Bucks County Montessori CS

Charter Annual Report

07/01/2013 - 06/30/2014

School Profile

Demographics

219 Tyburn Rd
Fairless Hills, PA 19030
(215)428-6700

Phase:	Phase 3
CEO Name:	Brian Long
CEO E-mail address:	blong@bcmcs.com

Governance and Staff

Leadership Changes

Leadership changes during the past year on the Board of Trustees and in the school administration:

There were no changes to the BCMCS Executive Committee of the Board of Trustees during the 2013-2014 school year. Al Tenaglia served as President, Ray Snyder as Vice President, and Debbie Denofa as Secretary/Treasurer. Mr. Tenaglia served the school board as Vice President for two years before taking on the role of President in 2007. Mr. Snyder is an original founder who has served on the board since November of 2004, and Mrs. Denofa, is a founder who has held the position of Secretary/Treasurer since June of 2006. Also serving on the board during the 2013-14 school year was Jeff Fogel, who has served as trustees since July 2005. Jeff Fogel will remain as a trustee for the 2013-14 school year and the Executive Committee will also remain intact for the upcoming school year.

Brian Long, who has taught at BCMCS since it's opening in 2000 and served as Vice Principal during the 2007-08 school year, assumed the role of Principal in July of 2008. Mr. Long has his 6-9 and 9-12 AMS Certification, a Masters of Education and Principal's Certification. He served at BCMCS as a Lower Elementary Teacher during the 2000-2001 school year, and an Upper Elementary Teacher during the 2001-2002 to 2008-2009 school years. During the 2007-08 school year, Mr. Long served in a dual capacity as Vice Principal and Lead Upper Elementary Teacher and during the 2008-2009 school year Mr. Long served in a dual capacity as Principal, and Lead Upper Elementary Teacher. Since the 2009-10 school year, Mr. Long has served as the school's Principal, and Chief Academic Officer, a role he will continue to maintain for the 2013-14 school year. His experience as a Montessori Teacher, coupled with his hands on experience as Assistant Principal and then Principal, has garnered a great respect from the board, teaching staff, parent community, and students, as the school's Educational Leader.

Tony Stango served as Operations Manager and Chief Administrative Officer/CEO for the 2013-14 school year and will continue to serve in this capacity during the 2014-15 school year. Mr. Stango is part of the Leadership Team of the Bucks County Montessori Charter School, who has served as Operations Manager since the 2008-09 school year. The Operations Manager oversees operational performance through undertaking or managing administration and general school operations, in order to support school achievement. As Chief Administrative Officer/CEO, Mr. Stango also serves as an adviser to the Bucks County Montessori School Board of Trustees, the school’s Business Manager and Principal.

Tim Heath served as the school's Business Manager for the 2013-14 school year and will continue to serve in this capacity during the 2014-15 school year. Mr. Heath has served in this capacity since the 2004-05 school year, overseeing school facility and financial needs.

Level Head Coordinators, Shari Sissom and Lori Carpenter, who are from the teaching ranks continue to hold important positions of leadership and responsibility within the school in areas of curriculum/program planning and development, and resource management. Christopher Lutz continues to serve as the Testing Coordinator and Val Young as the Reading Coordinator. Each will continue to serve in these capacities for the upcoming 2013-14 school year.

The above leadership model has proved very successful over the past several years and will remain intact for the upcoming 2014-15 school year, as it is one that the school is committed to.

Board of Trustees Meeting Schedule

Location	Date and Time
BCMCS Library	8/28/2013 8:15 PM
BCMCS Library	9/25/2013 8:15 PM
BCMCS Library	10/30/2013 8:15 PM
BCMCS Library	11/20/2013 8:15 PM
BCMCS Library	12/18/2013 8:15 PM
BCMCS Library	2/19/2014 8:15 PM
BCMCS Library	3/19/2014 8:15 PM
BCMCS Library	5/1/2014 8:15 PM
BCMCS Library	6/4/2014 8:15 PM
BCMCS Library	6/25/2014 8:15 PM

Professional Staff Member Roster

Brian Long	
PA Certified	Yes
Areas of Certification	Admin I & Masters In Elementary
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Principal
Number of Hours Annually Worked in Assignment	1631
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Audrey Bernheim	
PA Certified	Yes
Areas of Certification	Instructional II Elementary
Grades Teaching or Serving	1-3
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Primary Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Lori Carpenter	
PA Certified	Yes
Areas of Certification	Instructional II Elementary
Grades Teaching or Serving	1-3

All Areas of Assignment, Subject Areas Teaching, or Services Provided	Primary Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Sandra Dietmeir	
PA Certified	Yes
Areas of Certification	Instructional 1 Elementary
Grades Teaching or Serving	1-3
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Primary Elementary
Number of Hours Annually Worked in Assignment	824
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Jean Duffner	
PA Certified	Yes
Areas of Certification	Dual Certified
Grades Teaching or Serving	1-3
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Primary Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Kelly Erickson	
PA Certified	Yes
Areas of Certification	Instructional II Elementary & Special Ed Administrative
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Special Ed Elementary/LEA
Number of Hours Annually Worked in Assignment	621
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Michelle Freiling	
PA Certified	Yes

Areas of Certification	SE Instructional I
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Intermediate Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Christopher Lutz	
PA Certified	Yes
Areas of Certification	Instructional I Elementary
Grades Teaching or Serving	1-3
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Primary Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Christina Mahan	
PA Certified	Yes
Areas of Certification	Dual Certified
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Special Ed Elementary
Number of Hours Annually Worked in Assignment	875
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Katherine McDevitt	
PA Certified	Yes
Areas of Certification	Dual Certified
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Intermediate Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Ashley Orleans	

PA Certified	Yes
Areas of Certification	Instructional I Elementary
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Intermediate Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Jessica Ramus	
PA Certified	Yes
Areas of Certification	Instructional I Elementary
Grades Teaching or Serving	1-3
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Primary Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Marina Russell	
PA Certified	Yes
Areas of Certification	Instructional II Elementary
Grades Teaching or Serving	K
All Areas of Assignment, Subject Areas Teaching, or Services Provided	K5F
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Shari Sissom	
PA Certified	Yes
Areas of Certification	Instructional II
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Intermediate Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Jessica Titlow	
PA Certified	Yes
Areas of Certification	Instructional I Elementary
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Intermediate Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Sherry Walter	
PA Certified	Yes
Areas of Certification	SE Instructional II
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Special Ed Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Stephanie Wittcoff	
PA Certified	No
Areas of Certification	NA
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Intermediate Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	25.0
Percentage of Time in Areas Not Certified	75.0

Melissa Kosmorsky	
PA Certified	Yes
Areas of Certification	Emergency School Nurse Cert
Grades Teaching or Serving	K-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	School Nurse
Number of Hours Annually Worked in Assignment	1253
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Val Young	
PA Certified	Yes
Areas of Certification	Instructional I Elementary
Grades Teaching or Serving	4-6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Intermediate Elementary
Number of Hours Annually Worked in Assignment	1098
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

The professional staff member roster as recorded originally on the PDE-414 form

XLS file uploaded.

Quality of Teaching and Other Staff

Position Categories	All Employed per Category	Appropriately Certified	Promoted	Transferred	Terminated	Contracted for Following Year
Chief Academic Officer/Director	1.00	1.00				1.00
Principal						
Assistant Principal						
Classroom Teacher (including Master Teachers)	10.00	10.00	1.00		1.00	9.00
Specialty Teacher (including Master Teachers)	4.00	3.00				4.00
Special Education Teacher (including Master Teachers)	2.00	2.00				2.00
Special Education Coordinator	1.00	1.00				1.00
Counselor						
Psychologist						
School Nurse	1.00	1.00				0.00
Totals	19.00	18.00	1.00	0	1.00	17.00

Further explanation:

The staff retention pattern at The Bucks County Montessori Charter School has remained steady since the school opened in 2000. At BCMCS, the strong sense of community,

common in many Montessori schools, plays a major role in retaining staff. A competitive pay scale and benefit package, similar to that of other local public schools, assists in this outcome.

