Comprehensive Annual Financial Report

of the

Greater Brunswick Charter School

County of Middlesex, New Jersey

For the Fiscal Year Ended June 30, 2010

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	13
BASIC FINANCIAL STATEMENTS	
A. Charter School-Wide Financial Statements:	
A-1 Statement of Net Assets	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 Balance	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 Assets	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	35
B-8 Statement of Changes in Fiduciary Net Assets	36
Notes to the Financial Statements	37
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	59
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	65
Notes to Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	67

OUTLINE OF CAFR
(Continued)

		Page
Other Supplementary Information		
D. Not Applicable		
E. Special Revenue Fund:		
E-1	Combining Schedule of Revenues and Expenditures - Budgetary Basis	71
E-2	Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:		
F-1	Summary Schedule of Project Expenditures	74
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	75
F-2a	Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis - Building Expansion Project	76
G. Proprietary Funds:		
Enterprise Fund:		
G-1	Combining Statement of Net Assets	79
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	80
G-3	Combining Statement of Cash Flows	81
Internal Service Fund:		
G-4	Combining Statement of Net Assets	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6	Combining Statement of Cash Flows	N/A
H. Fiduciary Fund:		
H-1	Combining Statement of Fiduciary Net Assets	84
H-2	Combining Statement of Changes in Fiduciary Net Assets	85
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	86
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	87
I. Long-Term Debt:		
I-1	Schedule of Loans Payable	89
I-2	Schedule of Obligations Under Capital Leases	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	90

OUTLINE OF CAFR
(Continued)

Page

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1	Net Assets by Component	94
J-2	Changes in Net Assets	95
J-3	Fund Balances - Governmental Funds	96
J-4	Changes in Fund Balances - Governmental Funds	97
J-5	General Fund - Other Local Revenue by Source	98

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	101
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	103
J-15	Principal Employers	N/A

Operating Information

J-16	Full-Time Equivalent School Employees by Function/Program	105
J-17	Operating Statistics	106
J-18	School Building Information	107
J-19	Schedule of Required Maintenance Expenditures by School Facility	N/A
J-20	Insurance Schedule	108

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 *Government Auditing Standards*	110
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with State of New Jersey OMB Circular 04-04	112
K-3	Schedule of Expenditures of Federal Awards, Schedule A	N/A
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	114
K-5	Notes to the Schedule of Expenditures of State Financial Assistance	115
K-6	Schedule of Findings and Questioned Costs	117
K-7	Summary Schedule of Prior Audit Findings	119

INTRODUCTORY SECTION

October 19, 2010

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, 2010 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 320 students.

The School completed the 2009 - 2010 fiscal year with an enrollment of 293 students, grades K through 8, from 14 different districts, distributed as follows:

429 Joyce Kilmer Ave. New Brunswick, NJ 08901
Tele: 732.448.1052 Fax: 732.448.1055

East Brunswick	2
Edison	6
Franklin Township	13
Highland Park	10
Metuchen Boro	2
Milltown	2
New Brunswick	218
North Brunswick	30
Old Bridge	2
Perth Amboy	2
Piscataway	1
Sayreville	3
South Brunswick Twp	1
South Plainfield	1

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. The school enjoys a large waiting list (168 students).

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 Treasurer, Education Director, Business Administrator and a Trustee) 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 structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the Finance Committee.

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

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

4. BUDGETARY CONTROLS: In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund, when applicable. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund as required. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

5. ACCOUNTING SYSTEM AND REPORTS: The School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 2.

6. DEBT ADMINISTRATION: At June 30, 2010, the School had two outstanding mortgage loans. Those mortgages were acquired to refinance the purchase of the present school building and planned expansion of existing facilities.

7. CASH MANAGEMENT: The investment policy of the School is guided in large part by state statute as detailed in "Notes to the Financial Statements" Note 3. The School has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units

has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ('GUDPA'). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act. During the 2008-2009 fiscal year all funds were maintained in accounts at Wachovia Bank, New Brunswick, New Jersey.

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 Dale Group served as the Board's insurance agent of record during the 2008-2009 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,

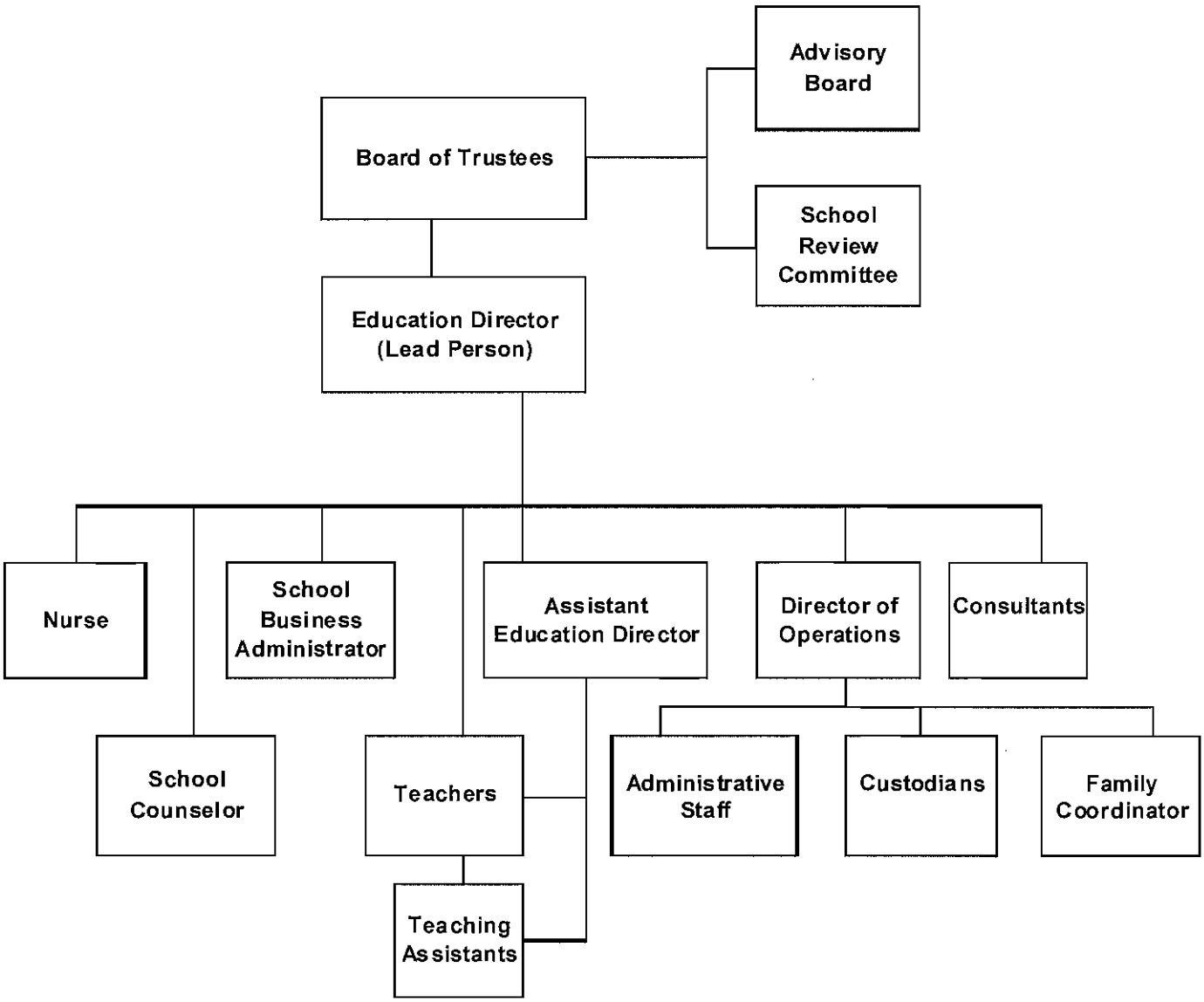
Patrick Mulhern
Education Director

429 Joyce Kilmer Ave. New Brunswick, NJ 08901
Tele: 732.448.1052 Fax: 732.448.1055

GREATER BRUNSWICK CHARTER SCHOOL

ORGANIZATIONAL CHART

GENERAL MEMBERSHIP



GREATER BRUNSWICK CHARTER SCHOOL
ROSTER OF OFFICIALS
JUNE 30, 2010

Board of Trustees	**Term Expires**
Tia Kolbaba (Chairperson)	June 2012
Brenda Boylan	June 2012
Leonard Jenkins	June 2010
Kristine Johnson	June 2010
David Learn	October 2012
Christina Oztan	June 2011
Lawrence Patton	June 2011
Jessica Tompkins	June 2011
Maria Vivar	June 2011
Two Teacher Representatives in Rotating Schedule	

Other Officials

Patrick Mulhern, Education Director

Edward Kent, Treasurer

Thomas O. Johnston, Esq., Board Attorney

Michael DeBlasio, Director of Operations

Carl Seils, Business Administrator/Board Secretary

GREATER BRUNSWICK CHARTER SCHOOL
CONSULTANTS AND ADVISORS
JUNE 30, 2010

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 Depository

Wachovia 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. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
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

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 fiscal year ended June 30, 2010, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Greater Brunswick Charter School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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 June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010 on our consideration of the Greater Brunswick Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 13 through 20 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget 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, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Joseph J. Faccone

JOSEPH J. FACCONE
Licensed Public School Accountant #194

Samuel Klein and Company

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 22, 2010

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010. This overview complements a review of the basic financial statements and financial statements provided in the audit.

Financial Highlights

Key financial highlights for 2010 are as follows:

General revenues accounted for $4,179,701 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 $3,613,983; Debt Service expenditures (Debt Service funds are derived from General Funds) were $115,798. This resulted in a net gain in fund 10 of $234,995. We ended the year with a fund balance of $414,754.

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 Assets 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 2010?" The Statement of Net Assets 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 Assets and the Statement of Activities

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

In the Statement of Net Assets 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 Assets 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 Assets 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 FY 2010, FY 2009, and FY 2008:

Table 1

Net Assets

	FY 2010	FY 2009	FY 2008
ASSETS			
Current and Other Assets	$ 3,117,878.40	$ 900,937.69	$ 338,657.25
Capital Assets, Net	6,297,368.87	3,194,067.91	3,074,546.16
Total Assets	9,415,247.27	4,095,005.60	3,413,203.41
LIABILITIES			
Noncurrent Liabilities	7,550,000.00	2,850,622.59	2,705,467.57
Other Liabilities	612,537.46	424,169.66	246,806.27
Total Liabilities	8,162,537.46	3,284,792.25	2,952,273.84
NET ASSETS			
Investment in Capital Assets, Net of Related Debt	(1,252,631.13)	343,445.32	369,078.59
Restricted	2,095,807.69	300,323.24	128,061.25
Unrestricted (Deficit)	409,533.25	166,444.79	(36,509.77)
Total Net Assets	$ 1,252,709.81	$ 810,213.35	$ 460,929.57

The amount recorded under noncurrent liabilities is detailed below:

Long-Term Debt	$ 7,550,000.00

Table 2 shows the Changes in Net Assets.

