

Green Woods CS

Charter Annual Report

07/01/2013 - 06/30/2014

School Profile

Demographics

119 Rector Street
Philadelphia, PA 19127
(215)482-6337

Phase:	Phase 2
CEO Name:	Jean Wallace
CEO E-mail address:	jwallace@greenwoodscharter.org

Governance and Staff

Leadership Changes

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

Vice Chair of the Board, Dawn Prall George, assumed the leadership role after the resignation of the Board Chair in September 2013. No other leadership changes occurred at the Board level nor at the School Leadership level. The CEO, Dean of Faculty and Students, Coordinator of Curriculum and Instruction, Technology Coordinator and Special Education Coordinator remained in their positions throughout the 2013-14 school year. All have returned for the 2014-15 year.

Board of Trustees Meeting Schedule

Location	Date and Time
176 Conarroe Street	8/28/2013 7:00 PM
176 Conarroe Street	9/3/2013 7:00 PM
176 Conarroe Street	9/25/2013 7:00 PM
176 Conarroe Street	10/23/2013 7:00 PM
176 Conarroe Street	11/21/2013 7:00 PM
468 Domino Lane	2/20/2014 7:00 PM
468 Domino Lane	3/31/2014 7:00 PM
468 Domino Lane	4/23/2014 7:00 PM
468 Domino Lane	5/20/2014 7:00 PM

Professional Staff Member Roster

Linda Wargo	
PA Certified	Yes
Areas of Certification	Elementary Education
Grades Teaching or Serving	1st Grade
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Language Arts, Mathematics, Social Sciences, Writing, Science
Number of Hours Annually Worked in Assignment	40
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

XLSX 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)	20.00	20.00				20.00
Specialty Teacher (including Master Teachers)	3.00	3.00				3.00
Special Education Teacher (including Master Teachers)	3.00	3.00				3.00
Special Education Coordinator	1.00	1.00				1.00
Counselor	1.00	1.00				1.00
Psychologist						
School Nurse	1.00	1.00				1.00
Dean of Faculty and Students	1	1				1
Curriculum and Instruction Coordinator	1	1				1
Totals	32.00	32.00	0	0	0	32.00

Further explanation:

This narrative is empty.

Fiscal Matters

Major Fundraising Activities

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

All of the major fundraising activities are carried out through the school's foundation.

Fiscal Solvency Policies

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

There are no policies or procedures that have changed.

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)

Files uploaded:

- Fiscal Policies.pdf

Accounting System

Changes to the accounting system the charter school uses:

The accounting system is QuickBooks and is loaded with the State Chart of Accounts. Transactions are posted by the Business Manager's Office staffed by experienced school business administrators. A trial balance, statement of revenue and expenditures and a statement of disbursements are prepared monthly. Reports are generated in compliance with State requirements.

Preliminary Statements of Revenues, Expenditures & Fund Balances

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

PDF file uploaded.

Financial Audits

Basics

Audit Firm:	Zelenkofske Axelrod LLC
Date of Last Audit:	12/18/2013
Fiscal Year Last Audited:	2013

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:

The school's auditing firm is Zelenkofske Axelrod LLC. The last audit is dated December 18, 2013 for fiscal year 2012-2013 and has a clean unqualified opinion with no findings. It is impossible to submit an audit for 2013-2014 by August 1, 2014.

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
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Federal Programs Consolidated Review

Basics

Title I Status: No
 Date of Last Federal Programs Consolidated Review: 07/05/2013
 School Year Reviewed: 2013

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

PDF file uploaded.