BCMCS remains committed to finding and keeping the most productive and quantifiable staff constituents. The school is committed to hiring and retaining highly qualified teachers, making it clear that having and retaining a valid teaching certificate for ALL staff remains a priority. To aid in this attempt, the board of trustees rewards highly qualified staff with longevity to the school and profession with multi-year contracts.

Staff has continually been added to meet the needs of the school, whether for student population shifts or for certification requirements [particularly those in the area of special education, as BCMCS evolved into a 'true' Inclusion setting]. The following highlights staffing patterns in 2013-14:

- 19 Professional Staff members were accounted for during the 2013-14 school year, with all members from our 2011-2012 staff returning
- 95% of our Professional Staff are Highly Qualified, possessing at least PA. Certification for their designated assignment.
- 100% of the Lead Teaching staff hold both PA StMontessori Credentials
- 90% of Professional Staff who began 2013-14 school year fulfilled the entire school year.

Fiscal Matters

Major Fundraising Activities

Major fundraising activities performed this year and planned for next year:

There are three sources of Fundraising for Bucks County Montessori Charter School. The BCMCS Board of Trustees (BOT) Fundraising Comittee raises funds that are directed toward the operating costs of the school and is completely seperate from the fundraising activities of the school's PTA Organization. The BOT Fundraising Committee typically holds meetings throughout the school year. Notices are sent home with children making parents aware of meetings and/or upcoming fundraising activities. BOT Fundraising Committee Fundraisers include:

Kid Stuff Coupon Book Sales
School Spirit Wear Sales
Year Book Sales
Pledge Drive
Ink Cartidge Recycling Program
Cell Phone Reecycling Program
Boxtops For Education
Labels For Education
Shoprite and McCaffrey'sCash Register Receipts
Tyson A Labels
Target Cash Back For Schools

The Following Fundraising Programs Provided by the PTA go toward funding various programs and school activities:

Scholastic Book Fairs
Spring Clothing Drive
Ladies Shopping Night
Bounce U
Barnes & Noble Night
Valentine Day Candy Grams
PTA Membership Drive
School Store

In addition to the above two fundraising sources, our on site child care provider, Kid Time, also holds a two day annual Flea Market and a Corbi's Fundraiser with proceeds donated to the school.

Fiscal Solvency Policies

Changes to policies and procedures to ensure and monitor fiscal solvency:

Pennsylvania School Law requires that public school districts provide an annual operations budget prior to the start of the fiscal year (July 1). BCMCS makes this budget available to the public for review and comment before adopting same by June 30th for the fiscal year beginning July 1 and ending June 30th of the subsequent year. The board is committed to adopting a

budget each year which projects an operating surplus of at least $125,000. The budget also contains contingencies which more than adequately provide for fiscal solvency. The school maintains more than sufficient fund balances and adequate resources are available to assist in the achievement of the school's mission, goals and academic standards.

All budgets and financial records are audited by an independent Certified Public Accountant firm in accordance with generally accepted auditing standards and a report provided to Pennsbury and PDE accordingly.

Fiscal Solvency Policies

Charter School documents that describe policies and procedures that have been established to ensure and monitor fiscal solvency (optional if described in the narrative)

No files have been uploaded.

Accounting System

Changes to the accounting system the charter school uses:

The accounting system used at Bucks County Montessori Charter School is a Quick Books Pro accounting system loaded with a Chart of Accounts that mirrors that of the Pennsylvania Chart of Accounts for Pennsylvania Public Schools. Generally Accepted Accounting Principles are followed for accrual based budgeting, accounting and reporting. The school's financial and budgetary reporting is prepared in accordance with GAAP and applicable standards set by the Governance Accounting Standards Board. All budget and financial reporting requirements are completed in a timely fashion and delivered to the appropriate state departments. Additionally, the school has an outside independent accounting firm perform a full financial audit on an annual basis. The audit also includes a review of policy and procedures. Checks are presented monthly to the Board of Trustees. The BOT approves all checks written on behalf of the school. The school has always maintained a policy prohibiting school issued credit cards. Bank accounts are reconciled on a monthly basis. The school is solvent.

Preliminary Statements of Revenues, Expenditures & Fund Balances

The completed and CEO signed Fiscal Template – Preliminary Statements of Revenues, Expenditures & Fund Balances

XLSX file uploaded.

Financial Audits

Basics

Audit Firm:	Siegal & Drossner, P.C.
Date of Last Audit:	06/20/2014
Fiscal Year Last Audited:	2012-13

Explanation of the Report

Detailed explanation of the report (if the previous year's report has been submitted.) Any audit report for a school year that precedes this annual report by more than 2 years is not acceptable and may be considered a material violation:

Siegal & Drossner, PC., Certified Public Accountants, served as the school's audit firm. They audited the financial statements, each major fund, and the aggregate fund information of the Bucks County Montessori Charter School, as of and for the school year ended June 30, 2013.

The audit was conducted 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.

Attached is a copy of the audit for the 2012-2013 school year. The 2013-2014 audit is in the process of being completed and results of same will be forwarded to the host district once completed.

Financial Audit Report

The Financial Audit Report, which should include the auditor's opinion and any findings resulting from the audit

PDF file uploaded.

Citations

Financial audit citations and the corresponding Charter School responses

Description	Response

Federal Programs Consolidated Review

Basics

Title I Status:
Date of Last Federal Programs Consolidated Review:
School Year Reviewed:

Federal Programs Consolidated Review Report

The Federal Programs Consolidated Review Report, which should include the Division's opinion and any findings resulting from the audit

No file has been uploaded.

Citations

Federal Programs Consolidated Review citations and the corresponding Charter School responses

Description	Response

Special Education

Chapter 711 Assurances

The LEA agrees to comply with all requirements of Special Education outlined in 22 PA Code Chapter 711 and other state and federal mandates. These include:

Implementation of a full range of services, programs and alternative placements available to the Charter School for placement and implementation of the special education programs in the Charter School.

Implementation of a child find system to locate, identify and evaluate young children and children who are thought to be a child with a disability eligible for special education residing within the Charter School's jurisdiction. Child find data is collected, maintained and used in decision-making. Child find process and procedures are evaluated for their effectiveness. The Charter School implements mechanisms to disseminate child find information to the public, organizations, agencies and individuals on at least an annual basis.

Assurances of students with disabilities are included in general education programs and extracurricular and non-academic programs and activities to the maximum extent appropriate in accordance with an Individualized Education Program.

Following the state and federal guidelines for participation of students with disabilities in state and Charter School-wide assessments including the determination of participation, the need for accommodations and the methods of assessing students for whom regular assessment is not appropriate.

Assurance of funds received through participation in the medical assistance reimbursement program, ACCESS, will be used to enhance or expand the current level of services and programs provided to students with disabilities in this local education agency.

Special Education Support Services

Support Service	Location	Teacher FTE
Cooperating Inclusion Teacher	LE & UE Classroom Settings	3
Learning and Emotional Support Teacher	All Classrooms	1.5

Special Education Contracted Services

Title	Amt. of Time per Week	Operator	Number of Students
Psychological / Academic Evaluations; Emotional Support	0.1 Days	Outside Contractor	10 or fewer
Speech/PT/OT	1 Days	Intermediate Unit	17

Special Education Cyclical Monitoring

Date of Last Special Education Cyclical Monitoring:	07/28/2011
Link to Report (Optional):	Not Provided

Special Education Cyclical Monitoring Report

The Special Education Cyclical Monitoring Report, which should include the Bureau's findings

No file has been uploaded.