Table 2

Changes in Net Assets

	FY 2010	FY 2009	FY 2008
General Revenue:			
LEA's Levy - Local Share	$ 1,338,936	$ 1,089,236	$ 1,135,642
Federal and State Aid	2,601,851	2,358,791	1,565,775
Miscellaneous	60,968	37,241	87,475
Program Revenue:			
Charges for Services	79,880	98,162	83,178
Operating Grants	70,377	54,778	51,723
	4,152,012	3,638,208	2,923,793
LIABILITIES			
Expenses by Function:			
Instruction:			
Regular	1,673,229	1,452,464	1,278,694
Special Education	125,071	114,737	136,860
Other Special Instruction	190,791	124,417	110,442
Support Services:			
Student and Instruction Related Services	341,886	215,909	203,584
School Administration Services	650,393	579,658	513,570
Other Administration Services		171,154	13,573
Administrative Information Technology	7,836		
Plant Operations and Maintenance	303,068	220,689	213,278
Pupil Transportation	4,905		
Other Support Services	22,268		
Depreciation	150,573	62,047	57,002
Debt Service	76,318	164,654	179,113
Food Subsidy		18,570	
Business-Type Activities:			
Cost of Sales	80,584	64,716	54,846
Salaries and Wages	69,645	68,319	67,402
Other	16,136	5,967	5,251
	3,712,703	3,263,301	2,833,615
Increase in Net Assets	$ 439,309	$ 374,907	$ 90,178

Governmental Activities

Local levy aid (local share) from district schools accounted for $1,338,936 or 30% of total governmental revenue. Miscellaneous local aid, such as from fund raising or other local sources, accounted for $60,968 or 1% 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, Local Mandate Aid, Abbott Kindergarten Aid, and Nonpublic Aid) accounted for $2,794,624 or 63% of the total general revenue.

The total cost of all programs and services was $7,132,545, broken down as follows:

Instruction and Student Services	$2,182,551	31%
Administrative Services	1,286,598	18%
Facilities (Plant Operations, Maintenance, Debt Service, Improvements)	3,663,396	51%

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	$ 18,537
Federal and State Lunch, Breakfast, and Snack Payments	70,377
After School Program Fees	61,343

Food Service expenses exceeded revenues by $8,146.

After School Program expenses exceeded revenues by $263.

The Food Service Fund is pursuing the collection of receivables from students totaling $10,976 for services provided.

The After School Program is pursuing the collection of receivables from members totaling $6,988 for services provided.

The School's Funds

All Governmental Funds, except for capital projects, had total revenues of $4,430,355. 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

	FY 2010	FY 2009	FY 2008	FY 2007
REVENUE				
State Sources	$ 2,794,624	$ 338,085	$ 1,703,038	$ 1,396,116
Federal Sources	250,654	148,488	127,533	124,657
LEA's Levy - Local Share	1,338,936	3,278,795	1,135,642	820,113
Miscellaneous	60,968	42,866	87,475	135,328
	4,445,182	3,808,234	3,053,688	2,476,214
EXPENDITURES				
Instruction:				
Regular	1,588,521	1,280,662	1,111,338	894,817
Special Education	102,357	92,699	120,407	87,792
Other Special	155,320	100,808	88,826	35,118
Undistributed Expenses:				
Health Services	65,316	56,121	54,517	59,221
Student Related Services	78,269	68,680	86,101	4,088
Student Extraordinary Services	41,973	43,817	38,266	51,983
Student Special Services	93,927	50,637	48,692	246,443
Instructional Staff Training	29,696		2,265	1,834
General Administration	545,731	489,449	439,519	291,445
Administrative Information Technology	6,367			
Plant Operations and Maintenance	293,725	213,656	203,047	150,559
Student Transportation	4,905			
Business Administration	22,267	171,154	13,326	33,853
Employee Benefits	734,500	634,310	528,493	450,859
Debt Service	115,798	214,770	1,459,966	221,885
Capital Outlay	3,253,874	192,185	78,634	3,169
	7,132,546	3,608,948	4,273,397	2,533,066
Excess (Deficiency) of Revenue Over/(Under) Expenditures	(2,687,364)	199,286	(1,219,709)	(56,852)
Other Financing Sources/(Uses):				
Prior Year Accounts Payable Cancelled		2,458		
Transfers	(7,700)	(18,570)		
Loan Proceeds	4,725,543		1,246,311	
Promissory Note		191,472	200,000	
	4,717,843	175,360	1,446,311	
Increase/(Decrease) in Net Assets	$ 2,030,479	$ 374,646	$ 226,602	$ (56,852)

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 2010, 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, although there remains some uncertainty about the direction of public policy towards charter schools in the State of New Jersey.

The School Funding Reform Act of 2008 promises a more equitable treatment for charter schools by tying aid to percentages of at-risk students and students with special needs. It remains to be seen how equitably this formula will be applied to charter schools. Currently, most charter schools, including GBCS, still receive far less than the promised 90% of district per pupil aid. Additionally, the exclusion of charter schools from facility aid in the State of New Jersey continues to place stresses on charter schools and inhibits their ability to complete facility projects. Nonetheless, GBCS has successfully moved forward on its own facility plans and will ultimately benefit from its larger facility and greater capacity for student support services. GBCS has joined with other charter schools through the New Jersey Charter Public 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 $7 million in financing to support the expansion of its facility and programs. This will enable the school to achieve its full student enrollment capacity of 360 students, improving its prospects for viability over the next ten years.

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 Patrick Mulhern, Education Director at the Greater Brunswick Charter School, 429 Joyce Kilmer Avenue, New Brunswick, New Jersey 08901.

Respectfully submitted,

Patrick Mulhern
Education Director

BASIC FINANCIAL STATEMENTS

A. CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
JUNE 30, 2010

A-1

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 184,496.93	$	$ 184,496.93
Receivables, Net	2,857,293.06	21,662.43	2,878,955.49
Interfunds Receivable	19,775.98	7,700.00	27,475.98
Prepaid Expenses	6,700.00		6,700.00
Deposits	20,250.00		20,250.00
Capital Assets, Net	6,297,368.87		6,297,368.87
Total Assets	9,385,884.84	29,362.43	9,415,247.27
LIABILITIES			
Cash Overdrafts		28,944.69	28,944.69
Accounts Payable	512,373.44	4,608.84	516,982.28
Due to LEA's	16,189.00		16,189.00
Payable to Federal Government	17,746.95		17,746.95
Interfunds Payable	7,923.52		7,923.52
Deferred Revenue	23,721.06	1,029.96	24,751.02
Noncurrent Liabilities:			
Due Within One Year	87,429.84		87,429.84
Due Beyond One Year	7,462,570.16		7,462,570.16
Total Liabilities	8,127,953.97	34,583.49	8,162,537.46
NET ASSETS			
Investment in Capital Assets, Net of Related Debt	(1,252,631.13)		(1,252,631.13)
Restricted for:			
Capital Projects	2,095,807.69		2,095,807.69
Unrestricted (Deficit)	414,754.31	(5,221.06)	409,533.25
Total Net Assets	$1,257,930.87	$ (5,221.06)	$ 1,252,709.81

See accompanying notes to financial statements.

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

A-2

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change In Net Assets: Governmental Activities	Net (Expense) Revenue and Change In Net Assets: Business-Type Activities	Net (Expense) Revenue and Change In Net Assets: Total
Governmental Activities:						
Instruction:						
Regular	$ 2,039,351.33	$	$ 366,122.08	$ (1,673,229.25)	$	$ (1,673,229.25)
Special Education Instruction	133,154.04		8,082.93	(125,071.10)		(125,071.10)
Other Special Instruction	203,412.81		12,622.29	(190,790.51)		(190,790.51)
Support Services:						
Student and Instruction Related Services	357,393.87		15,508.00	(341,885.87)		(341,885.87)
School Administration Services	687,637.47		37,244.08	(650,393.39)		(650,393.39)
Administrative Information Technology	8,358.86		522.64	(7,836.21)		(7,836.21)
Plant Operations and Maintenance	306,392.22		3,324.68	(303,067.54)		(303,067.54)
Pupil Transportation	4,905.00			(4,905.00)		(4,905.00)
Other Support Services	22,267.53			(22,267.53)		(22,267.53)
Debt Service:						
Interest	76,318.24			(76,318.24)		(76,318.24)
Unallocated Depreciation	150,573.00			(150,573.00)		(150,573.00)
Total Governmental Activities	3,989,764.36		443,426.71	(3,546,337.65)		(3,546,337.65)
Business-Type Activities:						
Food Services	100,260.48	18,536.50	65,878.24		(15,845.74)	(15,845.74)
After School Program	66,104.39	61,343.19	4,498.46		(262.74)	(262.74)
Total Business-Type Activities	166,364.87	79,879.69	70,376.70		(16,108.48)	(16,108.48)
Total Primary Government	$ 4,156,129.23	$ 79,879.69	$ 513,803.41	$ (3,546,337.65)	$ (16,108.48)	$ (3,562,446.13)
General Revenues:						
General Purpose Local Levy - Local Share				$ 1,338,936.00	$	$ 1,338,936.00
Unrestricted Federal and State Aid				2,601,851.00		2,601,851.00
Miscellaneous				60,968.17		60,968.17
Transfers				(7,700.00)	7,700.00	
Total General Revenues				3,994,055.17	7,700.00	4,001,755.17
Change in Net Assets				447,717.52	(8,408.48)	439,309.04
Net Assets Beginning				810,213.35	3,187.42	813,400.77
Net Assets Ending (Deficit)				$ 1,257,930.87	$ (5,221.06)	$ 1,252,709.81

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

B-1

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Cash and Cash Equivalents	$ 168,549.64	$ 8,401.33	$ 7,545.96	$ 184,496.93
Due from State of New Jersey	2,223.02			2,223.02
Due from Federal Government		29,897.12		29,897.12
Due from LEA's	416,785.00			416,785.00
Accounts Receivable	21,684.42		2,386,703.50	2,408,387.92
Interfunds Receivable	19,775.98		34,003.71	53,779.69
Prepaid Expense	6,700.00			6,700.00
Deposits	20,250.00			20,250.00
Total Assets	$ 655,968.06	$ 38,298.45	$ 2,428,253.17	$ 3,122,519.68
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 162,481.45	$ 20,432.00	$ 329,459.99	$ 512,373.44
Due to LEA's	16,189.00			16,189.00
Due to Federal Government		17,746.95		17,746.95
Interfunds Payable	41,927.23			41,927.23
Deferred Revenue	20,616.07	119.50	2,985.49	23,721.06
Total Liabilities	241,213.75	38,298.45	332,445.48	611,957.68
Fund Balances:				
Unreserved, Reported in:				
General Fund	414,754.31			414,754.31
Capital Projects Fund			2,095,807.69	2,095,807.69
Total Fund Balances	414,754.31		2,095,807.69	2,510,562.00
Total Liabilities and Fund Balances	$ 655,968.06	$ 38,298.45	$ 2,428,253.17	$ 3,122,519.68