Citations

Federal Programs Consolidated Review citations and the corresponding Charter School responses

Description	Response
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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
Counselor	Green Woods Charter School	1
Paraprofessional	Green Woods Charter School	3
Special Education Coordinator	Green Woods Charter School	1

Special Education Contracted Services

Title	Amt. of Time per Week	Operator	Number of Students
occupational therapy	3 Hours	Outside Contractor	10 or fewer
psychologist	1 Hours	Outside Contractor	10 or fewer
speech and language	3 Days	Outside	20

therpy		Contractor	
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Special Education Cyclical Monitoring

Date of Last Special Education Cyclical Monitoring:

07/25/2011

Link to Report (Optional):

Not Provided

Special Education Cyclical Monitoring Report

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

PDF file 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:

The school has acquired the following Fixed Assets:

Green Woods Charter School acquired a parcel of land to construct a new school building to accommodate 675 students in 2013. The building consists of approximately 65,000 square feet and includes classrooms, gymnasium, cafeteria, library/media center, science labs and specialty rooms. The majority of construction was completed by December 31, 2013; however, other construction work is still ongoing through June 30, 2014. Financing for the land acquisition, construction, soft costs, furniture, fixtures and equipment was received from a tax exempt bond issue issued on the school's behalf by Philadelphia Authority of Industrial Development in the amount of \$18.5M.

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

\$7,870,673.00

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:

Due to increasing demand for high quality charter school seats and a rising number of students, Green Woods will be tripling student enrollment over the next few years, achieving its capacity of 675 students in 2017. The building project, mostly completed in December, consists primarily of the construction of a 60,000 square feet, three story facility covering approximately 2.5 acres of a 5.5 acre site. The site is just southwest of the intersection of Ridge Avenue and Domino Lane, which are main arteries of public transportation. In addition to the school building itself, the finished project includes 50 parking spaces, room for on-site stacking of approximately fifteen buses, and designated space for vehicular drop-off and pick-up. The site's varying topography is being developed for outdoor learning "laboratories", reflecting the School's rigorous environmental science based curriculum. The site exceeds the City's requirements for managing storm water. The school building houses 27 regular classrooms (3 sections per grade), plus two classrooms each for art and for music, four classrooms for science, and six flexible special classrooms. There is also a technology center, which is used for active research and to develop the knowledge and skills necessary to interact in a 21st century global society. In order to encourage informal gathering, there are several indoor common areas, including the first floor multi-use (lunchroom, school assemblies, etc.) space at the School's main entrance. The gymnasium will open onto this multi-use space, maximizing flexibility and usage. The facility also includes a nurse's room, as well as administrative space. The design is modern, with flexibility in mind, so it will serve the School's students as teaching evolves over the years. The entire building is equipped for up-to-date technology, security and life safety. The outdoor "learning lab" includes aquatic habitats (pond, stream, wetland), along with a

greenhouse, tree bridge, native songbird habitat, butterfly garden, as well as an amphitheater carved into the natural terrain, that serves as an outdoor learning space. The building was completed for occupancy in January, 2014. The new facility presents strategic advantages for the school, including:

- More centrally located to the majority of students.
- More controlled and safe indoor and outdoor learning area.
- Additional special-use space allows for expanded and enhanced teaching and learning.
- Ability to introduce and host after-school clubs and activities.
- Students in grades 1-8 will continue to be eligible for bussing from the School District of Philadelphia based on SDP guidelines.
- Relative proximity of SEPTA public transportation: the nearest bus stop is one-half block away, whereas the nearest bus stop to the prior facility was two miles away.
- Ease of ingress/egress for drivers dropping off children (in contrast to prior facility).

Memorandums of Understanding

Organization	Purpose
Philadelphia Police Department	School Safety

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 Dawn Prall-George on 7/31/2014

President, Board of Trustees

Affirmed by Jean Wallace on 7/30/2014

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 Dawn Prall-George on 7/31/2014

President, Board of Trustees

Affirmed by Jean Wallace on 7/30/2014

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 Dawn Prall-George on 7/31/2014

President, Board of Trustees

Affirmed by Jean Wallace on 7/30/2014

Chief Executive Officer

CERTIFICATION VERIFICATION FORM

PDE-414

Complete the following information for all professional staff members.