Facilities

Fixed assets acquired by the Charter School during the past fiscal year

Fixed assets acquired by the Charter School during the past fiscal year:

During the 2013-14 school year BCMCS leased space located at 219 Tyburn Road in Fairless Hills, Pennsylvania. This facility located at the site provides spacious well maintained grounds, as well as large interior classrooms, more than adequate lighting, administrative offices, library, multi-purpose room and nurse's office. This facility also allows for flexible scheduling and creative science programs, and provides opportunities for the school to host school and fundraising activities on site. It also impacts favorably towards our pursuit of Montessori Accreditation. Furniture and equipment needs are identified and acquired through compliance with any established purchasing procedures. The following are a list of the acquisitions and upgrades made during the last school year:

- 4 ASUS All In One Desk Top Computers for our Lower El Classrooms
  6 Lenovo Think Pads for Upper El
  1 Sony 40" LED TV for Specials Classroom
  8 I Pads for the Lower El Classrooms
  15 Surface Tablets for Upper El
  New Router
  2 Mobile Projectors and screen
  76' Portable Partition for Multi Purpose Room
  7 Video Adapters for projectors
  30 Headsets for Computer Lab
  1 Samsung Moncochrome Laser Printer

The total Charter School expenditures for fixed assets during the identified fiscal year:

$23,574.00

Facility Plans and Other Capital Needs

The Charter School's plan for future facility development and the rationale for the various components of the plan:

BCMCS leases the facility at 219 Tyburn Road under a long term lease agreement which provides for a permanent location until the end of the existing charter. With the demand evidenced by our wait list of students wanting to enroll at Bucks County Montessori Charter School, consideration continues to be given to possible future expansion. Our present facility has expansion capabilities, should it be determined that additional space is needed and the school has budgeted for and has adequate financial resources to accommodate future expansion. At this point we are still in the exploration stage, with the hope of adding up to 7500 sq. ft of space to our present facility to accommodate additional classrooms and multi-purpose facilities.
The educational goal of Bucks County Montessori Charter School is to provide our students with

an individualized educational experience consistent with Montessori pedagogy and principles which support 'learning' by 'doing.' In the technology sector, computer equipment and related skill based programs relate to our core principles and methodologies presenting various opportunities for our students to participate in activities in agreement to applied experiences in the classroom. The technology lessons and activities at BCMCS foster the pursuit of abundant integrated learning experience. Our technology program's central purpose is to empower students to locate information that they can use for knowledge, comprehension, application, and analysis in order to synthesize and evaluate their learning and overall understanding. To physically achieve this purpose, BCMCS supplies, provides and makes available apparatus such as computers, networks, secured connectivity to the Internet, scanners, digital cameras, and appropriate software applications.

BCMCS educators, administration, BOT, parents, students and community recognize that technology and improved learning are inseparable. Our school facility currently has a computer lab where computer classes take place and where students have access to the internet for research. The computer lab was upgraded and expanded from 14 desktop computers to 26 touch screen All In One computers, during the 2012-13 school year.

There are also at least two desk top computers in each Lower Elementary classroom and six lap tops in each Upper Elementary Classroom, all connecting to a robust infrastructure which enhances immediate learning needs. Additional lab tops as well as Ipads were recently added to our classrooms.

It is our intent that the BCMCS web site remains an accurate resource for parents, students, staff and community, becoming an informational tool that shares our Montessori values and informs the school community of all pertinent, relevant and significant current administrative and classroom information. Administratively, we continue to maintain our objective to branch all elements of the school's infrastructure into a programmed system that includes progress reports and purchase order forms, student and staff attendance records, alpha list directories, teacher lesson plans, calendars and behavioral reports through a centralized processing unit. We continue to make great strides in fulfilling this objective.

During the 2013-2014 school year, the bulk of our capital expenditures went toward the following purchases:

4 ASUS All In One Desk Top Computers for our Lower El Classrooms

6 Lenovo Think Pads for Upper El

1 Sony 40" LED TV for Specials Classroom

8 I Pads for the Lower El Classrooms

15 Surface Tablets for Upper El

New Router

2 Mobile Projectors and screen

76' Portable Partition for Multi Purpose Room

7 Video Adapters for projectors

30 Headsets for Computer Lab

1 Samsung Moncochrome Laser Printer

For the upcoming school year, our IT direction is heading toward a sustainable environment where 1 to 1 integration may someday, relatively soon, be possible, especially with future inclusions of a BYOD infrastructure (Windows in the Classroom initiative).

To fulfill the identified needs of our Upper Elementary, as well as our reading and cultural subjects, 15 Windows Surface RT tablets with Office Suite were purchased. In addition to the tablets, a desktop projector with screen was added to one of our Upper Elementary classrooms and two Ipads were added to each of our four Lower Elementary Classrooms Netgear Push 2 TV adapters were also installed on all classroom projectors, allowing teachers to walk freely around their classroom while presenting on their white boards.

For the upcoming school year we will continue to add internet capable devices to get us closer to a 1 to 1 integration of student to technology resources.

Memorandums of Understanding

Organization	Purpose
Memorandum Of Understanding By and Between Falls Township and Bucks County Montessori Charter School	Memorandum of Understanding/Mutual Aid Agreement ========== ===== MEMORANDUM OF UNDERSTANDING BY AND BETWEEN Falls Township _____ (Law Enforcement Authority) and Bucks County Montessori Charter School _____ (School Entity) September 17, 2013 _____ (Date) I. Joint Statement of Concern A. Parties The following Law Enforcement Authority or Authorities enter into and agree to adhere to the policies and procedures contained in this Memorandum of Understanding (hereinafter "Memorandum"):

	• Falls Township Police Department The following School Entity or Entities enter into and agree to adhere to the policies and procedures contained in this Memorandum: • Bucks County Montessori Charter School B. The purpose of this Memorandum is to establish procedures … C. It is further the purpose of this Memorandum to foster a relationship … D. Priorities of the Law Enforcement Authority 1. Investigate all incidents reported … E. Priorities of the School Entity 1. Create safe learning environments… F. Legal Authority 1. The parties to this … II. Notification of Incidents to Law Enforcement A. Mandatory Notification The School Entity shall immediately report … 1. The following offenses under 18 Pa. C.S … 2. The possession, use or … B. Discretionary Notification The School Entity may report to the Law Enforcement Authority … 1. The following offenses under 18 Pa. C.S… 2. Attempt, solicitation or conspiracy to commit any … C. Notification of the Law Enforcement Authority when incident involves… D. Upon notification of the incident to the Law Enforcement Authority… E. Additionally, in anticipation of the need for the Law Enforcement … III. Law Enforcement Authority Response

A. Depending on the totality of the …

1. For incidents in progress…

2. Incidents not in progress:
a. Meet with contact …

3. Incidents involving delayed reporting
a. In the event that a …

B. Custody of Actors

1. Students identified as actors…

2. The investigating …

IV. Assistance of School Entities

A. In Loco Parentis

1. Teachers, Guidance Counselors, Vice Principals and Principals …

B. Notification of Parent or Guardian

1. Taking into consideration the totality of the circumstances…

C. Scope of School Entity's Involvement

1. Victims
a. The Law Enforcement Authority does not need to secure parental …

2. Witnesses
a. The Law Enforcement Authority does not need to secure …

3. Suspects
a. General Principles: Once the Law Enforcement Authority assumes …

4. Conflicts of Interest
a. The parties to this Memorandum recognize …

V. Media Relations

A. Release of information

1. The release of information …

VI. General Provisions

A. This …

	AND NOW, this day of , 2013, the parties hereby acknowledge the foregoing as the terms and conditions of their understanding. Bucks County Montessori School Chief Executive Official [Tony Stango] School Entity Falls Township Chief Law Enforcement Authority Law Enforcement Authority Designee _____

Charter School Annual Report Affirmations

Charter Annual Report Affirmation

I verify that all information and records in this charter school annual report are complete and accurate.

The Chief Executive Officer and the Board of Trustee President of the charter school must sign this verification.

Affirmed by Albert Tenaglia on 7/30/2014

President, Board of Trustees

Affirmed by Tony Stango on 7/24/2014

Chief Executive Officer

Charter School Law Affirmation

Pennsylvania's first Charter School Law was Act 22 of 1997, 24 P.S. § 17-1701-A et seq., which primarily became effective June 19, 1997, and has subsequently been amended.