Total Fund Balance Above	$ 2,510,562.00
Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of capital assets is $6,671,141.87 and the accumulated depreciation is $373,773.00 (see Note 5).	6,297,368.87
Long-term liabilities consisting of outstanding loans are not payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(7,550,000.00)
Net assets of governmental activities (A-1)	$ 1,257,930.87

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

B-2

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local Sources:					
Local LEA's Levy	$ 1,338,936.00	$	$	$	$ 1,338,936.00
Miscellaneous	46,141.17		14,827.00		60,968.17
Total Revenue Local Sources	1,385,077.17		14,827.00		1,399,904.17
State Sources	2,794,624.18				2,794,624.18
Federal Sources		250,653.53			250,653.53
	4,179,701.35	250,653.53	14,827.00		4,445,181.88
Expenditures					
Current:					
Regular Instruction	1,354,781.55	233,739.36			1,588,520.91
Special Education Instruction	102,356.64				102,356.64
Other Special Instruction	155,319.65				155,319.65
Support Services and Undistributed Costs:					
Student and Instruction Related Services	306,326.38	2,854.17			309,180.55
School Administrative Services	545,730.97				545,730.97
Administrative Information Technology	6,367.50				6,367.50
Plant Operations and Maintenance	293,724.60				293,724.60
Pupil Transportation	4,905.00				4,905.00
Other Support Services	22,267.53				22,267.53
Employee Benefits	720,439.77	14,060.00			734,499.77
Debt Service:					
Principal				26,165.11	26,165.11
Interest				89,632.80	89,632.80
Capital Outlay	101,763.89		3,152,110.07		3,253,873.96
Total Expenditures	3,613,983.48	250,653.53	3,152,110.07	115,797.91	7,132,544.99
Excess (Deficiency) of Revenues Over/ Under Expenditures	565,717.87		(3,137,283.07)	(115,797.91)	(2,687,363.11)
Other Financing Sources (Uses):					
Loan Proceeds			4,725,542.52		4,725,542.52
Operating Transfers In			207,225.00	115,797.91	323,022.91
Operating Transfers (Out)	(330,722.91)				(330,722.91)
Total Other Financing Sources and Uses	(330,722.91)		4,932,767.52	115,797.91	4,717,842.52
Net Change in Fund Balances	234,994.96		1,795,484.45		2,030,479.41
Fund Balance July 1	179,759.35		300,323.24		480,082.59
Fund Balance June 30	$ 414,754.31	$ -	$ 2,095,807.69	$ -	$ 2,510,562.00

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, 2010

B-3

	Ref.		
Total Net Change in Fund Balances - Governmental Funds	B-2		$ 2,030,479.41
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, 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.			
Depreciation Expense		$ (150,573.00)	
Capital Outlays		3,253,873.96	
			3,103,300.96
Repayment of Loan Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			26,165.11
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 debt service fund.			
Proceeds of Long-Term Debt			(4,725,542.52)
Accrued Interest Payable:			
Add: Balance June 30, 2009		13,314.56	
Less: Balance June 30, 2010		-	
			13,314.56
Change in Net Assets of Governmental Activities	A-2		$ 447,717.52

PROPRIETARY FUNDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

B-4

	Business-Type Activities Enterprise Funds		
ASSETS	Food Service	After School Program	Total
Current Assets:			
Accounts Receivable:			
State Sources	$ 143.06	$	$ 143.06
Federal Sources	3,468.33	86.58	3,554.91
Other Sources	10,976.16	6,988.30	17,964.46
Interfunds Receivable:			
Due from General Fund	7,700.00		7,700.00
Total Assets	$ 22,287.55	$ 7,074.88	$ 29,362.43
LIABILITIES			
Current Liabilities:			
Cash Overdraft	$ 23,348.12	$ 5,596.57	$ 28,944.69
Accounts Payable	4,608.84		4,608.84
Deferred Revenue	581.96	448.00	1,029.96
Total Liabilities	$ 28,538.92	$ 6,044.57	$ 34,583.49
NET ASSETS			
Unrestricted (Deficit)	$ (6,251.37)	$ 1,030.31	$ (5,221.06)

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

B-5

	Business-Type Activities Enterprise Funds		
	Food Service	After School Program	Total
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	$ 18,536.50	$	$ 18,536.50
Miscellaneous		61,343.19	61,343.19
Total Operating Revenues	18,536.50	61,343.19	79,879.69
Operating Expenses:			
Cost of Sales	80,583.82		80,583.82
Salaries	12,074.49	57,570.62	69,645.11
Employee Benefits	514.68	4,741.60	5,256.28
Supplies and Materials	5,235.31	3,600.47	8,835.78
Other Expenses		191.70	191.70
Total Operating Expenses	98,408.30	66,104.39	164,512.69
Operating Loss	(79,871.80)	(4,761.20)	(84,633.00)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	170.50		170.50
State School Lunch Program	2,555.18		2,555.18
Federal Sources:			
National School Breakfast Program	1,522.98		1,522.98
National School Lunch Program	61,629.58		61,629.58
National School Snack Program		4,498.46	4,498.46
Prior Year Accounts Receivable Cancelled	(1,852.18)		(1,852.18)
Total Nonoperating Revenues (Expenses)	64,026.06	4,498.46	68,524.52
Income (Loss) Before Contributions and Transfers	(15,845.74)	(262.74)	(16,108.48)
Transfers In	7,700.00		7,700.00
Change in Net Assets	(8,145.74)	(262.74)	(8,408.48)
Total Net Assets - Beginning	1,894.37	1,293.05	3,187.42
Total Net Assets - Ending (Deficit)	$ (6,251.37)	$ 1,030.31	$ (5,221.06)

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

B-6

	Business-Type Activities Enterprise Funds		
	Food Service	After School Program	Total
Cash Flows from Operating Activities			
Receipts from Customers and Other Funds	$ 12,815.54	$ 59,164.83	$ 71,980.37
Payments to Employees	(12,074.49)	(57,570.62)	(69,645.11)
Payments for Employee Benefits	(514.68)	(4,741.60)	(5,256.28)
Payments to Suppliers	(107,509.51)	(5,865.67)	(113,375.18)
Net Cash Provided by (Used for) Operating Activities	(107,283.14)	(9,013.06)	(116,296.20)
Cash Flows from Noncapital Financing Activities			
State Sources	4,348.98		4,348.98
Federal Sources	103,050.05	4,411.88	107,461.93
Net Cash Provided by Noncapital Financing Activities	107,399.03	4,411.88	111,810.91
Net Increase (Decrease) in Cash and Cash Equivalents	115.89	(4,601.18)	(4,485.29)
Balances - Beginning of Year	(23,464.01)	(995.39)	(24,459.40)
Balances - End of Year	$ (23,348.12)	$ (5,596.57)	$ (28,944.69)
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities			
Operating Loss	$ (79,871.80)	$ (4,761.20)	$ (84,633.00)
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	(6,302.92)	(2,626.36)	(8,929.28)
Increase (Decrease) in Accounts Payable	(21,690.38)	(2,073.50)	(23,763.88)
Increase (Decrease) in Deferred Revenue	581.96	448.00	1,029.96
Total Adjustments	(27,411.34)	(4,251.86)	(31,663.20)
Net Cash Provided by (Used for) Operating Activities	$(107,283.14)	$ (9,013.06)	$(116,296.20)

FIDUCIARY FUNDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

B-7

ASSETS	Unemployment Compensation Trust	Agency Fund
Cash and Cash Equivalents	$	$ 151,572.81
Other Accounts Receivable	1,760.07	
Interfunds Receivable:		
Due from General Fund	223.52	
Due from Payroll Agency	12,325.05	
Total Assets	$ 14,308.64	$ 151,572.81
LIABILITIES		
Payable to Student Groups	$	$ 636.65
Payroll Deductions and Withholdings		21,047.04
Accrued Salaries and Benefits		97,788.09
Interfunds Payable:		
Due to General Fund		19,775.98
Due to Unemployment Insurance Trust		12,325.05
Total Liabilities		151,572.81
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	$ 14,308.64	$ -

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

B-8

	Unemployment Compensation Trust Fund
Additions	
Deductions from Employees' Salaries	$ 4,934.79
Deductions	
Unemployment Claims	10,759.83
Change in Net Assets	(5,825.04)
Total Net Assets - Beginning	20,133.68
Total Net Assets - Ending	$ 14,308.64

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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 nine 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, 2010 of 292 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 assets 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 assets 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 assets 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 assets and changes in net assets. 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 Assets.

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 assets) 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 assets.

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$ 4,179,701.35	$ 250,653.53
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
Total revenue as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds	$ 4,179,701.35	$ 250,653.53
Uses/Outflow of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 3,613,983.48	$ 250,653.53
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	-	-
Total expenditures as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds	$ 3,613,983.48	$ 250,653.53

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 revenues at fiscal year end.

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

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 assets 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:

Description	Estimated Lives
Buildings and Improvements	40 Years
Furniture and Equipment	5 - 20 Years
Vehicles	5 Years

The Charter School has not established a formal system of accounting for its general capital assets.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Accrued Liabilities and Long-Term Obligations (Continued)

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.

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

M. Deferred Revenue

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. Deferred 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. 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, workers compensation, and medical and dental benefits were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the 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".