Staff No.	Name of employee (List all names in alphabetical order)	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assignment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignmen t	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
1	Baldwin, Katherine	Yes	Special Education	K-2	Special Education Teacher / RTI	40	100%	0%
2	Bartholomew, Jenna	Yes	Elem. Ed. K-6	K	Classroom Teacher	40	100%	0%
3	Bradley, Donald	Yes	Elem. Ed. K-6	grade 5-6	Lang Arts/Social Studies	40	100%	0%
4	Ebert, Michelle	Yes	School Nurse	grade 3-8	School Nurse	20	100%	0%
5	Ferrante, Joseph	Yes	Elem. Ed. K-6	2	Classroom Teacher	40	100%	0%
6	Fry, Wendy	Yes	Elem. Ed. K-6	1	Classroom Teacher	40	100%	0%
7	Geist, Kathleen	Yes	K-12 Env. Sci/Mid Sci.	grades 5-8	Classroom Teacher Science	40	100%	0%
8	Holloway, Lauren	Yes	Elem. Ed. K-5	4	Classroom Teacher	40	100%	0%
9	Hunsberger, Christopher	Yes	Physical Education	K-8	Physical Education Teacher	40	100%	0%
10	Kelly, Kaitlin	Yes	Elem. Ed. K-6	2	Classroom Teacher	40	100%	0%
11	Khalsa, Simrit	Yes	Elementary Education K-6 Environmental Education K-12 Special Education N-12 Middle School Math 7-9 Middle School English Language Arts 7-9	3	Classroom Teacher	40	100%	0%
12	Kidd, Mandi	Yes	Elem. Ed. K-6, Middle Years Eng	K-8	Literacy Coach	20	100%	0%
13	Knowles, Gina	Yes	Elem. Ed. K-6; Principal K-12; Mental and or Physically Handicapped; Supervisor special ed.	K-8	Special Education Coordinator	40	100%	0%
14	Langdon, Kate	Yes	Elem. Ed. K-6; C&I	K-8	Curriculum & Instruction Coordinator	40	100%	0%
15	Lilholt, Addison	Yes	General Science; K-12 Env. Sci.	grades 3-5	Classroom Teacher Science	40	100%	0%
16	Lowell, Tracey	Yes	Elem. Ed. K-6	K	Classroom Teacher	40	100%	0%
17	Mail, Barbara	Yes	Art K-12; Elem. Ed. K-6	K-8	Art	40	100%	0%

18	Masterson, Steven C.	Yes	Elem. Ed. K-6; Principal K-12	K-8	Dean of Faculty and Students	40	100%	0%
19	McKenzie, Elizabeth	Yes	Early Childhood; Elem. Ed. K-6	2	Classroom Teacher	40	100%	0%
20	McNichol, Anne Marie	Yes	Spec. Ed. N-12	K-8	Reading Sped/Support	40	100%	0%
21	Meyers, Jillian	Yes	Elem. Ed. K-6	3	Classroom Teacher	40	100%	0%
22	Millison, Martha	Yes	Elementary School Counselor; Secondary School Counselor	K-8	School Counselor	40	100%	0%
23	Minturn, John	Yes	Elem. Ed. K-6, Biology, Mid Level Math 7-9	K-8	Math	40	100%	0%
24	Murphy, Jennifer	Yes	Elementary Ed. K-6	1	Classroom Teacher	40	100%	0%
25	Palumbo, Jaclyn	Yes	Special Education	6-8	Special Education	40	100%	0%
26	Perri, Nicole	Yes	Elem. Ed. K-6	K	Classroom Teacher	40	100%	0%
27	Serwinski, Stacy	Yes	Elem. Ed. K-6	3	Classroom Teacher	40	100%	0%
28	Skladaitis, Kristina	Yes	Elem. Ed. K-6	K-2	Classroom Teacher	40	100%	0%
29	Starke, Nicole	Yes	Instruc. Tech. Spec.	K-8	Technology Teacher	40	100%	0%
30	Sylvan, Daniel	Yes	Elem. Ed. K-6; Spec. Ed N-12	4	Classroom Teacher	40	100%	0%
31	Vitello, Julia	Yes	Elem. Ed. K-6, Mid Level Eng, Mid Citiz 7-9	grades 7-8	Lang Arts/Social Studies	40	100%	0%
32	Wainwright, Mary Frances	Yes	School Nurse	K-2	Nurse	40	100%	0%
33	Wallace, Jean	Yes	Suprvr C&I, Elem. Ed. K-6, Environ Ed. K-12	K-8	CEO	40	100%	0%
34	Wargo, Linda	Yes	Elem. Ed. K-6	1	Classroom Teacher	40	100%	0%
35	Zabrodski, Michael	Yes	Music	K-8	Music	40	100%	0%
36								
37								
38								
39								
40								