The Charter School Law provides for the powers, requirements, and establishment of charter schools. The Charter School Law was passed to provide opportunities to teachers, parents, pupils and community members to establish and maintain schools that operate independently from the existing school district structure as a method to accomplish all of the following: (1) improve pupil learning; (2) increase learning opportunities for all pupils; (3) encourage the use of different and innovative teaching methods; (4) create new professional opportunities for teachers; (5) provide parents and pupils with expanded choices in types of educational opportunities that are available within the public school system; and (6) hold charter schools accountable for meeting measurable academic standards and provide the school with a method to establish accountability systems.

The charter school assures that it will comply with the requirements of the Charter School Law and any provision of law from which the charter school has not been exempted, including Federal laws and regulations governing children with disabilities. The charter school also assures that it will comply with the policies, regulations and procedures of the Pennsylvania Department of Education (Department). Additional information about charter schools is available on the Pennsylvania Department's website at: http://www.education.state.pa.us.

The Chief Executive Officer and Board of Trustees President of the charter school must sign this assurance.

Affirmed by Albert Tenaglia on 7/30/2014

President, Board of Trustees

Affirmed by Tony Stango on 7/24/2014

Chief Executive Officer

Ethics Act Affirmation

Pennsylvania's current Public Official and Employee Ethics Act (Ethics Act), Act 93 of 1998, Chapter 11, 65 Pa.C.S. § 1101 et seq., became effective December 14, 1998 and has subsequently been amended.

The Ethics Act provides that public office is a public trust and that any effort to realize personal financial gain through public office other than compensation provided by law is a violation of that trust. The Ethics Act was passed to strengthen the faith and confidence of the people of Pennsylvania in their government. The Pennsylvania State Ethics Commission (Commission) administers and enforces the provisions of the Ethics Acts and provides guidance regarding its requirements.

The regulations of the Commission set forth the procedures applicable to all proceedings before the Commission as well as for the administration of the Statement of Financial Interests filing requirements. See 51 Pa. Code § 11.1 et seq.

The charter school assures that it will comply with the requirements of the Ethics Act and with the policies, regulations and procedures of the Commission. Additional information about the Ethics Act is available on the Commission's website at: http://www.ethics.state.pa.us.

The Chief Executive Officer and Board of Trustees President of the charter school must sign this assurance.

Affirmed by Albert Tenaglia on 7/30/2014

President, Board of Trustees

Affirmed by Tony Stango on 7/24/2014

Chief Executive Officer

CERTIFICATION VERIFICATION FORM___

PDE-414 (Bucks County Montessori Charter School) (2012-2013) (07/27/2013)

Complete the following information for all professional staff members.

Staff No.	Name of employee (List all names in alphabetical order)	PPID# /Certificate # **DO NOT ENTER SSN**	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
1	Bernheim, Audrey		Instructional II Elementary	1st to 3rd	Primary Elementary	1098	100	0
2	Carpenter, Lori		Instructional II Elementary	1st to 3rd	Primary Elementary	1098	100	0
3	Dietmeir, Sandra		Instructional I Elementary	1st to 3rd	Primary Elementary	824	100	0
4	Duffner, Jean		Dual Cert.	1st to 3rd	Primary Elementary	1098	100	0
5	Erickson, Kelly		Instructional II Elementary & Special Ed Administrative	K-6	Special Ed Elementary/LEA	621	100	0
6	Freiling, Michelle		SE Instructional I	4th to 6th	Intermediate Elementary	1098	100	0
7	Melissa Kosmorsky		Emergency School Nurse	K-6	School Nurse	1253	100	0
8	Long, Brian		Admin I & Masters Elementary	K-6	Principal	1631	100	0
9	Lutz, Christopher		Instructional I Elementary	1st to 3rd	Primary Elementary	1098	100	0
10	Mahan, Christina		Dual Cert.	k to 6	Special Ed Elementary	875	100	0
11	McDevitt, Kathrine		Dual Cert.	4th to 6th	Intermediate Elementary	1098	100	0
12	Ashley Orleans		Instructional I Elementary	4 to 6	Intermediate Elementary	1098	100	0
13	Ramus, Jessica		Instructional I Elementary	1st to 3rd	Primary Elementary	1098	100	0
14	Russell, Marina		Instructional II Elementary	K	KF5	1098	100	0
15	Sissom, Shari		Instructional II Elementary	4th to 6th	Intermediate Elementary	1098	100	0
16	Titlow, Jessica		Instructional I Elementary	4th to 6th	Intermediate Elementary	1098	100	0
17	Walter, Sherry		Instructional II Elementary	K-6	Special Ed Elementary	1098	100	0
18	Wittcoff, Stephanie		NA	4th to 6th	Intermediate Elementary	1098	25	75
19	Young, Valerie		Instructional I Elementary	4th to 6th	Intermediate Elementary	1098	100	0

Total Number of Administrators (do not include CEO)__1

Total Number of Teachers_13_ Counselors_ School Nurses_ Others

Total Number of Professional Staff 14

PA Department of Education, 333 Market Street, Harrisburg, PA 17126-0333

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2014

Bucks County Montessori Charter School

Address of School _____219 Tyburn Road, Fairless Hills PA 19030_____

CEO Signature _____Tony Stango_____

REVENUES

6000			**REVENUE FROM LOCAL SOURCES**	$2,216,446.71
6500			**EARNINGS ON INVESTMENTS**	
	6510		Interest on Investments and Interest-Bearing Checking Accounts	$5,361.13
	6520		Dividends on Investments	
	6530		Gains or Losses on Sale of Investments	
	6540		Earnings on Investments in Real Property	
	6590		Other Earnings or Investments	
6600			**FOOD SERVICE REVENUE**	
	6610		Daily Sales - Reimbursable Programs	
	6620		Daily Sales - Non-Reimbursable Programs	
	6630		Special Functions	
	6640		Non-Cash Contributions	
	6650		Price Reduction for Reduced Price and Free Meals (Debit)	
	6690		Other Food Service Revenues	
6700			**REVENUES FROM STUDENT ACTIVITIES**	
	6710		Admissions	
	6720		Bookstore Sales	
	6730		Student Organization Membership Dues and Fees	
	6740		Fees	
	6750		Student Activity - Special Events	
	6790		Other Student Activity Income	$196.00
6800			**REVENUES FROM INTERMEDIARY SOURCES / PASS THROUGH**	
	6810		Revenue from Local Governmental Units	
	6820		Revenue from Intermediary Sources - Commonwealth Funds	
	6830		Revenues from Intermediary Sources - Federal Funds	
	6890		Other Revenues from Intermediary Sources	
6900			**OTHER REVENUE FROM LOCAL SOURCES**	$317.65
	6910		Rentals	
	6920		Contributions & Donations from Private Sources / Capital Contributions	$8,710.88
	6930		Gains or Losses on Sale of Fixed Assets (Economic Resource Measurement Focus Only)	
	6940		Tuition from Patrons	
		6941	Regular Day School Tuition	
		6942	Summer School Tuition	
		6943	Adult Education Tuition	
		6944	Receipts From Other LEAs in Pennsylvania - Education	
		6945	Receipts from Out-of-State LEAs	
		6946	Receipts from Member Districts - AVTS / Special Program Jointure only	
		6947	Receipts from Members of Intermediate Units for Education by Withholding	