R. 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.

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.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued)

- 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, 2010, cash and cash equivalents (deposits) of the District consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	$ 403,202.28

For fiscal year 2010, 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, 2010 was as follows:

Governmental Activities	Balance June 30, 2009	Additions	Retirement	Balance June 30, 2010
Nondepreciable Assets:				
Land	$ 1,111,663	$	$	$ 1,111,663
Depreciable Assets:				
Construction-in-Progress	181,569	3,154,712		3,336,281
Building and Building Improvements	2,147,706	43,900		2,191,606
Machinery and Equipment	31,591	55,262	55,262	31,591
	3,472,529	3,253,874	55,262	6,671,141
Less Accumulated Depreciation:				
Construction-in-Progress	(5,044)	(4,539)		(9,583)
Building and Building Improvements	(262,783)	(87,613)		(350,396)
Machinery and Equipment	(10,635)	(58,421)	(55,262)	(13,794)
	(278,462)	(150,573)	(55,262)	(373,773)
Governmental Activities - Net Capital Assets	$ 3,194,067	$ 3,103,301	$ -	$ 6,297,368

6. LONG-TERM DEBT

During the fiscal year ended June 30, 2010, the following changes in long-term debt occurred:

Date of Loans	Balance June 30, 2009	Issued	Retired: Budget Appropriation	Retired: Loans Refinanced	Balance June 30, 2010
8-19-04	$ 1,241,301.91	$	$ 14,806.08	$ 1,226,495.83	$
11-12-07	1,214,320.68		11,359.03	1,202,961.65	
12-23-09		1,000,000.00			1,000,000.00
12-24-09		6,550,000.00			6,550,000.00
	$ 2,455,622.59	$ 7,550,000.00	$ 26,165.11	$ 2,429,457.48	$ 7,550,000.00

A. Loans Payable Currently Outstanding

New Jersey Economic Development Authority Loan

A loan was issued on December 23, 2009 in the amount of $1,000,000.00 at a rate of 5.00% for up to five (5) years. Interest only on this loan is due on the first day of each month, which started on February 1, 2010 and ends on January 1, 2011, with one three month interest only extension option (the "Option"). If Option is exercised by the Board, this Note is payable in forty-four (44) equal monthly installments of principal in the amount of $4,444.44 plus interest commencing on May 1, 2011 and ending on December 1, 2014 with a final installment due on January 1, 2015. If Option is not exercised by the Board, this Note is payable in forty-seven (47) equal monthly installments of principal in the sum of $4,385.97 plus interest commencing on February 1, 2011 and ending on December 1, 2014 with a final installment due on January 1, 2015 equal to the actual principal amount of this Note remaining unpaid together with interest thereon then due and payable.

Sun National Bank Loan

On December 24, 2009, a loan was issued in the amount of $6,550,000.00 consisting of a construction loan and then converting to a permanent loan. Part of the proceeds from the loan was used to refinance two existing long-term loans in the amount of $2,429,457.48 and a short-term promissory note in the amount of $395,000.00.

6. LONG-TERM DEBT (Continued)

A. Loans Payable Currently Outstanding (Continued)

Sun National Bank Loan (Continued)

The term of the Construction Loan will be from the Closing Date until the earlier of (i) the completion of the construction of the Project or (ii) fifteen (15) months from the Closing Date. The Construction Loan will then convert to a "Permanent Loan" in accordance with the terms and conditions set forth below. Notwithstanding the above, if the Construction Loan period extends beyond twelve (12) months, the Board will pay to the Lender a Construction Loan extension fee of one-half percent (.50%) of the amount of the Construction Loan outstanding plus the amount available to be advanced.

The Permanent Loan will mature twenty-five (25) years from the Closing Date but subject to the five year call options.

During the Construction Loan period, only interest is due monthly. Once the loan converts to the Permanent Loan, principal and interest is due monthly.

Provided the interest on the Loan is tax free to Lender, the interest rate on the Construction Loan will be sixty-five percent (65%) (the "Tax Free Percentage") of (*The Wall Street Journal)* Prime Rate plus two and one-half percent (2.50%) per annum, floating, with a floor equal to the Tax Free Percentage of seven and eight hundredths percent (7.08%). This floor means that the interest rate will be no less than the Tax Free Percentage of seven and eight hundredths percent (7.08%) during the term of the Construction Loan.

For the period from the Conversion Date to the fifth (5th) anniversary of the Closing Date, the interest rate on the Permanent Loan will be a fixed rate equal to the Tax Free Percentage of the Federal Home Loan Bank Board (NY) five (5) year advance rate (the "Index") then in effect on the Conversion Date plus three hundred twenty-five (325) basis points (3.25%) (the "Spread"), rounded up to the nearest .125%, with a floor of the Tax Free Percentage of seven percent (7.0%) (the "Floor"). This Floor means that the interest rate will be no less than the Tax Free Percentage of seven percent (7.0%) during the period from the Conversion Date to the fifth (5th) anniversary of the Closing Date. On each five (5) year anniversary of the Closing Date (each a "Call Date"), the Lender will have the right, in its sole and absolute discretion, to call the Loan. If the Loan is called on any Call Date, it will be due and payable in full thirty (30) days from the Call Date. If the Loan is not called on any Call Date, then the interest rate will be adjusted on the Loan to a new fixed rate for the next five (5) years equal to the Tax Free Percentage of the Index Plus the Spread, rounded up to the nearest .125%, with a floor established by the Lender on that *respective* Call Date.

The interest rate for fiscal year 2010 was 4.60%.

A schedule of principal and interest payments for the long-term debt was not available for audit review.

B. Capital Leases

As of June 30, 2010, the Board had no capital leases.

7. 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.

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 of 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.

7. PENSION PLANS (Continued)

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

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. The various pension funds provide for employee contributions based on 5.5% of employees' annual compensation, as defined. 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

Year Funding	Annual Pension Cost (APC)	Net Cost to District	Percentage of APC Contributed
June 30, 2010	$ 43,346.00	$ 43,346.00	100%
June 30, 2009	30,641.00	30,641.00	100%
June 30, 2008	20,757.00	20,757.00	80%

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Post-Retirement Medical Benefits
June 30, 2010	$ 3,677.00	100%	$ 69,061.00
June 30, 2009	3,327.00	100%	63,475.00
June 30, 2008	62,231.00	100%	13,830.00

7. PENSION PLANS (Continued)

Contribution Requirements (Continued)

During the fiscal year ended June 30, 2010, the State of New Jersey contributed $3,677.00 to the TPAF for pension and $69,061.00 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 $120,035.18 during the year ended June 30, 2010 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 24.

8. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c. 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State made post-retirement (PRM) contributions of $1.38 billion for fiscal year 2009 and $3.22 million for fiscal year 2008.

The State is also responsible for the cost attributable to P.L. 1992, c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

9. 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

10. 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 funds 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:

10. RISK MANAGEMENT (Continued)

New Jersey Unemployment Compensation Insurance (Continued)

Fiscal Year	Employer Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2009-2010	$ -	$ 4,934.79	$ 10,759.83	$14,308.64
2008-2009	-	4,454.33	-	20,133.68
2007-2008	-	4,005.04	-	15,679.35

11. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2010 consisted of the following:

	Interfunds Receivable	Interfunds Payable
General Fund:		
Due from Payroll Agency	$ 19,775.98	$
Due to Capital Projects Fund		34,003.71
Due to Food Service Fund		7,700.00
Due to SUI		223.52
Food Service Fund:		
Due from General Fund	7,700.00	
Capital Projects Fund:		
Due from General Fund	34,003.71	
Payroll Agency:		
Due to General Fund		19,775.98
Due to SUI		12,325.05
State Unemployment Insurance:		
Due from General Fund	223.52	
Due from Payroll Agency	12,325.05	
	$ 74,028.26	$ 74,028.26

12. DEFICIT NET ASSETS

Enterprise Fund

Operations of the Food Service Fund resulted in a net loss of $8,145.74 for fiscal year 2010. This loss has resulted in accumulated retained earnings deficit of $6,251.37 as of June 30, 2010.

The Board of Trustees is considering various means to provide for this deficit.

13. FUND BALANCE APPROPRIATED

General Fund - Of the $414,754.31 General Fund fund balance at June 30, 2010, $414,754.31 is unreserved and undesignated Fund Balance.

14. 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, 2010 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.

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, 2010

C-1
Sheet #1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local Sources:					
"Local Levy" Local Share - Charter School Aid	$ 1,330,411.00	$ 8,525.00	$ 1,338,936.00	$ 1,338,936.00	$
Miscellaneous	3,800.00	23,402.00	27,202.00	46,141.17	18,939.17
Total - Local Sources	1,334,211.00	31,927.00	1,366,138.00	1,385,077.17	18,939.17
State Sources:					
"Local Levy" State Share - Charter School Aid:					
Equalization Aid	2,253,209.00	187,152.00	2,440,361.00	2,440,361.00	
Special Education Categorical Aid	79,737.00	(14,740.00)	64,997.00	64,997.00	
Security Aid	91,957.00	4,536.00	96,493.00	96,493.00	
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions				72,738.00	72,738.00
Reimbursed TPAF Social Security Contributions				120,035.18	120,035.18
Total - State Sources	2,424,903.00	176,948.00	2,601,851.00	2,794,624.18	192,773.18
Total Revenues	$ 3,759,114.00	$ 208,875.00	$ 3,967,989.00	$ 4,179,701.35	$ 211,712.35

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-1
Sheet #2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	$ 204,908.00	$ (15,937.00)	$ 188,971.00	$ 188,970.22	$ 0.78
Grades 1 - 5	340,114.00	1,101.00	341,215.00	341,213.69	1.31
Grades 6 - 8	202,610.00	(4,782.00)	197,828.00	197,827.14	0.86
	747,632.00	(19,618.00)	728,014.00	728,011.05	2.95
Regular Programs - Home Instruction:					
Salaries of Teachers	800.00		800.00	240.00	560.00
Regular Programs - Undistributed Instruction:					
Salaries of Teachers	203,610.00	(8,488.00)	195,122.00	195,121.80	0.20
Other Salaries for Instruction	386,220.00	(25,298.00)	360,922.00	332,145.83	28,776.17
Purchased Technical Services	10,000.00	1,500.00	11,500.00	7,097.41	4,402.59
Other Purchased Services (400 - 500 Series)	2,500.00	5,387.00	7,887.00	5,810.23	2,076.77
General Supplies	52,000.00	14,083.00	66,083.00	50,001.35	16,081.65
Textbooks	5,000.00	23,251.00	28,251.00	28,250.07	0.93
Other Objects	10,000.00	1,000.00	11,000.00	8,103.81	2,896.19
	669,330.00	11,435.00	680,765.00	626,530.50	54,234.50
Total Regular Programs	1,417,762.00	(8,183.00)	1,409,579.00	1,354,781.55	54,797.45
Special Education:					
Cognitive - Mild:					
Salaries of Teachers	96,031.00	229.00	96,260.00	91,757.89	4,502.11
Other Salaries for Instruction	1,200.00	6,009.00	7,209.00	6,718.96	490.04
General Supplies	2,000.00	2,200.00	4,200.00	3,879.79	320.21
Total Cognitive - Mild	99,231.00	8,438.00	107,669.00	102,356.64	5,312.36
Basic Skills/Remedial:					
Salaries of Teachers	53,008.00	29,018.00	82,026.00	82,025.06	0.94
General Supplies	2,000.00	600.00	2,600.00	839.14	1,760.86
Total Basic Skills/Remedial	55,008.00	29,618.00	84,626.00	82,864.20	1,761.80

