77%	34.80%	6.29%	2.99%	5.50%	10.85%	9.72%	8.87%	55.09%

Source: Charter School Financial Statements

Note: Noncapital expenditures are total expenditures less capital outlay.

* The debt service in FY 2015 includes two loans refinanced in the sum of \$6,919,559.50.

GREATER BRUNSWICK CHARTER SCHOOL
 COUNTY OF MIDDLESEX
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

Unaudited

J-5

<u>Fiscal Year Ended June 30,</u>	<u>Fund Raising</u>	<u>Rent</u>	<u>Prior Year Refunds</u>	<u>Class Trip Fees</u>	<u>Yearbook Sales</u>	<u>Insurance Reimbursements</u>	<u>Donations</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 9,819	\$126,044	\$	\$	\$	\$	\$	\$	\$ 20,772	\$156,635
2007	5,020	84,517							45,792	135,329
2008	12,884	42,950							31,641	87,475
2009									20,571	20,571
2010									46,141	46,141
2011			32,367						14,032	46,399
2012			12,277	3,243	3,348	9,642	1,611		17,332	47,453
2013			2,189	1,622	2,348		1,671		2,531	10,361
2014			955	11,333	3,695		287	939	1,171	18,380
2015	490		3,324	930	3,698	3,503	6,299	393	3,427	22,063

Source: Charter School Records

REVENUE CAPACITY

DEBT CAPACITY

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited

J-10

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes	Long-Term Loans	Short-Term Loans	Capital Leases				
2006	\$ -	\$ -	\$ -	\$ 2,586,221	\$ -	\$ -	\$ -	\$ 2,586,221	0.12%	\$ 52.20
2007	-	-	-	2,539,173	-	-	-	2,539,173	0.11%	50.76
2008	-	-	-	2,505,468	200,000	-	-	2,705,468	0.11%	53.15
2009	-	-	-	2,455,623	395,000	-	-	2,850,623	0.12%	55.27
2010	-	-	-	7,550,000	-	-	-	7,550,000	0.28%	136.69
2011	-	-	-	7,463,925	-	-	-	7,463,925	0.27%	134.62
2012	-	-	-	7,255,275	-	-	-	7,255,275	0.25%	129.19
2013	-	-	-	7,038,458	-	-	-	7,038,458	0.24%	126.07
2014	-	-	-	6,813,904	-	-	-	6,813,904	*	*
2015	8,022,500	-	-	-	-	-	-	8,022,500	*	*

*Data was not provided by the U.S. Bureau of Economic Analysis

Source: District Records

DEMOGRAPHIC AND ECONOMIC INFORMATION

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
Unaudited

J-14

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>Middlesex County Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2005	49,514	\$ 2,045,324,312	\$ 41,308	4.20%
2006	49,544	2,220,710,712	44,823	4.30%
2007	50,021	2,377,998,340	47,540	3.90%
2008	50,904	2,498,164,704	49,076	5.00%
2009	51,579	2,444,431,968	47,392	8.10%
2010	55,234	2,665,371,904	48,256	8.10%
2011	55,444	2,728,011,132	49,203	7.90%
2012	56,160	2,926,385,280	52,108	7.70%
2013	55,831	2,919,458,821	52,291	6.90%
2014	57,080	*	*	6.20%

Source:

^a Population information provided by the N.J. Department of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality was estimated based upon the 2000 Census published by the U.S. Bureau of Economic Analysis.

^d Unemployment data provided by the N.J. Department of Labor and Workforce Development.

*Data not provided.

OPERATING INFORMATION

GREATER BRUNSWICK CHARTER SCHOOL
 COUNTY OF MIDDLESEX
 FULL-TIME EQUIVALENT SCHOOL EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
Unaudited

J-16

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction:										
Regular Instruction	32.0	32.0	34.0	35.0	32.6	30.4	*	*	*	*
Special Education Instruction	9.5	9.5	7.0	5.0	4.0	4.0	*	*	*	*
Other Instruction	7.0	7.0	7.3	6.0	5.5	5.0	*	*	*	*
Support Services:										
Student and Instruction Related Services	2.0	2.0	2.0	2.0	2.0	2.0	*	*	*	*
General Administration	10.0	11.0	8.6	8.0	6.8	6.6	*	*	*	*
Central Services							*	*	*	*
Administrative Information Technology	1.0	1.0	1.0	2.0	1.6	1.5	*	*	*	*
Plant Operations and Maintenance	3.5	3.5	2.6				*	*	*	*
Pupil Transportation							*	*	*	*
	<u>65.0</u>	<u>66.0</u>	<u>62.5</u>	<u>58.0</u>	<u>52.5</u>	<u>49.5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source: Charter School Personnel Records

*Data not provided.