Total Number of Administrators (do not include CEO) 1

Total Number of Teachers _26_____ Counselors _1_____ School Nurses _2_____ Others _3_____

Total Number of Professional Staff _35_____



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION
333 MARKET STREET
HARRISBURG, PA 17126-0333
www.education.state.pa.us

Bureau of Special Education
717-783-6913

FAX: 717-783-6139

February 24, 2011

Mrs. Jean Wallace
CEO
Green Woods CS
8480 Hagy's Mill Road
Philadelphia, Pa 19128

Dear Mrs. Wallace:

Enclosed is the Report of Findings presenting results of the cyclical monitoring which was conducted by the Bureau of Special Education (BSE) in the Green Woods CS the week of January 19, 2011.

The Executive Summary is arranged in two parts and includes an Appendix. PART I presents the Summary of Findings including an explanation of the review process and general findings. PART II describes the corrective action process. A description identifying findings of noncompliance, corrective action required, improvement planning needed, and results of interviews of staff and parents can be found in the Appendix. As you can see from the Executive Summary, some files had items out of compliance; however, in all cases, systemic compliance was at 90% or greater. The Bureau of Special Education identifies systemic corrective action when less than 90% compliance is identified. Therefore, no systemic corrective action is required at this time. This is an outstanding achievement and your charter school is commended for attaining such a level of compliance. It is certainly my hope that the charter school continues its efforts to maintain this level of compliance.

Please convey my thanks to all staff who participated in the review. Their time and assistance is appreciated. If you have any questions about this report, contact Maria Mardula, the Chairperson of the compliance monitoring team.

Sincerely,

John J. Tommasini
Director

Enclosures: Executive Summary
Appendix: Detailed Report of Findings, Including Corrective Actions Required

CC: Chairperson
Jill Deitrich
SD Monitoring File

GREEN WOODS CHARTER SCHOOL
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2013 AND 2012

GREEN WOODS CHARTER SCHOOL
YEARS ENDED JUNE 30, 2013 AND 2012

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Green Woods Charter School
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of governmental activities and the major fund of Green Woods Charter School ("the School") as of and for the years ended June 30, 2013 and 2012, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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 Green Woods Charter School as of June 30, 2013 and 2012 and the respective changes in financial position for the years 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 on pages 3 through 6 and 28 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

As described in Note 1 to the financial statements, in 2013 Green Woods Charter School adopted the provisions of Governmental Accounting Standards Board's Statement No. 61, "The Financial Reporting Entity: Omnibus," Statement No. 62, "Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position," and Statement No. 65, "Items Previously Reported as Assets and Liabilities."

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013, on our consideration of Green Woods Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in assessing the results of our audit.

GREEN WOODS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

The Board of Trustees of Green Woods 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

- Total revenues, as shown on the statement of revenues, expenditures, and changes in fund balance, for the year ended June 30, 2013 were \$4,350,965 which was an increase of \$1,669,952 over the prior year. The increase was primarily due to an increase in the School District of Philadelphia subsidy in the amount of \$1,351,273. There was an increase in students per the growth plans noted on page 6.
- At the close of the current fiscal year, the General Fund reported an ending fund balance of \$9,803,962. This fund balance increased from the previous year-end fund balance as the result of a \$9,484,059 excess of revenues over expenditures for the year ended June 30, 2013. Bonds were issued so there is substantially more cash.
- The School's cash balance at June 30, 2013 was \$12,676,135, representing an increase of \$12,164,472 from June 30, 2012.

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 four components: Management's Discussion and Analysis (this section), the basic financial statements, budgetary comparison and reports required under *Government Auditing Standards*.

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 and liabilities, with the difference between the two 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 subsidies from school districts whose constituents attend the School.

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 one governmental fund - the general fund.

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.

GREEN WOODS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities exceeded assets by \$510,128 as of June 30, 2013.