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-1
Sheet #3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures					
Current Expense:					
Bilingual Education - Instruction:					
Salaries of Teachers	$ 43,209.00	$ 150.00	$ 43,359.00	$ 43,359.00	$
Other Salaries for Instruction		30,396.00	30,396.00	28,397.20	1,998.80
General Supplies	2,000.00		2,000.00	699.25	1,300.75
Total Bilingual	45,209.00	30,546.00	75,755.00	72,455.45	3,299.55
Total - Instruction	1,617,210.00	60,419.00	1,677,629.00	1,612,457.84	65,171.16
Undistributed Expenditures:					
Health Services:					
Salaries	55,683.00	2,095.00	57,778.00	57,776.72	1.28
Purchased Professional and Technical Services	3,000.00	3,260.00	6,260.00	6,145.00	115.00
Supplies and Materials	1,500.00	200.00	1,700.00	1,394.35	305.65
Total Health Services	60,183.00	5,555.00	65,738.00	65,316.07	421.93
Other Support Services - Student Related Service:					
Purchased Professional/Educational Services	50,000.00	24,688.00	74,688.00	74,688.00	
Supplies and Materials	1,500.00		1,500.00	727.25	772.75
Total Other Support Services - Student Related Service	51,500.00	24,688.00	76,188.00	75,415.25	772.75
Other Support Services - Student Extraordinary Service:					
Salaries	51,810.00		51,810.00	41,972.77	9,837.23
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	54,416.00		54,416.00	54,416.00	
Purchased Professional/Educational Services	33,500.00	5,750.00	39,250.00	38,649.00	601.00
Supplies and Materials	2,000.00		2,000.00	861.70	1,138.30
Total Other Support Services - Students - Special	89,916.00	5,750.00	95,666.00	93,926.70	1,739.30
Instructional Staff Training Services:					
Purchased Professional/Educational Services	20,000.00	17,000.00	37,000.00	29,695.59	7,304.41

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-1
Sheet #4

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current Expense:					
Undistributed Expenditures:					
Support Services General Administration:					
Salaries	$ 98,212.00	$	$ 98,212.00	$ 95,517.88	$ 2,694.12
Salaries of Other Professional Staff	356,837.00	3,157.00	359,994.00	358,238.16	1,755.84
Legal Services	18,150.00		18,150.00	5,064.57	13,085.43
Audit Fee	7,750.00	125.00	7,875.00	7,875.00	
Other Purchased Professional Services	39,850.00	(5,275.00)	34,575.00	28,954.05	5,620.95
Communications/Telephone	16,100.00		16,100.00	12,629.82	3,470.18
Other Purchased Services	10,499.00	1,405.00	11,904.00	11,903.38	0.62
General Supplies	9,000.00	(405.00)	8,595.00	6,561.44	2,033.56
Judgments	1,000.00	(1,000.00)			
Miscellaneous Expenditures	31,945.00	(9,625.00)	22,320.00	18,986.67	3,333.33
Total Support Services General Administration	589,343.00	(11,618.00)	577,725.00	545,730.97	31,994.03
Administrative Information Technology:					
Salaries		7,099.00	7,099.00	6,367.50	731.50
Other Operations and Maintenance of Plant:					
Salaries	47,177.00	(2,782.00)	44,395.00	40,505.60	3,889.40
Purchased Technical Services	34,700.00	50,650.00	85,350.00	85,163.17	186.83
Rental of Land and Building Other Than Lease	86,400.00	(19,400.00)	67,000.00	67,000.00	
Insurance	21,368.00	2,000.00	23,368.00	21,472.00	1,896.00
General Supplies	10,500.00	2,000.00	12,500.00	9,916.25	2,583.75
Energy	86,460.00		86,460.00	69,270.38	17,189.62
Miscellaneous Expenses	500.00		500.00	397.20	102.80
Total Other Operations and Maintenance of Plant	287,105.00	32,468.00	319,573.00	293,724.60	25,848.40
Student Transportation Services:					
Contracted Services (Other Than Between Home and School) - Vendors	5,000.00	(95.00)	4,905.00	4,905.00	
Business and Other Support Services:					
Purchased Professional Services	13,060.00	11,905.00	24,965.00	22,267.53	2,697.47
Interest on Current Loans	1,500.00	(1,500.00)			
Total Business and Other Support Services	14,560.00	10,405.00	24,965.00	22,267.53	2,697.47

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-1
Sheet #5

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current Expense:					
Undistributed Expenditures:					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	$ 46,697.00	$ 6,984.00	$ 53,681.00	$ 53,297.32	$ 383.68
Other Retirement Contributions - Regular	39,621.00	3,725.00	43,346.00	43,346.00	
Unemployment Compensation	32,513.00	(2,110.00)	30,403.00	24,899.98	5,503.02
Workers' Compensation	25,000.00		25,000.00	22,792.74	2,207.26
Health Benefits	366,835.00	40,000.00	406,835.00	367,679.22	39,155.78
Tuition Reimbursement	12,000.00	2,500.00	14,500.00	12,000.01	2,499.99
Other Employee Benefits	5,000.00		5,000.00	3,651.32	1,348.68
Total Unallocated Benefits	527,666.00	51,099.00	578,765.00	527,666.59	51,098.41
Nonbudgeted:					
On-Behalf TPAF Post-Retirement Medical Contributions				72,738.00	(72,738.00)
Reimbursed TPAF Social Security Contributions				120,035.18	(120,035.18)
				192,773.18	(192,773.18)
Total Undistributed Expenditures	1,697,083.00	142,351.00	1,839,434.00	1,899,761.75	(60,327.75)
Total Expenditures - Current Expense	3,314,293.00	202,770.00	3,517,063.00	3,512,219.59	4,843.41
Capital Outlay:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	53,300.00	10,868.00	64,168.00	50,490.98	13,677.02
Undistributed Expenditures:					
Non-Instructional Equipment	3,700.00	1,676.00	5,376.00	4,771.41	604.59
Total Equipment	57,000.00	12,544.00	69,544.00	55,262.39	14,281.61
Facilities Acquisition and Construction Services:					
Land and Improvements	43,900.00		43,900.00	43,900.00	
Other Objects	4,500.00		4,500.00	2,601.50	1,898.50
	48,400.00		48,400.00	46,501.50	1,898.50
Total Expenditures - Capital Outlay	105,400.00	12,544.00	117,944.00	101,763.89	16,180.11

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-1
Sheet #6

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Expenditures	$ 3,419,693.00	$ 215,314.00	$ 3,635,007.00	$ 3,613,983.48	$ 21,023.52
Excess (Deficiency) of Revenues Over/(Under) Expenditures	339,421.00	(6,439.00)	332,982.00	565,717.87	232,735.87
Other Financing Sources/(Uses):					
Operating Transfer Out:					
Transfer to Food Service Fund	(5,000.00)	(2,700.00)	(7,700.00)	(7,700.00)	
Transfer to Capital Projects Fund	(87,536.00)	(119,689.00)	(207,225.00)	(207,225.00)	
Transfer to Debt Service Fund	(211,399.00)	93,843.89	(117,555.11)	(115,797.91)	1,757.20
	(303,935.00)	(28,545.11)	(332,480.11)	(330,722.91)	1,757.20
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	35,486.00	(34,984.11)	501.89	234,994.96	234,493.07
Fund Balances, July 1	179,759.35		179,759.35	179,759.35	
Fund Balances, June 30	$ 215,245.35	$ (34,984.11)	$ 180,261.24	$ 414,754.31	$ 234,493.07
Recapitulation:					
Unrestricted Fund Balance				$ 414,754.31	
Total				$ 414,754.31	

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	$ 346,406.00	$ 6,200.00	$ 352,606.00	$ 250,653.53	$ 101,952.47
Total Revenues	$ 346,406.00	$ 6,200.00	$ 352,606.00	$ 250,653.53	$ 101,952.47
EXPENDITURES					
Instruction:					
Salaries of Teachers	$ 212,889.00	$	$ 212,889.00	$ 186,043.36	$ 26,845.64
Purchased Professional and Technical Services	20,991.00		20,991.00	2,241.00	18,750.00
Purchased Professional/Educational Services	41,268.00		41,268.00	36,591.00	
Other Purchased Services (400 - 500 Series)	32,006.00		32,006.00	2,266.00	29,740.00
General Supplies	3,187.00	6,200.00	9,387.00	6,598.00	2,789.00
Total Instruction	310,341.00	6,200.00	316,541.00	233,739.36	82,801.64
Support Services:					
Other Salaries for Instruction	4,160.00		4,160.00		4,160.00
Personnel Services - Employee Benefits	26,466.00		26,466.00	14,060.00	12,406.00
Purchased Professional/Educational Services	1,439.00		1,439.00	1,266.17	
Other Purchased Services	4,000.00		4,000.00	1,588.00	
Total Support Services	36,065.00		36,065.00	16,914.17	19,150.83
Total Expenditures	$ 346,406.00	$ 6,200.00	$ 352,606.00	$ 250,653.53	$ 101,952.47

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-3

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

		General Fund		Special Revenue Fund
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1	$ 4,179,701.35	C-2	$ 250,653.53
Difference - Budget-to-GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Total revenue as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds	B-2	$ 4,179,701.35	B-2	$ 250,653.53
Uses/Outflow of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	C-1	$ 3,613,983.48	C-2	$ 250,653.53
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.				
Total expenditures as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds.	B-2	$ 3,613,983.48	B-2	$ 250,653.53

OTHER SUPPLEMENTARY INFORMATION

D. NOT 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, 2010

E-1
Sheet #1

	Title I, Part A Basic		ARRA Title I Part A	Title IIA
	2009-2010	Carryover	2009-2010	2009-2010
REVENUES				
Federal Sources	$ 115,760.63	$ 40,191.26	$ 24,527.97	$ 1,868.00
Total Revenues	$ 115,760.63	$ 40,191.26	$ 24,527.97	$ 1,868.00
EXPENDITURES				
Instruction:				
Salaries of Teachers	$ 70,283.13	$ 34,021.76	$ 22,286.97	$
Purchased Professional and Technical Services			2,241.00	
Purchased Professional/Educational Services	36,591.00			
Other Purchased Services (400 - 500 Series)	398.00			1,868.00
General Supplies	428.50	6,169.50		
Total Instruction	107,700.63	40,191.26	24,527.97	1,868.00
Support Services:				
Personnel Services - Employee Benefits	8,060.00			
Purchased Professional/Educational Services				
Other Purchased Services				
Total Support Services	8,060.00			
Total Expenditures	$ 115,760.63	$ 40,191.26	$ 24,527.97	$ 1,868.00