		6948	Receipts from Members of Intermediate Units for Direct Contributions	
		6949	Other Tuition from Patrons	
	6950		Unassigned	
	6960		Services Provide Other Local Governmental Units / LEAs	
		6961	Transportation Services Provided Other Pennsylvania LEAs	
		6969	All Other Services Provided Other Governments and LEAs Not Specified Above	
	6970		Services Provided Other Funds	
	6980		Revenue from Community Service Activities	
	6990		Refunds and Other Miscellaneous Revenue	
		6991	Refunds of a Prior Year Expenditure	
		6999	Other Revenues Not Specified Above	$1,586.00
7000			**REVENUE FROM STATE SOURCES**	
7100			BASIC INSTRUCTIONAL AND OPERATING SUBSIDIES	
	7150		Unassigned	
	7160		Tuition for Orphans and Children Placed in Private Homes	
	7180		Staff and Program Development	
7200			REVENUE FOR SPECIFIC EDUCATIONAL PROGRAMS	
	7210		Homebound Instruction	
	7220		Vocational Education	
	7230		Alternative Education	
	7240		Driver Education - Student	
	7250		Migratory Children	
	7260		Workforce Investment Act (WIA)	
	7270		Specialized Education of Exceptional Pupils	
	7280		Adult Literacy	
	7290		Additional Educational Program Revenues	
7300			REVENUES FOR NON-EDUCATIONAL PROGRAMS	
	7310		Transportation (Regular and Additional)	
	7320		Rental and Sinking Fund Payments / Building Reimbursement Subsidy	
	7330		Health Services (Medical, Dental, Nurse, Act 25)	$3,641.70
	7340		Unassigned	
	7350		Sewage Treatment Operations / Environmental Subsidies	
	7360		Safe Schools	
7400			VOCATIONAL TRAINING OF THE UNEMPLOYED	
7500			STATE REVENUE NOT LISTED ELSEWHERE IN THE 7000 SERIES OF ACCOUNTS	
		7502	Dual Enrollment Grants	
		7503	Project 720/High School Reform	
		7599	Other State Revenue Not Listed Elsewhere in the 7000 Series	
7600			REVENUE FOR MILK, LUNCH AND BREAKFAST PROGRAMS	
7800			REVENUE FOR THE COMMONWEALTH'S SHARE OF PAID BENEFITS	
	7810		State Share of Social Security and Medicare Taxes	
	7820		State Share of Retirement Contributions	$90,402.69
7900			REVENUE FOR TECHNOLOGY	
	7910		Educational Technology	
	7990		Other Technology Grants	
8000			**REVENUE FROM FEDERAL SOURCES**	

8100			UNRESTRICTED GRANTS-IN-AID DIRECT FROM THE FEDERAL GOVERNMENT	
	8110		Payments for Federally Impacted Areas - P.L. 81-874	
	8190		Other Unrestricted Federal Grants-in-Aid Direct from the Federal Government	
8200			UNRESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH	
8300			RESTRICTED GRANTS-IN-AID DIRECTLY FROM THE FEDERAL GOVERNMENT	
	8310		Payments for Federally Impacted Areas - P.L. 81-815	
	8320		Energy Conservation Grants - TA and ECM	
	8390		Other Restricted Federal Grants-in-Aid Directly from the Federal Government	
8500			RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA), NO CHILD LEFT BEHIND (NCLB), VOCATIONAL EDUCATION, CHILD NUTRITION AND CAREER EDUCATION PROGRAMS	$25,847.00
	8510		Individuals with Disabilities Education Act (IDEA) and No Child Left Behind (NCLB)	
	8520		Vocational Education	
	8530		Child Nutrition Program	
	8540		Nutrition Education and Training	
	8560		Federal Block Grants	
	8570		Unassigned	
	8580		Child Care and Development Block Grants	
	8590		Unassigned	
8600			RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR DRIVER EDUCATION, ADULT EDUCATION, CETA, HEADSTART, ENERGY CONSERVATION, WORKFORCE INVESTMENT ACT AND OTHER PROGRAMS	
	8610		Homeless Assistance Act	
	8620		Adult Basic Education	
	8640		Headstart	
	8650		Unassigned	
	8660		Workforce Investment Act (WIA)	
	8670		Unassigned	
	8680		Unassigned	
	8690		Other Restricted Federal Grants-in-Aid through the Commonwealth	
8800			MEDICAL ASSISTANCE REIMBURSEMENTS	
9000			**OTHER FINANCING SOURCES**	
9100			SALE OF BONDS	
	9110		Bond Issue Proceeds (Gross)	
	9120		Proceeds from Refunding of Bonds	
9200			PROCEEDS FROM EXTENDED TERM FINANCING	
9300			INTERFUND TRANSFERS	
	9310		General Fund Transfers	
	9320		Special Revenue Fund Transfers	
	9330		Capital Projects Funds Transfers	
	9340		Debt Service Fund Transfers	

	9350		Enterprise Fund Transfers	
	9360		Internal Service Fund Transfers	
	9370		Trust and Agency Fund	
	9380		Activity Fund Transfers	
	9390		Permanent Fund Transfers	
9400			SALE OF OR COMPENSATION FOR LOSS OF FIXED ASSETS	
9500			Unassigned	
9600			Unassigned	
9700			TRANSFERS INVOLVING COMPONENT UNITS AND PRIMARY GOVERNMENTS	
	9710		Transfers from Component Units	
	9720		Transfers from Primary Governments	
9800			INTRAFUND TRANSFERS IN	
	9810		General Fund Intrafund Transfers	
	9820		Special Revenue Intrafund Transfers	
	9840		Debt Service Intrafund Transfers	
	9850		Enterprise Intrafund Transfers	
	9860		Internal Service Intrafund Transfers	
	9870		Trust and Agency Intrafund Transfers	
	9880		Activity Interfund Transfers	
TOTAL REVENUES				$2,352,509.76

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2014

Name of School ____Bucks County Montessori Charter School_____

Address of School ___219 Tyburn Rd., Fairless Hills, PA 19030_____

CEO Signature _____Tony Stango_____

Note-Expenditures may be submitted EITHER as accrual or cash basis

EXPENDITURES

1000		**INSTRUCTION**	
1100		REGULAR PROGRAMS - ELEMENTARY / SECONDARY	$838,584.03
1200		SPECIAL PROGRAMS - ELEMENTARY / SECONDARY	$462,388.68
1300		VOCATIONAL EDUCATION	
1400		OTHER INSTRUCTIONAL PROGRAMS - ELEMENTARY / SECONDARY	$38,017.96
1600		ADULT EDUCATION PROGRAMS	
1700		HIGHER EDUCATION PROGRAMS	
1800		PRE-KINDERGARTEN	
2000		**SUPPORT SERVICES**	
2100		SUPPORT SERVICES - PUPIL PERSONNEL	
	2110	Supervision of Pupil Personnel Services	
	2120	Guidance Services	
	2130	Attendance Services	
	2140	Psychological Services	
	2150	Speech Pathology and Audiology Services	
	2160	Social Work Services	
	2170	Student Accounting Services	
	2190	Other Pupil Personnel Services	
2200		SUPPORT SERVICES - INSTRUCTIONAL STAFF	$73,709.16
	2210	Supervision of Educational Media Services	
	2220	Technology Support Services	
	2230	Educational Television Services	
	2240	Computer-Assisted Instruction Support Services	
	2250	School Library Services	
	2260	Instruction and Curriculum Development Services	
	2270	Instructional Staff Professional Development Services	
	2280	Nonpublic Support Services	
2300		SUPPORT SERVICES - ADMINISTRATION	$374,886.18
	2310	Board Services	
	2320	Board Treasurer Services	
	2340	Staff Relations and Negotiations Services	
	2350	Legal Services	
	2360	Office of the Superintendent (Executive Director) Services	
	2370	Community Relations Services	