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Cash - Unrestricted	\$ 3,108,410	\$ 511,663
Cash - Restricted to Debt Service and CIP	9,567,725	-
State Subsidies Receivable	127,286	63,016
Federal Subsidies Receivable	-	30,589
Due From Other Local Agencies	63,228	26,125
Prepaid Expenses	71,842	67,326
Capital Assets, Net of Accumulated Depreciation	<u>8,185,910</u>	<u>1,733,917</u>
 Total Assets	 <u>21,124,401</u>	 <u>2,432,636</u>
 <u>Liabilities</u>		
Accounts Payable and Due to Students	2,727,970	122,079
Salaries & Benefits Payable	406,559	251,737
Bonds Payable	18,500,000	-
Unearned Revenue	-	5,000
Note Payable	<u>-</u>	<u>1,500,000</u>
 Total Liabilities	 <u>21,634,529</u>	 <u>1,878,816</u>
 <u>Net Position</u>		
Net Investment in Capital Assets	(10,314,090)	233,917
Restricted	9,567,725	-
Unrestricted	<u>236,237</u>	<u>319,903</u>
 Total Net Position	 <u>\$ (510,128)</u>	 <u>\$ 553,820</u>

GREEN WOODS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Government-Wide Financial Analysis (Continued)

The School's revenues are predominately from the School District of Philadelphia, based on the student enrollment. Total revenues for 2013 and 2012 were \$4,350,965 and \$2,681,013, respectively.

Expenses	<u>2013</u>	<u>2012</u>
Instruction	\$ 2,157,973	\$ 1,374,965
Student Support Services	222,290	110,761
Instructional Support Services	83,885	62,310
Administration Support	577,554	494,442
Pupil Health	118,304	74,389
Business Services	71,115	58,621
Operations and Maintenance	668,386	471,855
Debt Service	709,303	-
Bond Closing Costs	774,267	
Non-Instructional Services	<u>31,836</u>	<u>1,649</u>
Total Expenses	<u>5,414,913</u>	<u>2,648,992</u>
Change in Net Position	(354,645)	32,021
Net Position, Beginning	<u>553,820</u>	<u>521,799</u>
Net Position, Ending	<u>\$ 199,175</u>	<u>\$ 553,820</u>

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 fund, the General Fund, reported an ending fund balance of \$9,803,962. For the year ended June 30, 2013, the expenditures, in the amount of \$11,886,906, exceeded revenues, in the amount of \$4,350,965, and Other Financing Sources, in the amount of \$17,000,000, by \$9,484,059.

Governmental Fund Budgetary Highlights

Budgeted revenues exceeded actual by \$6,636 due mainly to school district and other local sources of revenue. Actual expenditures were over budget by \$7,820,440 primarily due to overspending on capital outlay. The expenditures over budget were funded by other financing sources obtained in 2013.

GREEN WOODS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Capital Asset and Debt Administration

As of June 30, 2013, the School's investment in capital assets for its governmental activities totaled \$8,185,910 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, furniture and fixtures, and equipment.

	<u>2013</u>	<u>2012</u>
Furniture and Fixtures	\$ 42,898	\$ 42,898
Building & CIP	8,136,696	1,723,429
Leasehold Improvement	221,184	221,184
Equipment	<u>195,832</u>	<u>140,858</u>
Total	8,596,610	2,128,369
Less Accumulated Depreciation	<u>(410,700)</u>	<u>(394,452)</u>
Capital Assets, Net	<u>\$ 8,185,910</u>	<u>\$ 1,733,917</u>

Additional information on the School's capital assets can be found in Note 3 of this report.

In addition, the School issued bonds in the amount of \$18,500,000 for the purchase and renovation of a new building in October 2012. \$709,303 in interest was paid during 2013. Principal payments are not due to start until 2015. Additional information on the School's debt can be found in Note 10 of this report.

Economic Factors and Next Year's Budgets and Rates

The School's primary source of revenue, the per student subsidy provided by the School District of Philadelphia, will change for the fiscal year 2013-2014. The rate per regular education student will increase from \$8,096 to \$8,597 and the rate per special education will increase from \$19,660 to \$22,242.