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, 2010

E-1
Sheet #2

	Title II Part D 2009-2010	I.D.E.A. Part B Basic 2009-2010	ARRA I.D.E.A. Part B Basic 2009-2010	Totals FY 2010
REVENUES				
Federal Sources	$ 1,266.17	$ 37,146.00	$ 29,893.50	$ 250,653.53
Total Revenues	$ 1,266.17	$ 37,146.00	$ 29,893.50	$ 250,653.53
EXPENDITURES				
Instruction:				
Salaries of Teachers	$	$ 29,558.00	$ 29,893.50	$ 186,043.36
Purchased Professional and Technical Services				2,241.00
Purchased Professional/Educational Services				36,591.00
Other Purchased Services (400 - 500 Series)				2,266.00
General Supplies				6,598.00
Total Instruction		29,558.00	29,893.50	233,739.36
Support Services:				
Personnel Services - Employee Benefits		6,000.00		14,060.00
Purchased Professional/Educational Services	1,266.17			1,266.17
Other Purchased Services		1,588.00		1,588.00
Total Support Services	1,266.17	7,588.00		16,914.17
Total Expenditures	$ 1,266.17	$ 37,146.00	$ 29,893.50	$ 250,653.53

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, 2010

F-1

Project Title/Issue	Approval Date	Revised Budgetary Appropriation	GAAP Expenditures to Date		Unexpended Appropriation June 30, 2010
			Prior Years	Current Year	
Building Expansion Project	11/12/07	$ 5,512,356.70	$ 264,438.94	$ 3,152,110.07	$ 2,095,807.69

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2010

F-2

Revenues and Other Financing Sources	
Loan Proceeds	$ 4,725,542.52
Miscellaneous	14,827.00
	4,740,369.52
Expenditures and Other Financing Uses	
Other Purchased Professional and Technical Services	564,223.00
Construction Services	2,147,647.79
Loan Commitment Fees	87,750.00
Construction Loan Interest	191,124.89
Miscellaneous Expenditures	161,364.39
	3,152,110.07
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	1,588,259.45
Other Financing Sources (Uses):	
Operating Transfers In:	
General Fund	207,225.00
Total Other Financing Sources and Uses	207,225.00
Net Change in Fund Balance	1,795,484.45
Fund Balance June 30, 2009	300,323.24
Fund Balance June 30, 2010	$ 2,095,807.69

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BUILDING EXPANSION PROJECT
FOR THE FISCAL YEAR ENDING JUNE 30, 2010

F-2a

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Loan Proceeds	$ 391,471.56	$ 4,725,542.52	$ 5,117,014.08	$ 5,117,014.08
Miscellaneous	19,670.00	14,827.00	34,497.00	34,497.00
Reappropriated	3,595.62		3,595.62	3,595.62
Transfer from General Fund	150,025.00	207,225.00	357,250.00	357,250.00
Total Revenues	564,762.18	4,947,594.52	5,512,356.70	5,512,356.70
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	244,497.57	564,223.00	808,720.57	811,849.57
Construction Services		2,147,647.79	2,147,647.79	4,022,890.48
Equipment	6,201.37		6,201.37	6,201.37
Loan Commitment Fees	6,775.00	87,750.00	94,525.00	158,275.00
Construction Loan Interest		191,124.89	191,124.89	309,438.89
Miscellaneous Expenditures	6,965.00	161,364.39	168,329.39	203,701.39
	264,438.94	3,152,110.07	3,416,549.01	5,512,356.70
Excess (Deficiency) of Revenues Over Expenditures	$ 300,323.24	$ 1,795,484.45	$ 2,095,807.69	$ -

Additional Project Information:	
Project Number	-
Grant Date	11/12/07
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 303,000.00
Additional Authorized Cost	$ 5,209,356.70
Revised Authorized Cost	$ 5,512,356.70
Percentage Increase Over Original Authorized Cost	1719%
Percentage of Completion	62%
Original Target Completion Date	9/01/09
Revised Target Completion Date	10/01/10

G. PROPRIETARY FUNDS

ENTERPRISE FUND

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

G-1

	Business-Type Activities Enterprise Funds		
ASSETS	Food Service	After School Program	Total
Current Assets:			
Accounts Receivable:			
State Sources	$ 143.06	$	$ 143.06
Federal Sources	3,468.33	86.58	3,554.91
Other Sources	10,976.16	6,988.30	17,964.46
Interfunds Receivable:			
Due from General Fund	7,700.00		7,700.00
Total Assets	$ 22,287.55	$ 7,074.88	$ 29,362.43
LIABILITIES			
Current Liabilities:			
Cash Overdraft	$ 23,348.12	$ 5,596.57	$ 28,944.69
Accounts Payable	4,608.84		4,608.84
Deferred Revenue	581.96	448.00	1,029.96
Total Liabilities	$ 28,538.92	$ 6,044.57	$ 34,583.49
NET ASSETS			
Unrestricted (Deficit)	$ (6,251.37)	$ 1,030.31	$ (5,221.06)

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

G-2

	Business-Type Activities Enterprise Funds		
	Food Service	After School Program	Total
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	$ 18,536.50	$	$ 18,536.50
Miscellaneous		61,343.19	61,343.19
Total Operating Revenues	18,536.50	61,343.19	79,879.69
Operating Expenses:			
Cost of Sales	80,583.82		80,583.82
Salaries	12,074.49	57,570.62	69,645.11
Employee Benefits	514.68	4,741.60	5,256.28
Supplies and Materials	5,235.31	3,600.47	8,835.78
Other Expenses		191.70	191.70
Total Operating Expenses	98,408.30	66,104.39	164,512.69
Operating Loss	(79,871.80)	(4,761.20)	(84,633.00)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	170.50		170.50
State School Lunch Program	2,555.18		2,555.18
Federal Sources:			
National School Breakfast Program	1,522.98		1,522.98
National School Lunch Program	61,629.58		61,629.58
National School Snack Program		4,498.46	4,498.46
Prior Year Accounts Receivable Cancelled	(1,852.18)		(1,852.18)
Total Nonoperating Revenues (Expenses)	64,026.06	4,498.46	68,524.52
Income (Loss) Before Contributions and Transfers	(15,845.74)	(262.74)	(16,108.48)
Transfers In	7,700.00		7,700.00
Change in Net Assets	(8,145.74)	(262.74)	(8,408.48)
Total Net Assets - Beginning	1,894.37	1,293.05	3,187.42
Total Net Assets - Ending (Deficit)	$ (6,251.37)	$ 1,030.31	$ (5,221.06)

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

G-3

	Business-Type Activities Enterprise Funds		
	Food Service	After School Program	Total
Cash Flows from Operating Activities			
Receipts from Customers and Other Funds	$ 12,815.54	$ 59,164.83	$ 71,980.37
Payments to Employees	(12,074.49)	(57,570.62)	(69,645.11)
Payments for Employee Benefits	(514.68)	(4,741.60)	(5,256.28)
Payments to Suppliers	(107,509.51)	(5,865.67)	(113,375.18)
Net Cash Provided by (Used for) Operating Activities	(107,283.14)	(9,013.06)	(116,296.20)
Cash Flows from Noncapital Financing Activities			
State Sources	4,348.98		4,348.98
Federal Sources	103,050.05	4,411.88	107,461.93
Net Cash Provided by Noncapital Financing Activities	107,399.03	4,411.88	111,810.91
Net Increase (Decrease) in Cash and Cash Equivalents	115.89	(4,601.18)	(4,485.29)
Balances - Beginning of Year	(23,464.01)	(995.39)	(24,459.40)
Balances - End of Year	$ (23,348.12)	$ (5,596.57)	$ (28,944.69)
Reconciliation of Operating Loss to Net Cash Provided (Used for) by Operating Activities			
Operating Loss	$ (79,871.80)	$ (4,761.20)	$ (84,633.00)
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	(6,302.92)	(2,626.36)	(8,929.28)
Increase (Decrease) in Accounts Payable	(21,690.38)	(2,073.50)	(23,763.88)
Increase (Decrease) in Deferred Revenue	581.96	448.00	1,029.96
Total Adjustments	(27,411.34)	(4,251.86)	(31,663.20)
Net Cash Provided by (Used for) Operating Activities	$ (107,283.14)	$ (9,013.06)	$ (116,296.20)

INTERNAL SERVICE FUND

H. FIDUCIARY FUNDS

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

H-1

ASSETS	Unemployment Compensation Trust	Agency Fund
Cash and Cash Equivalents	$	$151,572.81
Other Accounts Receivable	1,760.07	
Interfunds Receivable:		
Due from General Fund	223.52	
Due from Payroll Agency	12,325.05	
Total Assets	$ 14,308.64	$151,572.81
LIABILITIES		
Payable to Student Groups	$	$ 636.65
Payroll Deductions and Withholdings		21,047.04
Accrued Salaries and Benefits		97,788.09
Interfunds Payable:		
Due to General Fund		19,775.98
Due to Unemployment Insurance Trust		12,325.05
Total Liabilities		151,572.81
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	$ 14,308.64	$ -

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

H-2

	Unemployment Compensation Trust Fund
Additions	
Deductions from Employees' Salaries	$ 4,934.79
Deductions	
Unemployment Claims	10,759.83
Change in Net Assets	(5,825.04)
Total Net Assets - Beginning	20,133.68
Total Net Assets - Ending	$14,308.64

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

H-3

ASSETS	Balance June 30, 2009	Balance June 30, 2010
Cash and Cash Equivalents	$ 636.65	$ 636.65
LIABILITIES		
Amount Due to Student Groups	$ 636.65	$ 636.65

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

H-4

ASSETS	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Cash and Cash Equivalents	$ 28,235.44	$ 2,613,984.69	$ 2,491,283.97	$150,936.16
Due from General Fund	3,000.00		3,000.00	
Total Assets	$ 31,235.44	$ 2,613,984.69	$ 2,494,283.97	$150,936.16
LIABILITIES				
Payroll Deductions and Withholdings	$ 11,101.76	$ 2,490,055.56	$ 2,480,110.28	$ 21,047.04
Accrued Salaries and Benefits		97,788.09		97,788.09
Due to General Fund		21,583.30	1,807.32	19,775.98
Due to State Unemployment Insurance	20,133.68	4,557.74	12,366.37	12,325.05
Total Liabilities	$ 31,235.44	$ 2,613,984.69	$ 2,494,283.97	$150,936.16

I. LONG-TERM DEBT

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
LONG-TERM DEBT
SCHEDULE OF LOANS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