GREATER BRUNSWICK CHARTER SCHOOL
 COUNTY OF MIDDLESEX
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment	Average Daily Attendance	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	203	\$ 2,046,083	\$ 10,079	-1.42%	*	*	*	*	*	93.96%
2007	212	2,308,012	10,887	8.01%	*	*	*	*	*	*
2008	252	2,734,797	10,852	-0.32%	*	*	*	*	*	*
2009	266	3,205,815	12,052	11.05%	*	*	*	*	*	*
2010	293	3,762,873	12,843	6.56%	26	1:11	291	277	*	95.19%
2011	316	3,977,239	12,586	-2.00%	27	1:12	316	301	8.59%	95.25%
2012	329	4,551,133	13,833	9.91%	32	1:10	329	317	4.11%	96.35%
2013	356	5,079,671	14,269	3.15%	32	1:11	354	338	7.60%	95.48%
2014	378	5,614,165	14,852	4.09%	32	1:12	377	360	6.50%	95.49%
2015	382	6,089,724	15,942	7.33%	32	1:12	381	363	1.15%	95.06%

Source: Charter School Records

*Data was not provided by the Charter School.

GREATER BRUNSWICK CHARTER SCHOOL
 COUNTY OF MIDDLESEX
 SCHOOL BUILDING INFORMATION
 LAST TEN YEARS
Unaudited

J-18

<u>School Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instructional and Administrative:										
Square Feet	21,000	21,000	21,000	21,000	21,000	40,164	40,164	40,164	40,164	40,164
Capacity Students	207	207	207	207	207	360	360	360	380	400
Enrollment	203	212	252	263	229	316	329	354	377	382
Commercially Leased:										
Square Feet	19,000	19,000	19,000	19,000						
Capacity Students	*	*	*	*						
Enrollment	0	0	0	0	0					
Leased Instructional:										
Square Feet					4,074					
Capacity Students					87					
Enrollment					64					

Source: School Facilities Office

*Data was not provided by the Charter School.

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2015
Unaudited

J-20

<u>Coverage</u>	<u>Limits</u>	<u>Summary</u>
<u>N.J. School Boards Association Insurance Group</u>		
Property	\$ 20,600,000	Real and Personal Property Per Occurrence - \$1,000.00 Deductible
Electronic Data Processing	500,000	Hardware/Software Per Occurrence - \$1,000.00 Deductible
Crime	25,000	Public Employee Dishonesty with Faithful Performance - \$500.00 Deductible
	25,000	Forgery and Alteration - \$500.00 Deductible
	10,000	Loss of Money and Securities - \$500.00 Deductible
	10,000	Money Orders and Counterfeit Paper Currency - \$500.00 Deductible
	161,000	Board Secretary/Business Administrator - \$1,000.00 Deductible
	161,000	Board Treasurer - \$1,000.00 Deductible
General Liability	2,000,000	Bodily Injury and Property Damage Per Occurrence
	2,000,000	Products and Completed Operations Annual Aggregate
	2,000,000	Sexual Abuse Per Occurrence
	2,000,000	Personal Injury and Advertising Injury Per Occurrence/Annual Aggregate
	2,000,000	Employee Benefits Liability Per Occurrence/Annual Aggregate - \$1,000.00 Deductible Each Claim
	5,000	Premise Medical Payments Per Accident - \$5,000 Limit Per Person
Automobile Liability	2,000,000	Bodily Injury and Property Damage Per Accident
Student Accident	1,000,000	School Coverage
	25,000	Medical Expenses
School Leaders Errors and Omissions Liability: Coverage A	1,000,000	Limits of Liability Each Policy Period - \$5,000.00 Deductible
Coverage B	100,000/300,000	Limit of Liability Each Claim/Each Policy Period - \$5,000.00 Deductible
Workers' Compensation	1,000,000	Bodily Injury by Accident Each Accident
	1,000,000	Bodily Injury by Disease Each Employee
	1,000,000	Bodily Injury by Disease Aggregate Limit

Source: Charter School Records

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
CHARTER SCHOOL PERFORMANCE FRAMEWORK
FINANCIAL PERFORMANCE
FISCAL RATIOS
LAST THREE FISCAL YEARS
Unaudited