Future Events that will Financially Impact the School

The School was approved by the local school district for authorization to increase the maximum enrollment from 225 to 675 students. A decision was received in May 2011. The School has acquired a new building to accommodate the proposed growth in its student body and plans to include some of them in their 2014 school year. They plan to add approximately 75 students per year through 2017.

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 School's Controller, Santilli and Thomson, LLC, 13000 Lincoln Drive West, Suite 302, Marlton, NJ 08053.

GREEN WOODS CHARTER SCHOOL
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Cash - Unrestricted	\$ 3,108,410	\$ 511,663
Cash - Restricted to Debt Service and CIP	9,567,725	-
State Subsidies Receivable	127,286	63,016
Federal Subsidies Receivable	-	30,589
Due From Other Local Agencies	63,228	26,125
Prepaid Expenses	71,842	67,326
Capital Assets, Net of Accumulated Depreciation	<u>8,185,910</u>	<u>1,733,917</u>
Total Assets	<u>21,124,401</u>	<u>2,432,636</u>
<u>Liabilities</u>		
Accounts Payable and Due to Students	2,727,970	122,079
Salaries & Benefits Payable	406,559	251,737
Bonds Payable	18,500,000	-
Unearned Revenue	-	5,000
Note Payable	<u>-</u>	<u>1,500,000</u>
Total Liabilities	<u>21,634,529</u>	<u>1,878,816</u>
<u>Net Position</u>		
Net Investment in Capital Assets	(10,314,090)	233,917
Restricted	9,567,725	-
Unrestricted	<u>236,237</u>	<u>319,903</u>
Total Net Position	<u>\$ (510,128)</u>	<u>\$ 553,820</u>

The accompanying notes are an integral part of the financial statements.

GREEN WOODS CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

Functions	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities			
Instruction	\$ 2,157,973	\$ 256,181	\$ (1,901,792)
Student Support Center	222,290	79,088	(143,202)
Instructional Support Services	83,885	-	(83,885)
Administrative Support	577,554	-	(577,554)
Pupil Health	118,304	-	(118,304)
Business Services	71,115	-	(71,115)
Operations and Maintenance	668,386	-	(668,386)
Debt Service	774,267	-	(774,267)
Bond Closing Costs	709,303	-	(709,303)
Non-Instructional Support	31,836	-	(31,836)
Total Governmental Activities	<u>\$ 5,414,913</u>	<u>\$ 335,269</u>	<u>(5,079,644)</u>
General Revenues			
			213,887
			3,709,038
			<u>92,771</u>
			<u>4,015,696</u>
			(1,063,948)
			<u>553,820</u>
			<u>\$ (510,128)</u>

The accompanying notes are an integral part of the financial statements.

GREEN WOODS CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities			
Instruction	\$ 1,374,965	\$ 206,928	\$ (1,168,037)
Student Support Center	110,761	-	(110,761)
Instructional Support Services	62,310	-	(62,310)
Administrative Support	494,442	-	(494,442)
Pupil Health	74,389	-	(74,389)
Business Services	58,621	-	(58,621)
Operations and Maintenance	471,855	-	(471,855)
Non-Instructional Support	<u>1,649</u>	<u>-</u>	<u>(1,649)</u>
Total Governmental Activities	<u>\$ 2,648,992</u>	<u>\$ 206,928</u>	<u>(2,442,064)</u>
General Revenues			
			115,457
			2,357,765
			<u>863</u>
		Total General Revenue	<u>2,474,085</u>
		Change in Net Position	32,021
		Net Position - Beginning of Year	<u>521,799</u>
		Net Position - End of Year	<u>\$ 553,820</u>

The accompanying notes are an integral part of the financial statements.