I-1

Issued			Annual Principal Payments Outstanding June 30, 2010		Interest	Balance		Retired		Balance
								Budget	Loans	
Purpose	Date	Amount	Date	Amount	Rate	July 1, 2009	Issued	Appropriation	Refinanced	June 30, 2010
Building Purchase	08/19/04	$ 1,360,000.00		$	6.64%	$ 1,241,301.91	$	$ 14,806.08	$ 1,226,495.83	$
Refinancing of Building Purchase	11/12/07	1,246,310.88			6.37%	1,214,320.68		11,359.03	1,202,961.65	
N.J. Economic Development Authority Loan	12/23/09	1,000,000.00	*	*	5.00%		1,000,000.00			1,000,000.00
Refinancing of Loan	12/24/09	6,550,000.00	*	*	*		6,550,000.00			6,550,000.00
						$ 2,455,622.59	$ 7,550,000.00	$ 26,165.11	$ 2,429,457.48	$ 7,550,000.00

* See Notes to Financial Statements

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

I-3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES					
Regular Debt Service:					
Interest	$ 158,203.00	$	$ 158,203.00	$ 89,632.80	$ 68,570.20
Redemption of Principal	53,196.00		53,196.00	26,165.11	27,030.89
Total Expenditures	211,399.00		211,399.00	115,797.91	95,601.09
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(211,399.00)		(211,399.00)	(115,797.91)	(95,601.09)
Other Financing Sources:					
Operating Transfers In:					
General Fund	211,399.00		211,399.00	115,797.91	95,601.09
Excess (Deficiency) of Revenues and Other Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1					
Fund Balance, June 30	$ -	$ -	$ -	$ -	$ -

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

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

J-1

	Fiscal Year Ended June 30,						
	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	$ 219,235	$ 409,563	$ 517,828	$ 513,741	$ 369,079	$ 343,445	$ (1,252,631)
Restricted	299,165	15,210	9,266	4,033	128,361	300,323	2,095,808
Unrestricted	42,994	23,318	(88,270)	(139,622)	(36,510)	166,445	414,754
Total Governmental Activities Net Assets	$ 561,394	$ 448,091	$ 438,824	$ 378,152	$ 460,930	$ 810,213	$ 1,257,931
Business-Type Activities:							
Unrestricted:							
Food Service	$ (14,481)	$ (12,292)	$ (18,869)	$ (23,737)	$ (16,586)	$ 1,894	$ (6,251)
After School Program	1,980	5,324	10,975	7,569	7,819	1,293	1,030
Fund Raising	1,787	(1,983)	(1,983)	(1,983)	(1,983)		
Total Business-Type Activities Net Assets	$ (10,714)	$ (8,951)	$ (9,877)	$ (18,151)	$ (10,750)	$ 3,187	$ (5,221)
District-Wide:							
Invested in Capital Assets, Net of Related Debt	$ 219,235	$ 409,563	$ 517,828	$ 513,741	$ 369,079	$ 343,445	$ (1,252,631)
Restricted	299,165	15,210	9,266	4,033	128,361	300,323	2,095,808
Unrestricted	32,280	14,367	(98,147)	(157,773)	(47,260)	169,632	409,533
Total District Net Assets	$ 550,680	$ 439,140	$ 428,947	$ 360,001	$ 450,180	$ 813,400	$ 1,252,710

Source: CAFR Schedule A-1

This schedule does not contain ten years of information as GASB #34 was implemented during the fiscal year ending June 30, 2004.

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

J-2

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental Activities:							
Instruction:							
Regular	$ 658,858	$ 829,546	$ 1,051,620	$ 1,178,194	$ 1,444,147	$ 1,666,548	$ 2,039,351
Special Education	30,314	45,636	52,488	117,384	140,760	122,732	133,154
Other Special Education	46,279	86,688	63,168	35,118	115,565	132,982	203,413
Support Services:							
Student and Instruction Related Services	158,202	165,448	308,010	421,633	273,871	272,955	357,394
School Administrative Services	229,110	286,346	341,416	346,271	531,120	612,383	687,637
General Administration	65,274	74,866	92,183	43,403	13,631	171,154	
Administrative Information Technology							8,359
Plant Operations and Maintenance	103,180	96,121	136,757	166,009	215,703	223,240	306,392
Pupil Transportation		70	450				4,905
Other Support Services							22,268
Interest on Long-Term Debt		140,786	189,929	174,570	179,112	164,654	76,318
Unallocated Depreciation		51,815	53,294	54,304	57,002	62,047	150,573
	1,291,217	1,777,322	2,289,315	2,536,886	2,970,911	3,428,695	3,989,764
Business-Type Activities:							
Food Service	20,616	21,968	38,198	46,844	61,734	71,096	100,261
After School Program	31,684	36,387	44,260	55,512	65,765	67,906	66,104
Fund Raising	759	4,771					
	53,059	63,146	82,458	102,356	127,499	139,002	166,385
Total District Expenses	$ 1,344,276	$ 1,840,468	$ 2,371,773	$ 2,639,242	$ 3,098,410	$ 3,567,697	$ 4,156,129
Program Revenues							
Governmental Activities:							
Operating Grants and Contributions	$ 115,518	$ 111,086	$ 222,937	$ 369,820	$ 264,796	$ 322,966	$ 443,427
Business-Type Activities:							
Charges for Services:							
Food Service	17,339	8,303	6,203	9,650	17,162	18,212	18,537
After School Program	24,564	39,731	49,912	52,106	66,015	61,380	61,343
Operating Grants and Contributions:							
Food Service	564	16,874	25,418	32,325	51,723	54,778	65,678
After School Program							4,498
	42,467	64,908	81,533	94,081	134,900	134,371	150,256
Total District Program Revenues	$ 157,985	$ 175,994	$ 304,470	$ 463,901	$ 399,696	$ 457,337	$ 593,683
Net (Expense)/Revenue							
Governmental Activities	$ (1,175,699)	$ (1,666,236)	$ (2,066,378)	$ (2,167,066)	$ (2,706,115)	$ (3,105,729)	$ (3,546,337)
Business-Type Activities	(10,592)	1,762	(925)	(8,275)	7,401	(4,632)	(16,109)
Total District-Wide Net Expense	$ (1,186,291)	$ (1,664,474)	$ (2,067,303)	$ (2,175,341)	$ (2,698,714)	$ (3,110,361)	$ (3,562,446)
General Revenue and Other Changes in Net Assets							
Governmental Activities:							
General Purpose Local Levy - Local Share	$ 664,482	$ 688,622	$ 835,791	$ 820,113	$ 1,135,642	$ 1,089,236	$ 1,338,936
Unrestricted Grants and Contributions	1,074,057	708,682	1,096,506	1,150,953	1,585,775	2,358,791	2,601,851
Miscellaneous	47,765	155,628	156,634	135,328	67,475	37,241	60,968
Other Financing (Uses)			(31,821)				
Transfers						(18,570)	(7,700)
	1,786,304	1,552,932	2,057,110	2,106,394	2,788,892	3,466,698	3,994,055
Business-Type Activities:							
Transfers						18,570	7,700
Total District-Wide	$ 1,786,304	$ 1,552,932	$ 2,057,110	$ 2,106,394	$ 2,788,892	$ 3,485,268	$ 4,001,755
Change in Net Assets							
Governmental Activities	$ 610,605	$ (113,304)	$ (9,268)	$ (60,672)	$ 82,777	$ 360,969	$ 447,718
Business-Type Activities	(10,592)	1,762	(925)	(8,275)	7,401	13,938	(8,409)
Total District	$ 600,013	$ (111,542)	$ (10,193)	$ (68,947)	$ 90,178	$ 374,907	$ 439,309

Source: CAFR Schedule A-2

This schedules does not contain ten years of information as GASB #34 was implemented during the fiscal year ending June 30, 2004.

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

J-3

	Fiscal Year Ended June 30,						
	2004	2005	2006	2007	2008	2009	2010
General Fund:							
Reserved for Encumbrances	$	$	$ 2,401	$ 337	$ 300	$	$
Unreserved	42,994	26,006	(73,580)	(125,199)	(22,924)	179,759	414,754
	$ 42,994	$ 26,006	$ (71,179)	$ (124,862)	$ (22,624)	$179,759	$ 414,754
All Other Governmental Funds:							
Unreserved:							
Capital Projects	$ 2,959,165	$ 15,210	$ 6,865	$ 3,696	$ 128,061	$300,323	$ 2,095,808

Source: CAFR Schedule B-1

This schedule does not contain ten years of information as GASB #34 was implemented during the fiscal year ending June 30, 2004.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Local LEA's Levy	$ 628,325	$ 651,480	$ 661,067	$ 664,482	$ 688,622	$ 835,791	$ 820,113	$ 1,135,642	$ 3,278,795	$ 1,338,936
Miscellaneous	21,211	5,689	59,214	47,766	155,628	156,635	135,328	87,475	42,866	60,968
State Sources	600,279	650,481	645,625	1,105,464	742,137	1,240,142	1,396,116	1,703,038	338,085	2,794,624
Federal Sources	72,934	124,990	114,454	84,110	77,632	79,301	124,657	127,533	148,488	250,654
	1,322,749	1,432,640	1,480,360	1,901,822	1,664,019	2,311,869	2,476,214	3,053,688	3,808,234	4,445,182
Expenditures										
Instruction:										
Regular Instruction	562,453	664,591	614,967	525,149	625,209	814,519	894,817	1,111,338	1,280,662	1,588,521
Special Education Instruction		63,460	18,149	24,326	37,978	40,185	87,792	120,407	92,699	102,357
Other Special Instruction		16,620	25,772	36,437	73,317	49,722	35,118	88,826	100,808	155,320
Support Services;										
Student and Instruction Related Services	227,506	168,694	138,139	128,475	138,242	269,194	363,568	229,841	219,255	309,180
School Administrative Services	259,159	254,251	196,279	194,234	236,848	285,552	291,446	439,519	489,449	545,731
General Administration		41,108	29,049	54,724	59,587	73,171	33,853	13,326	171,154	
Administrative Information Technology										6,367
Plant Operations and Maintenance	46,636	155,236	224,209	103,180	89,344	125,970	150,559	203,047	213,656	293,725
Pupil Transportation	2,293	2,035			70	450				4,905
Other Support Services										22,267
Employee Benefits	195,724	228,457	196,922	224,693	324,325	387,330	450,859	528,493	834,310	734,500
Capital Outlay	775		6,318	219,235	2,979,822	10,100	3,169	78,634	192,185	3,253,874
Debt Service:										
Principal					222,320	151,459	47,048	1,280,016	49,845	26,165
Interest					138,099	177,926	174,837	179,950	164,925	89,633
	1,294,546	1,594,452	1,449,804	1,510,453	4,924,961	2,385,578	2,533,066	4,273,397	3,608,948	7,132,545
Excess (Deficiency) of Revenues Over/(Under) Expenditures	28,203	(161,812)	30,556	391,369	(3,280,942)	(73,709)	(56,852)	(1,219,709)	199,285	(2,687,363)
Other Financing Sources/(Uses)										
Loan Proceeds				2,660,000	300,000			1,446,311	191,472	4,725,542
Prior Years Disallowed Costs						(31,821)				
Prior Year Accounts Payable Cancelled									2,459	
Transfers In					265,632	361,206	221,885	214,155	364,795	323,023
Transfers (Out)					(265,632)	(361,206)	(221,885)	(214,155)	(383,365)	(330,723)
				2,660,000	300,000	(31,821)	-	1,446,311	175,360	4,717,842
Net Change in Fund Balances	$ 28,203	$ (161,812)	$ 30,556	$ 3,051,369	$ (2,960,942)	$ (105,530)	$ (56,852)	$ 226,602	$ 374,646	$ 2,030,479
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	18.53%	13.87%	8.77%	34.80%	6.29%	2.99%