	2380	Office of the Principal Services	
	2390	Other Administration Services	
2400		SUPPORT SERVICES - PUPIL HEALTH	$36,807.43
2500		SUPPORT SERVICES - BUSINESS	$72,458.61
	2510	Fiscal Services	
	2520	Purchasing Services	
	2530	Warehousing and Distributing Services	
	2540	Printing, Publishing and Duplicating Services	
	2590	Other Support Services - Business	
2600		OPERATION AND MAINTENANCE OF PLANT SERVICES	$276,376.44
	2610	Supervision of Operation and Maintenance of Plant Services	
	2620	Operation of Buildings Services	
	2630	Care and Upkeep of Grounds Services	
	2640	Care and Upkeep of Equipment Services	
	2650	Vehicle Operations and Maintenance Services (Other than Student Transportation Vehicles)	
	2660	Security Services	
	2690	Other Operation and Maintenance of Plant Services	
2700		STUDENT TRANSPORTATION SERVICES	
	2710	Supervision of Student Transportation Services	
	2720	Vehicle Operation Services	
	2730	Monitoring Services	
	2740	Vehicle Servicing and Maintenance Services	
	2750	Nonpublic Transportation	
	2790	Other Student Transportation Services	
2800		SUPPORT SERVICES - CENTRAL	
	2810	Planning, Research, Development and Evaluation Services	
	2820	Information Services	
	2830	Staff Services	
	2840	Data Processing Services	
	2850	State and Federal Agency Liaison Services	
	2860	Management Services	
	2890	Other Support Services Central	
2900		OTHER SUPPORT SERVICES - CENTRAL	$54,701.02
	2990	Pass-Thru Funds	
3000		**OPERATION OF NON-INSTRUCTIONAL SERVICES**	
3100		FOOD SERVICES	
3200		STUDENT ACTIVITIES	
	3210	School Sponsored Student Activities	
	3250	School Sponsored Athletics	
3300		COMMUNITY SERVICES	
	3310	Community Recreation	
	3320	Civic Services	
	3330	Public Library Services	
	3340	Custody and Child Care	
	3350	Welfare Activities	
	3390	Other Community Services	
3400		SCHOLARSHIPS AND AWARDS	

4000		**FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES**	$7,172.69
4100		SITE ACQUISITION SERVICES - ORIGINAL AND ADDITIONAL	
4200		EXISTING SITE IMPROVEMENT SERVICES	
4300		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPEICIFICATIONS DEVELOPMENT - ORIGINAL AND ADDITIONAL	
4400		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS - IMPROVEMENTS	
4500		BUILDING ACQUISITION AND CONSTRUCTION SERVICES - ORIGINAL AND ADDITIONAL	
4600		EXISTING BUILDING IMPROVEMENT SERVICES	
5000		**OTHER EXPENDITURES AND FINANCING USES**	$7,552.59
5100		DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES	
5200		FUND TRANSFERS	
5300		TRANSFERS INVOLVING COMPONENT UNITS	
5400		INTRAFUND TRANSFERS OUT	
5800		SUSPENSE ACCOUNT	
5900		BUDGETARY RESERVE	
TOTAL EXPENDITURES			$2,242,654.79

TOTAL REVENUES MINUS TOTAL EXPENDITURES = CURRENT FUND BALANCE AS OF JUNE 30, 2014 $109,854.97

Bucks County Montessori Charter School

Financial Statements
And
Independent Auditor's Report

Year Ended June 30, 2013

Bucks County Montessori Charter School
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Year Ended June 30, 2013

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SD Associates P.C.
Certified Public Accountants & Business Advisors

Independent Auditor's Report

To the Board of Trustees
Bucks County Montessori Charter School
Fairless Hills, PA

We have audited the accompanying financial statements of the governmental activities and each major fund of Bucks County Montessori Charter School (the School), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

tel 215.517.5600 ■ fax 215.517.5610 ■ 300 Yorktown Plaza ■ Elkins Park, PA 19027 ■ www.sdaccounting.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Bucks County Montessori Charter School as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 20, 2014, on our consideration of Bucks County Montessori Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Bucks County Montessori Charter School's internal control over financial reporting and compliance.

SD Associates P.C.

Certified Public Accountants
Elkins Park, Pennsylvania

June 20, 2014

Bucks County Montessori Charter School
Management's Discussion and Analysis
June 30, 2013

The Board of Trustees of Bucks County Montessori Charter School (the School) offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

Financial Highlights

- At the close of the current fiscal year, the School reports an ending governmental fund balance of $1,409,735. This balance was the result of a $79,634 deficit for the year ended June 30, 2013.
- The School's cash balance at June 30, 2013 was $1,478,7461 representing an increase of $35,351 from June 30, 2012.
- The School's charter was renewed for five years effective July 1, 2014.
- During July 2012 the line of credit note was paid off (Note 5).
- On July 31, 2013 the mortgage was refinaced and the School's lease was amended (Note 11).

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise three components: Management's Discussion and Analysis (this section), the basic financial statements, and supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the components (assets and deferred outflows of resources, less liabilities and deferred inflows of resources) reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report on the function of the School that is principally supported by

Overview of the Financial Statements (Continued)

Fund Financial Statements

A *fund* is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School has the following types of governmental funds:

Most of the School's basic services are reported in the general fund, which focuses on how money flows into and out of that fund and the balances left at year-end that are available for spending. The fund is reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year. The special revenue fund represents the activities of BCMCS-RE, Inc., a component unit which owns and operates the School's facility.

Notes to the Financial Statements

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

Supplementary Information

The governmental fund budgetary comparison schedule is presented for purposes of additional analysis.

Government-Wide Financial Analysis

Management has adopted Governmental Accounting Standards Board (GASB) Statement 34 which requires a comparative analysis of current and prior periods.

	2013	2012
Assets		
Current assets	$ 1,715,410	$ 1,702,257
Capital assets, net	5,160,754	5,301,030
	6,876,164	7,003,287
Liabilities	2,814,059	3,178,542
Net Position	$ 4,062,105	$ 3,824,745

Government-Wide Financial Analysis (Continued)

As noted earlier, net position may serve over time as a useful indicator of a school's financial position. In the case of the School, assets exceeded liabilities by $4,062,105 as of June 30, 2013, an increase of $237,360 from June 30, 2012.

The School's revenues are predominately from local area school districts based on the student enrollment. For the year ended June 30, 2013, the School's total revenue of $2,584,972 exceeded total expenditures of $2,347,612 by $237,360, a decrease of $109,755 as compared to the preceding year.

	2013	2012
Revenues		
Program revenues		
Local educational agency assistance	$ 2,462,116	$ 2,447,682
State sources	71,616	68,218
Federal sources	25,847	22,363
Other sources	16,207	12,515
General revenues		
Interest income	9,186	9,007
Total revenues	2,584,972	2,559,785
Expenditures		
Instruction	1,195,165	1,118,174
Support services	731,651	656,492
Noninstructional	62,996	61,710
Depreciation-unallocated	173,624	168,933
Interest expense	184,176	207,361
Total expenditures	2,347,612	2,212,670
Change in net position	237,360	347,115
Net position, beginning	3,824,745	3,477,630
Net position, ending	$ 4,062,105	$ 3,824,745

Governmental Fund

The focus of the School's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

The School's governmental funds reported an ending fund balance of $1,409,735.

Budget Variations

Actual revenues represent an increase budgeted revenues of $49,216 due to increases (decreases) as follows:

Local educational agency assistance	$ 53,541
Other sources	(23,288)
State sources	13,116
Federal sources	5,847
	$ 49,216

Actual expenditures decreased $125,531 from the budget, due to increases (decreases) as follows:

Instructional services	$ (61,835)
Support services	(30,877)
Noninstructional services	13,833
Capital outlays	(46,652)
	$ (125,531)

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2013, the School's investment in capital assets for its governmental activities totaled $5,156,754 (net of accumulated depreciation and amortization). This investment in capital assets includes buildings and improvements and equipment and furniture.

Additional information on the School's capital assets can be found in Note 4 of this report.

Long-Term Debt

The School has long-term debt of $2,508,384 (see Notes 5 and 11).

Economic Factors and Next Year's Budgets and Rates

The School's primary source of revenue, the per student subsidy provided by the local area school districts, is expected to remain unchanged for fiscal year 2013-2014.

Future Events that will Financially Impact the School

Except as listed in the above economic factors, there are no known additional future events that will financially impact the school.

Contacting the School's Financial Management

The financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to the Chief Executive Officer, Bucks County Montessori Charter School, 219 Tyburn Road, Fairless Hills, PA 19030.