	2013 Audit	2014 Audit	2015 Audit	Source
Cash	379,322	850,175	1,412,637	Audit: Exhibit A-1
Current Assets	1,022,931	1,147,287	2,072,583	Audit: Exhibit A-1
Total Assets	9,242,512	9,207,196	10,238,092	Audit: Exhibit A-1
Current Liabilities	349,226	355,562	657,826	Audit: Exhibit A-1
Total Liabilities	7,387,684	7,169,466	10,885,714	Audit: Exhibit A-1
Net Position	1,854,828	2,037,730	(73,730)	Audit: Exhibit A-1
Total Revenue	6,235,077	6,737,469	7,017,867	Audit: Exhibit A-2
Total Expenses	5,990,826	6,554,568	7,494,316	Audit: Exhibit A-2
Change in Net Position	244,251	182,902	(476,449)	Audit: Exhibit A-2
Depreciation Expense	223,329	237,179	358,270	Financial Statements/Audit Workpapers
Interest Expense ****	334,275	324,272	483,033	Financial Statements/Audit Workpapers
Principal Payments ****	216,817	224,554	105,581	Financial Statements/Audit Workpapers
Interest Payments	334,275	324,272	444,182	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	354.00	376.84	381.35	DOE Enrollment Reports
March 30th Budgeted Enrollment	350	380	383	Charter School Budget

Near Term Indicators	RATIOS ANALYSIS...			Source:
	2013	2014	2015	
1a. Current Ratio	2.93	3.23	3.15	Current Assets/Current Liabilities
1b. Unrestricted Days Cash	23.11	47.34	68.80	Cash/(Total Expenses/365)
1c. Enrollment Variance	101%	99%	100%	Average Daily Enrollment/Budgeted Enrollment
1d.* Default	No	No	No	Audit
Sustainability Indicators				
2a.*** Total Margin	3.92%	2.71%	-6.79%	Change in Net Position/Total Revenue
2b. Debt to Asset	0.80	0.78	1.06	Total Liabilities/Total Assets
2c.** Cash Flow	(85,941)	470,853	562,462	Net change in cash flow from prior years
2d. Debt Service Coverage Ratio	1.46	1.36	0.66	(Change in Net Position+Depreciation+Interest Expense)/(Principal & Interest Payments)
				947,374
				3 YR CUM

* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
** 2015 = 2015 Cash - 2014 Cash; 2014 = 2014 Cash - 2013 Cash; 2013 = 2013 Cash - 2012 Cash
*** The Greater Brunswick Charter School had a bond sale in FY 2015.
**** The Interest Expense and Principal Payment amount for FY 2015 does not include the early retirement of loans.

SINGLE AUDIT SECTION

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9989
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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

Independent Auditor's Report

The Honorable Chairperson and Members
of the Board of Trustees
Greater Brunswick Charter School
County of Middlesex
New Brunswick, New Jersey 08901

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Greater Brunswick Charter School in the County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Greater Brunswick Charter School's basic financial statements, and have issued our report thereon dated November 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greater Brunswick Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Brunswick Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greater Brunswick Charter School's internal control.

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

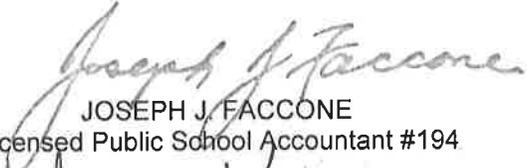
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greater Brunswick 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 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 Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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


JOSEPH J. FACCONO
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
November 17, 2015

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY CIRCULAR 04-04**

The Honorable Chairperson and Members
of the Board of Trustees
Greater Brunswick Charter School
County of Middlesex
New Brunswick, New Jersey 08901

Report on Compliance for Each Major State Program

We have audited the Greater Brunswick Charter School's compliance 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 School's major federal and state programs for the year ended June 30, 2015. The Greater Brunswick Charter School's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Greater Brunswick Charter School's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and the 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 Greater Brunswick Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Auditor's Responsibility (Continued)

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

Opinion on Each Major Federal and State Program

In our opinion, the Greater Brunswick Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04

We have audited the financial statements of the Greater Brunswick Charter School as of and for the year ended June 30, 2015, and have issued our report thereon dated November 17, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
November 17, 2015

**GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SCHEDULE A

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period	Balance At June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	June 30, 2015	
											(Accounts Receivable)	Deferred Inflows
U.S. Department of Education:												
Passed-Through State Department of Education:												
Special Revenue Fund:												
Title I, Part A Basic	84.010A	NCLB-6635-15	\$ 267,784.00	7/01/14 - 6/30/15	\$	\$	\$ 267,784.00	\$ (267,784.00)	\$	\$	\$	\$
Title I, Part A Basic Carryover	84.010A	NCLB-6635-14	293,588.00	7/01/13 - 6/30/14	(22,210.00)		22,210.00		298.07			298.07
Title I, Part A Basic Carryover	84.010A	NCLB-6635-13	195,848.00	9/01/12 - 8/31/13	21.75							21.75
Title II, Part A	84.367A	NCLB-6635-15	8,535.00	7/01/14 - 6/30/15			8,535.00	(8,535.00)				
Title III	84.365A	NCLB-6635-15	24,616.00	7/01/14 - 6/30/15			21,488.00	(24,616.00)				
Title III Carryover	84.365A	NCLB-6635-13	15,932.00	9/01/12 - 8/31/13	37.82							37.82
I.D.E.A. Part B, Basic Regular	84.027	IDEA-6635-15	108,993.00	7/01/14 - 6/30/15			108,993.00	(108,993.00)				
I.D.E.A. Part B, Basic Carryover	84.027	IDEA-6635-14	76,845.00	7/01/13 - 6/30/14	(15,272.00)		15,272.00					
I.D.E.A. Part B, Basic Carryover	84.027	IDEA-6635-13	117,105.00	9/01/12 - 8/31/13	96.67				298.07			96.67
Total Special Revenue Fund					(37,325.76)		444,282.00	(409,928.00)	298.07		(3,128.00)	454.31
U.S. Department of Agriculture:												
Passed-Through State Department of Education:												
Enterprise Fund:												
School Breakfast Program	10.553		105,101.00	7/01/14 - 6/30/15			95,548.34	(105,101.00)			(9,552.66)	
School Breakfast Program	10.553		94,919.63	7/01/13 - 6/30/14	(8,921.48)		8,921.48					
National School Lunch Program	10.555		138,176.10	7/01/14 - 6/30/15			125,373.00	(138,176.10)			(12,803.10)	
National School Lunch Program	10.555		120,874.90	7/01/13 - 6/30/14	(11,650.70)		11,650.70					
After School Snack Program	10.555		5,254.56	7/01/14 - 6/30/15			4,750.26	(5,254.56)			(504.30)	
After School Snack Program	10.555		5,504.00	7/01/13 - 6/30/14	(444.00)		444.00					
Healthy, Hunger-Free Kids Act	10.592		3,055.08	7/01/14 - 6/30/15	(265.68)		2,771.70	(3,055.08)			(283.38)	
Healthy, Hunger-Free Kids Act	10.592		265.68	7/01/13 - 6/30/14	(265.68)		265.68					
Total Enterprise Fund					(21,281.86)		249,735.16	(251,586.74)			(23,143.44)	
Total Federal Financial Awards					(58,607.62)		\$ 694,007.16	\$ (661,514.74)	\$ 298.07	\$ -	\$ (26,271.44)	\$ 454.31

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

GREATER BRUNSWICK CHARTER SCHOOL

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

YEAR ENDED JUNE 30, 2015

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Greater Brunswick Charter School. The Greater Brunswick Charter School is defined in Note 1 to the Charter School's basic financial statements. All federal awards and state financial assistance 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 Schedules of Expenditures of Federal Awards and State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which is presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Charter School's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

GREATER BRUNSWICK CHARTER SCHOOL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2015
(Continued)

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$ - 0 - for the general fund and \$(6,754.00) for the special revenue fund. See Exhibit "C-3" (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 funds. Awards and financial assistance revenues are reported in the Charter School's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 4,459,673.16	\$ 4,459,673.16
Special Revenue Fund	409,928.00		409,928.00
Food Service Fund	246,332.18	2,732.46	249,064.64
After School Program	<u>5,254.56</u>		<u>5,254.56</u>
Total Awards and Financial Assistance	<u>\$661,514.74</u>	<u>\$ 4,462,405.62</u>	<u>\$ 5,123,920.36</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

The amount reported as TPAF Post-Retirement Medical Contributions and Teacher's Pension Contributions represents the amount paid by the State On-Behalf of the Charter School for the fiscal year ended June 30 2015. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**GREATER BRUNSWICK CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes √ No

2) Significant deficiency(ies) identified?

_____ Yes √ None Reported

Noncompliance material to basic financial statements noted?

_____ Yes √ No

Federal Awards

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

Unmodified

Internal control over major programs:

1) Material weakness(es) identified?

_____ Yes √ No

2) Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes √ None Reported

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

_____ Yes √ No

Identification of major programs:

CFDA Number(s)

Name of Federal Program

84.010A

Title I, Part A

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000.00

Auditee qualified as low-risk auditee?

 √ Yes _____ No

**GREATER BRUNSWICK CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)**

**Section I - Summary of Auditor's Results
(Continued)**

State Awards Section

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

Unmodified

Internal control over major programs:

1) Material weakness(es) identified?

_____ Yes √ No

2) Significant deficiency(ies) identified that are not considered to be material weaknesses?

_____ Yes √ None Reported

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

_____ Yes √ No

Identification of major programs:

GMIS Number(s)

Name of State Program

15-495-034-5120-078

Equalization Aid

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000.00

Auditee qualified as low-risk auditee?

 √ Yes _____ No

Section II - Financial Statement Findings

NONE REPORTED

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards

NONE REPORTED

State Awards

NONE REPORTED

**GREATER BRUNSWICK CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2015**

Federal Awards

There were no prior year audit findings.

State Awards

There were no prior year audit findings.