Source: Charter School Financial Statements

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Fund Raising	Rent	Miscellaneous	Total
2001	$	$	$ 15,463	$ 15,463
2002			5,689	5,689
2003			58,623	58,623
2004	10,597		37,168	47,765
2005	21,323	87,024	47,281	155,628
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

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

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities			
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes	Long-Term Loans	Short-Term Loans	Capital Leases	Total District	Percentage of Personal Income	Per Capita
2001	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2002	-	-	-	-	-	-	-	0.00%	-
2003	-	-	-	-	-	-	-	0.00%	-
2004	-	-	-	-	-	-	-	0.00%	-
2005	-	-	-	2,737,680	-	-	2,737,680	0.13%	55.29
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	*	55.27
2010	-	-	-	7,550,000	-	-	7,550,000	*	*

*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

Year	Population[a]	Personal Income[b]	Middlesex County Per Capita Personal Income[c]	Unemployment Rate[d]
2000	48,316	$ 1,777,255,744	$ 36,784	3.30%
2001	48,465	1,855,191,735	38,279	4.00%
2002	48,518	1,871,436,296	38,572	5.60%
2003	48,937	1,910,451,543	39,039	5.50%
2004	49,052	1,964,434,496	40,048	4.60%
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	2,466,502,416	48,454	5.00%
2009	51,579	*	*	8.10%

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 SEVEN FISCAL YEARS
Unaudited

J-16

Function/Program	2010	2009	2008	2007	2006	2005	2004
Instruction:							
Regular Instruction	30.4	*	*	*	*	*	*
Special Education Instruction	4.0	*	*	*	*	*	*
Other Instruction	5.0	*	*	*	*	*	*
Support Services:							
Student and Instruction Related	2.0	*	*	*	*	*	*
School Administrative Services		*	*	*	*	*	*
General Administration	6.6	*	*	*	*	*	*
Plant Operations and Maintenance	1.5	*	*	*	*	*	*
Pupil Transportation		*	*	*	*	*	*
	49.5	-	-	-	-	-	-

Source: Charter School Personnel Records

Note: Only the last seven years of information are presented as GASB #34 was implemented during fiscal year June 30, 2004.

*Data not provided.

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

J-17

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
2001	143	$ 1,293,771	$ 9,047	1.40%	*	*	*	*	*	94.75%
2002	142	1,594,452	11,229	24.11%	*	*	*	*	*	93.70%
2003	144	1,443,486	10,024	-10.73%	*	*	*	*	*	93.83%
2004	138	1,291,218	9,357	-6.66%	*	*	*	*	*	92.31%
2005	155	1,584,720	10,224	9.27%	*	*	*	*	*	93.82%
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%

Source: Charter School Records

* Data was not provided by the Charter School.

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

J-18

School Building	2005	2006	2007	2008	2009	2010
Instructional and Administrative:						
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000
Capacity Students	207	207	207	207	207	207
Enrollment	155	203	212	252	263	229
Commercially Leased:						
Square Feet	19,000	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, 2010
Unaudited

J-20

Coverage	Limits	Summary
N.J. School Boards Association Insurance Group		
Property	$ 6,850,000	Building and Contents - All Risk with $1,000.00 Deductible
	100,000,000	Boiler and Machinery - $1,000.00 Deductible
	120,000	Electronic Data Processing - $1,000.00 Deductible
Crime	25,000	Blanket Faithful Performance - $500.00 Deductible
	25,000	Forgery and Alteration - $500.00 Deductible
	10,000	Money and Securities - $500.00 Deductible
	10,000	Money Orders/Counterfeit - $500.00 Deductible
	145,000	Board Secretary/Business Administrator - $1,000.00 Deductible
	145,000	Board Treasurer - $1,000.00 Deductible
General Liability	2,000,000	Single Limit for Bodily Injury and Property Damage
	2,000,000	Products/Completed Operations Aggregate
	2,000,000	Annual Aggregate for Child Molestation/Sexual Abuse
	2,000,000	Each Occurrence for Personal Injury/Advertising Injury
	2,000,000	Each Claim for Employee Benefits Liability
	5,000	Premise Medical Payments (Per Accident)
Automobile Liability	2,000,000	Hired and Nonowned Auto Only
Student Accident	1,000,000	Gold Plan
School Leaders E and O:		
Coverage A	1,000,000	Limits apply each loss - $5,000.00 Deductible
Coverage B	100,000/300,000	Limits apply each loss/Aggregate per Policy Period - $5,000.00 Deductible
Workers' Compensation	1,000,000	Each Accident
	1,000,000	Each Employee
	1,000,000	Policy Limit

Source: Charter School Records

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

K-1

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
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*

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 the financial statements 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 fiscal year ended June 30, 2010 and have issued our report thereon dated October 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Greater Brunswick Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Greater Brunswick Charter School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Trustees of the Greater Brunswick Charter School in a separate report entitled *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 22, 2010.

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

JOSEPH J. FACCONE
Licensed Public School Accountant #194

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 22, 2010

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

K-2

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH STATE OF NEW JERSEY OMB 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

Compliance

We have audited the compliance of the Board of Trustees of the Greater Brunswick Charter School, County of Middlesex, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that are applicable to its major state programs for the year ended June 30, 2010. The Board of Trustees of the Greater Brunswick Charter School's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Board of Trustees of the Greater Brunswick Charter School's management. Our responsibility is to express an opinion on the Board of Trustees of the Greater Brunswick Charter School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the provisions of the State of New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards and the State of New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Trustees of the Greater Brunswick Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board of Trustees of the Greater Brunswick Charter School's compliance with those requirements.

In our opinion, the Board of Trustees of the Greater Brunswick Charter School complied, in all material respects, with the requirements referred to above that are applicable to its major state programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Trustees of the Greater Brunswick Charter School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Greater Brunswick Charter School's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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

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

Joseph J. Faccone

JOSEPH J. FACCONE
Licensed Public School Accountant #194

Samuel Klein and Company

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 22, 2010

GREATER BRUNSWICK CHARTER SCHOOL
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SCHEDULE B

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2009 Deferred Revenue (Accounts Receivable)	June 30, 2009 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	June 30, 2010 (Accounts Receivable)	June 30, 2010 Deferred Revenue/ Interfund Payable	June 30, 2010 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:														
General Fund:														
"Local Levy" State Share - Charter School Aid:														
Equalization Aid	10-495-034-5120-078	$ 2,440,361.00	7/01/09-6/30/10	$	$	$	$ 2,440,361.00	$ 2,440,361.00	$	$	$	$	$	$ 2,440,361.00
Equalization Aid	09-495-034-5120-078	14,658.00	7/01/08-6/30/09	(14,658.00)			14,658.00							
Special Education Categorical Aid	10-495-034-5120-089	64,997.00	7/01/09-6/30/10				64,997.00	64,997.00						64,997.00
Security Aid	10-495-034-5120-084	96,493.00	7/01/09-6/30/10				96,493.00	96,493.00						96,493.00
On-Behalf TPAF Post-Retirement Medical	10-495-034-5095-001	72,738.00	7/01/09-6/30/10				72,738.00	72,738.00						72,738.00
Reimbursed TPAF Social Security	10-495-034-5095-002	120,035.18	7/01/09-6/30/10				117,812.16	120,035.18		(2,223.02)				120,035.18
Reimbursed TPAF Social Security	09-495-034-5095-002	105,378.17	7/01/08-6/30/09	(5,160.81)			5,059.05		(101.76)					
Total General Fund				(19,818.81)			2,812,118.21	2,794,624.18	(101.76)	(2,223.02)				2,794,624.18
State Department of Agriculture:														
Enterprise Fund:														
School Breakfast Program	10-100-010-3350-021	170.50	7/01/09-6/30/10				165.00	170.50		(5.50)				170.50
School Breakfast Program	09-100-010-3350-021	139.70	7/01/08-6/30/09	(109.80)			108.90		(0.90)					
National School Lunch Program	10-100-010-3350-023	2,555.18	7/01/09-6/30/10				2,417.62	2,555.18		(137.56)				2,555.18
National School Lunch Program	09-100-010-3350-023	2,014.26	7/01/08-6/30/09	(1,729.24)			1,657.48		(71.78)					
Total Enterprise Fund				(1,639.04)			4,348.96	2,725.68	(72.68)	(143.06)				2,725.68
Total State Financial Assistance				$ (21,657.85)	$ -	$ -	$2,816,467.19	$2,797,349.86	$ (174.44)	$ (2,366.08)	$ -	$ -	$ -	$2,797,349.86

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 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2010

1. GENERAL

The accompanying Schedule of State Financial Assistance includes the activity of all state financial assistance programs 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 state financial assistance received directly from state agencies, as well as state financial assistance passed-through other government agencies is included on the Schedule of State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying schedule of state financial assistance is presented using 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 this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

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.

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 $ - 0 - 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:

	Federal	State	Total
General Fund	$	$2,794,624.18	$2,794,624.18
Special Revenue Fund	250,653.53		250,653.53
Food Service Fund	63,152.56	2,725.68	65,878.24
After School Program	4,498.46		4,498.46
Total Awards and Financial Assistance	$318,304.55	$2,797,349.86	$3,115,654.41

4. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agrees with amounts reported in the related state financial reports.

5. OTHER

The amount reported as TPAF Post-Retirement Medical Contributions represents the amount paid by the State on-behalf of the Charter School for the fiscal year ended June 30 2010. 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, 2010.

GREATER BRUNSWICK CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued:		Unqualified		
Internal control over financial reporting:				
1) Material weakness(es) identified?	____	Yes	√	No
2) Significant deficiency(ies) identified that are not considered to be material weaknesses?	____	Yes	√	None Reported
Noncompliance material to basic financial statements noted?	____	Yes	√	No

State Awards Section

Type of auditor's report issued on compliance for major programs:		Unqualified		
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
10-495-034-5120-078	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

GREATER BRUNSWICK CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

Section II - Financial Statement Findings

NONE

Section III - State Award Findings and Questioned Costs

NONE

GREATER BRUNSWICK CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2010

There were no prior audit findings.