Bucks County Montessori Charter School
Statement of Net Position
June 30, 2013

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	$ 1,478,461
Local school districts receivable	194,439
State subsidies receivable	16,663
Federal subsidies receivable	25,847
Total current assets	1,715,410
Property and equipment, net	5,156,754
Finance fee, net	4,000
Total assets	6,876,164
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	305,675
Current portion of mortgage payable	69,093
Total current liabilities	374,768
Long-term portion of mortgage payable	2,439,291
Total liabilities	2,814,059
Net Position	
Unrestricted	1,409,735
Invested in capital assets, net of related debt	2,652,370
Total net position	$ 4,062,105

See accompanying notes to financial statements.

Bucks County Montessori Charter School
Statement of Activities
Year Ended June 30, 2013

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction	$ 1,195,165	$ 1,295,437	$ 77,716	$ 177,988
Support services	731,651	1,166,679	19,747	454,775
Noninstructional services	62,996	-	-	(62,996)
Depreciation and amortization-unallocated	173,624	-	-	(173,624)
Interest expense	184,176	-	-	(184,176)
Total governmental activities	$ 2,347,612	$ 2,462,116	$ 97,463	211,967
General Revenues				
Contributions and other income				16,207
Interest income				9,186
Change in net position				237,360
Net Position - Beginning of Year				3,824,745
Net Position - End of Year				$ 4,062,105

See accompanying notes to financial statements.

Bucks County Montessori Charter School
Balance Sheet-Governmental Funds
June 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 1,268,182	$ 210,279	$ 1,478,461
Local school districts receivable	194,439	-	194,439
State subsidies receivable	16,663	-	16,663
Federal subsidies receivable	25,847	-	25,847
	1,505,131	210,279	1,715,410
Note receivable	2,128,269	(2,128,269)	-
Total assets	$ 3,633,400	$ (1,917,990)	$ 1,715,410
Liabilities			
Accounts payable and accrued expenses	269,845	35,830	305,675
	269,845	35,830	305,675
Fund Balance (Deficit)			
Unassigned	3,363,555	(1,953,820)	1,409,735
Total fund balance (deficit)	3,363,555	(1,953,820)	1,409,735
Total liabilities and fund balance (deficit)	$ 3,633,400	$ (1,917,990)	$ 1,715,410

See accompanying notes to financial statements.

Bucks County Montessori Charter School
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2013

Total Fund Balance for Governmental Funds		$ 1,409,735
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Building and improvements	5,923,193	
Equipment	374,952	
Finance fee	5,000	
Accumulated depreciation and amortization	(1,142,391)	
		5,160,754
Long-term liabilities that pertain to governmental funds, including notes payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year end are:		
Mortgage payable		(2,508,384)
Total Net Position of Governmental Activities		$ 4,062,105

See accompanying notes to financial statements.

Bucks County Montessori Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds
Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Local education agency assistance	$ 2,462,116	$ -	$ 2,462,116
Federal sources	25,847	-	25,847
State sources	71,616	-	71,616
Rental income	-	344,722	344,722
Interest income	64,005	274	64,279
Other sources	16,207	-	16,207
Total revenues	2,639,791	344,996	2,984,787
Expenditures			
Instruction	1,195,165	-	1,195,165
Support services	1,076,373	-	1,076,373
Noninstructional services	13,833	49,163	62,996
Capital outlay	28,348	5,000	33,348
Debt service	-	696,539	696,539
Total expenditures	2,313,719	750,702	3,064,421
Net Change in Fund Balance	326,072	(405,706)	(79,634)
Fund Balance (Deficit) - Beginning of Year	3,037,483	(1,548,114)	1,489,369
Fund Balance (Deficit) - End of Year	$ 3,363,555	$ (1,953,820)	$ 1,409,735

See accompanying notes to financial statements.

Bucks County Montessori Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds		$ (79,634)
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 and amortization expense. This is the amount by which capital outlays exceeds depreciation in the current period.		
Capital outlays	33,348	
Depreciation and amortization expense	(173,624)	
		(140,276)
The governmental funds report note proceeds as financing sources, while repayment of note principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. The net effect of these differences in the treatment of notes payable is as follows:		
Repayment of mortgage principal	457,270	
		457,270
Change in Net Position of Governmental Activities		$ 237,360

See accompanying notes to financial statements.

Note 1 Background and Summary of Significant Accounting Policies

Bucks County Montessori Charter School (the School) is a nonprofit organization in Pennsylvania established to operate a charter school in accordance with Pennsylvania Act 22 of 1997. The mission of the School is to provide students from kindergarten through sixth grade with individualized educational experience consistent with Montessori principles. The School is located in Fairless Hills, Pennsylvania. The School's charter was renewed for a five year term effective July 1, 2014.

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

Reporting Entity

The School utilizes Governmental Accounting Standards Board (GASB) Statement Number 39, *Determining Whether Certain Organizations are Component Units,* provides additional guidance to determine whether certain organizations should be reported as component units based on the nature and significance of their relationship with the School.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component unit, BCMCS-RE. Although it is legally separate from the School, BCMCS-RE is reported as if it were part of the primary government because its sole purpose is to manage the facility occupied by the School, and the School is a guarantor of BCMCS-RE's mortgage.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's function are offset by program revenues.

The fund financial statements (governmental fund balance sheet and statement of governmental fund revenues, expenditures and changes in fund balance) report on the School's general fund.

Government-Wide Financial Statements:

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 90 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The funds utilized by the School and brief descriptions of their accounting purposes are as follows:

Governmental Fund - The funds listed below are the funds through which most governmental functions are furnished.

General Fund - The General Fund is the operating fund of the School and accounts for all revenues and expenditures of the School.

Special Revenue Fund - The Special Revenue Fund represents the activities of BCMCS-RE.

Amounts reported as program revenues include a per-student subsidy from local school districts as well as federal and state grants. Internally dedicated resources are reported as general revenues rather than as program revenues.

Method of Accounting

The School has adopted the provision of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements – and Managements' Discussion and Analysis – for State and Local Governments*." Statement 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position and a statement of activities and changes in net position. It requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These calculations are defined as follows:

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Method of Accounting (Continued)

- Invested in capital assets, net of related debt – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

- Restricted – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net position – This component of net position typically includes unrestricted liquid assets.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed for the included program.

Fund Balances - Governmental Funds

The School elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Type*

- Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

- Restricted - included amounts restricted by external sources, such as creditors or grantors, or by constitutional provision or enabling legislation.

- Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees.

- Assigned - includes amounts that the School intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.

- Unassigned - includes all amounts that are not included in other spendable classifications.

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Fund Balances - Governmental Funds (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the General Fund.

The Budgetary Comparison Schedule should present both the original and the final appropriated budgets for the reporting period. The School only has a general fund budget; therefore, the original budget filed and accepted by the Pennsylvania Department of Education is the final budget as well.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Periodically, the School may maintain deposits in excess of the Federal Deposit Insurance Corporation's limit of $250,000 with financial institutions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments with an original maturity of three months or less.

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. The School does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Capital assets of the School are depreciated using the straight-line method over the useful lives of the assets; building and improvements (15-39 years) and furniture and equipment (5-7 years)

Advertising Costs

All costs associated with advertising and promotions are recorded as expenditures in the year incurred.

Income Tax Status

The School and BCMCS-RE are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The School adopted the provisions of ASC 740-10, *Accounting for Uncertainty in Income Taxes.* Management evaluated the School's tax positions and concluded that the School had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The School and BCMCS-RE file a Return of Organizations Exempt from Income Tax annually. The School and BCMCS-RE's returns for 2010, 2011 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Note 2 Cash and Cash Equivalents

The School's cash and cash equivalents balance at June 30, 2013, was $1,478,461. The actual amount of cash on deposit in the School's bank accounts at June 30, 2013 was $1,510,468 of which $460,279 was insured by the Federal Deposit Insurance Corporation (FDIC) and $1,050,189 was uninsured and uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, the School's uninsured deposits may not be returned. The School does not have a policy for custodial credit risk.

Note 3 Receivables

Receivables as of June 30, 2013 consist primarily of subsidies from federal, state and local authorities. All receivables are considered collectible due to the stable condition of these programs.

Note 4 Capital Assets and Finance Fee

Capital asset activity for the year ended June 30, 2013 was as follows:

Note 4 Capital Assets and Finance Fee (Continued)

	Balance, 7/1/12	Additions	Deletions	Balance, 6/30/13
Building and improvements	$ 5,913,062	$ 10,132	-	$ 5,923,194
Equipment	356,735	18,216	-	374,951
	6,269,797	28,348	-	6,298,145
Accumulated depreciation and amortization	968,767	172,624	-	1,141,391
	5,301,030	(144,276)	-	5,156,754

Depreciation and amortization expense for the year ended June 30, 2013 was $172,624.

A finance fee of $5,000 was paid during the year in connection with the refinancing of the mortgage (Note 5). The fee is being amortized over five years. Amortization expense was $1,000 for the year ended June 30,2013.

Note 5 Mortgages Payable

A mortgage note between BCMCS-RE and Beneficial Mutual Savings Bank (the Bank) of $2,508,384 was payable at June 30, 2013. The mortgage was payable $23,939 monthly including interest at 225 basis points above the Federal Home Loan Bank of Pittsburgh's Amortizing Five Year Long-Term Fixed Rate (7.12% at June 30, 2013) and was refinanced on July 31, 2013. The mortgage was secured by the real estate and all other assets, and assignment of all present and future rents (Note 11).

A line of credit note between BCMS-RE and Beneficial Mutual Savings Bank (the Bank) of $359,077 was repaid in full in July, 2012 (Note 7).

Interest expense was $184,176 for the year ended June 30, 2013. Interest expense and interest income of $55,093 from the note between the School and BCMS-RE have been eliminated in the Statement of Activities (Note 7).

Changes in mortgages payable are as follows:

Balance, July 1, 2012	$ 2,965,654
Additions	-
Repayments of principal	(457,270)
Balance, June 30, 2013	$ 2,508,384

Note 6 Funding

The School receives funding from the local area school districts on a monthly basis based on enrollment. The rate of funding per student is determined on an annual basis.

Note 6 Funding (Continued)

The Commonwealth of Pennsylvania makes contributions on behalf of the charter school for the employer's share of retirement payments. The School also receives federal funding under various title programs.

Note 7 Commitments

In February 2006, the School sold twelve acres of open land in Fairless Hills PA, which it had purchased in 2003, to BCMCS-RE, Inc. BCMCS-RE was contracted to build the new school facility which was completed September, 2007. During the construction, the School loaned BCMCS-RE $1,261,390 (note receivable) which included the land purchase of $375,000. The note receivable is supposed to be payable $7,374 monthly including interest at 5% through July, 2032 but no payments were made during the year. As of June 30, 2013, $1,369,192 is outstanding, which includes accrued interest and rent. During the period August, 2007 through June 30, 2009 the School advanced BCMCS-RE additional construction costs of $400,000 which is evidenced by noninterest bearing promissory demand notes. The School also repaid BCMCS-RE line of credit note of $359,077 in July 2012 (Note 5). The aggregate note balance of $2,128,269 at June 30, 2013 was eliminated on the Statement of Net Position.

The School's operating lease agreement with BCMCS-RE was for a period of 25 years and was amended July, 2013 (Note 11). The School was required to pay all real estate taxes, occupancy, insurance, and maintenance. Rent expense was $344,722 for the year ending June 30, 2013. During the year, BCMCS-RE paid certain occupancy costs approximating $45,000 on behalf of the School. The aggregate rent expense (income) of $344,722 at June 30, 2013 was eliminated on the Statement of Activities.

Note 8 Retirement Plan

The School contributes to the Public School Employees' Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Pennsylvania Public School Employees' Retirement System, which provides retirement and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and health care insurance premium assistance to qualifying annuitants. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 PA.C.S. 8101-8535) assigns the authority to establish and amend benefit provisions to the System. The System issues a *Comprehensive Annual Financial Report (CAFR)* that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to the Office of Financial Management, Public School Employees' Retirement System, PO Box 125, Harrisburg, PA 17108-0125. The *CAFR* is also available on the Publications page of the PSERS website.

Note 8 Retirement Plan (Continued)

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members, employers, and the Commonwealth. The rate of contribution for employees ranges from 5.25% - 12.30% depending upon classification and elections of employees. The School's contribution is 12.36%. In accordance with Act 29 of 1994, the Commonwealth of Pennsylvania will pay school entities for contributions made to the System based on the formula in Act 29 of 1994, but not less than one-half of the school entities contributions. The School's contributions to the Plan were $139,481, $92,816 and $56,349 for the years ended June 30, 2013, 2012 and 2011, respectively, which equals 100% of the contractually required contribution as set by State statutes.

Note 9 Grants

The School participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2013 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 10 Risk Management

The 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. The School carries commercial insurance for such risks. There has been no significant reduction in insurance coverage of the School's policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past year.

Note 11 Subsequent Events

On July 31, 2013, BCMCS-RE borrowed $2,600,000 from William Penn Bank and used the proceeds to payoff its former mortgage of $2,514,727 with Beneficial Bank. The mortgage is payable over twenty years at $17,520 per month plus interest at 5.25% from August 1, 2013 to July 31, 2018. Effective August 1, 2018 to July 31, 2019, the interest rate resets to an annual fixed rate based on 4.875 basis points in excess of the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year not greater than 7.25% and not less than 5.25%. Effective from August 1, 2019 to maturity, the interest rate will never be increased or decreased by more than 2% from the preceding twelve months, not to be greater than 11.25% and not less than 5.25%.The mortgage is secured by the real estate and all other assets of BCMCS-RE and the School, and assignment of all present and future rents.

Note 11 Subsequent Events (Continued)

The annual maturities of long-term debt are as follows as of June 30, 2013:

Year ending June 30,	
2014	$ 69,093
2015	79,256
2016	83,518
2017	88,010
2018	84,828
Thereafter	2,195,295
	2,600,000
Less current portion	69,093
	$ 2,530,907

The School's operating lease agreement with BCMCS-RE was amended on July 31, 2013 for a period of twenty years. The School is required to pay all real estate taxes, occupancy, insurance, and maintenance.

Minimum annual rentals for each subsequent to June 30, 2013 are as follows:

Year Ending June 30,	Rental Income (BCMS-RE)	Rental Expense (School)
2014	$ 231,263	$ 231,263
2015	252,287	252,287
2016	252,287	252,287
2017	252,287	252,287
2018	252,287	252,287
Thereafter	3,805,335	3,805,335
Total	$ 5,045,746	$ 5,045,746

Supplementary Information

Bucks County Montessori Charter School
Governmental Fund Budgetary Comparison Schedule
Year Ended June 30, 2013

	Original/Final Budget	Actual Revenues/ Expenditures	Variance With Budget
Revenues			
Local educational agency assistance	$ 2,408,575	$ 2,462,116	$ 53,541
Federal sources	20,000	25,847	5,847
State sources	58,500	71,616	13,116
Interest income	7,000	64,005	57,005
Other sources	96,500	16,207	(80,293)
Total revenues	2,590,575	2,639,791	49,216
Expenditures			
Instruction	1,257,000	1,195,165	61,835
Support services	1,107,250	1,076,373	30,877
Noninstructional services		13,833	(13,833)
Capital outlay	75,000	28,348	46,652
Total expenditures	2,439,250	2,313,719	125,531
Net Change in Fund Balance	151,325	326,072	174,747
Fund Balance, Beginning of Year	3,037,483	3,037,483	-
Fund Balance, End of Year	$ 3,188,808	$ 3,363,555	$ 174,747

See accompanying notes to financial statements.

Other Reports Required By Government Auditing Standards

SD Associates P.C.
Certified Public Accountants & Business Advisors

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Bucks County Montessori Charter School
Fairless Hills, Pennsylvania

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Bucks County Montessori Charter School (the School) as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon, dated June 20, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

SD Associates P.C.

Certified Public Accountants
Elkins Park, Pennsylvania

June 20, 2014