GREEN WOODS CHARTER SCHOOL
BALANCE SHEETS – GOVERNMENTAL FUND
JUNE 30, 2013 AND 2012

	<u>General Fund</u>	
	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Assets		
Cash - Unrestricted	\$ 3,108,410	\$ 511,663
Cash - Restricted to Debt Service and CIP	9,567,725	-
State Subsidies Receivable	127,286	63,016
Federal Subsidies Receivable	-	30,589
Due From Other Local Agencies	63,228	26,125
Prepaid Expenses	<u>71,842</u>	<u>67,326</u>
 Total Assets	 <u>\$ 12,938,491</u>	 <u>\$ 698,719</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts Payable and Due To Students	\$ 2,727,970	\$ 122,079
Salaries and Benefits Payable	406,559	251,737
Deferred Revenue	<u>-</u>	<u>5,000</u>
 Total Liabilities	 <u>3,134,529</u>	 <u>378,816</u>
Fund Balance		
Assigned to Prepaid Expenses	71,842	67,326
Unassigned Fund Balance	<u>9,732,120</u>	<u>252,577</u>
 Total Fund Balance	 <u>9,803,962</u>	 <u>319,903</u>
 Total Liabilities and Fund Balance	 <u>\$ 12,938,491</u>	 <u>\$ 698,719</u>

The accompanying notes are an integral part of the financial statements.

GREEN WOODS CHARTER SCHOOL
 RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2013

Total Fund Balances for Governmental Fund	\$ 9,803,962
Total Net Position Reported for Governmental Activities in the Statement of Net Position is Different because:	
Capital Assets used in the governmental fund are not financial resources and therefore, are not reported in the fund. Those assets consist of:	
Furniture and fixtures, Leasehold Improvements, and Equipment, net of accumulated depreciation of \$410,700.	8,185,910
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(18,500,000)</u>
Total Net Position of Governmental Activities	<u>\$ (510,128)</u>

The accompanying notes are an integral part of the financial statements.

GREEN WOODS CHARTER SCHOOL
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2012

Total Fund Position for Governmental Fund	\$ 319,903
Total Net Position Reported for Governmental Activities in the Statement of Net Position is Different because:	
Capital Assets used in the governmental fund are not financial resources and therefore, are not reported in the fund. Those assets consist of:	
Furniture and fixtures, Leashold Improvements, and Equipment, net of accumulated depreciation of \$394,452.	1,733,917
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(1,500,000)</u>
Total Net Position of Governmental Activities	<u>\$ 553,820</u>

The accompanying notes are an integral part of the financial statements.

GREEN WOODS CHARTER SCHOOL
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND
 YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Revenues		
Local Educational Agency Assistance	\$ 3,709,038	\$ 2,357,765
State Sources	213,887	115,457
Federal Sources	256,181	206,928
Other Revenue	<u>92,771</u>	<u>863</u>
Total Revenues	<u>4,271,877</u>	<u>2,681,013</u>
Expenditures		
Instruction	2,141,725	1,360,896
Support Services	1,741,534	1,272,378
Non-Instructional	31,836	1,649
Debt Service	774,267	-
Bond Closing Costs	709,303	
Capital Outlay	<u>6,468,241</u>	<u>1,723,429</u>
Total Expenditures	<u>11,866,906</u>	<u>4,358,352</u>
Excess of Expenditures Over Revenues	<u>(7,595,029)</u>	<u>(1,677,339)</u>
Other Financing Sources/(Uses)		
Proceeds from Notes	-	1,500,000
Repayment of Notes	(1,500,000)	
Proceeds from Bonds	<u>18,500,000</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>17,000,000</u>	<u>1,500,000</u>
Net Change in Fund Balance	9,404,971	(177,339)
Fund Balance - Beginning of Year	<u>319,903</u>	<u>497,242</u>
Fund Balance - End of Year	<u>\$ 9,724,874</u>	<u>\$ 319,903</u>

The accompanying notes are an integral part of the financial statements.

GREEN WOODS CHARTER SCHOOL
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND TO
 THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2013

Net Change in Fund Balance - General Fund \$ 9,484,059

Amounts Reported for Governmental Activities in the Statement of Activities
 are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	6,468,241
Depreciation Expense	(16,248)

The governmental funds report note proceeds as financing sources, while the repayment of the note principal is reported as an expenditure. In the statement of net position, however, the note payable increases long-term liabilities and does not affect the statement of activities and payment of obligation reduces the liability. The net effect of these differences in the treatment of notes is as follows:

Proceeds from Bonds	(18,500,000)
Repayment of Notes	<u>1,500,000</u>

Change in Net Position of Governmental Activities \$ (1,063,948)

GREEN WOODS CHARTER SCHOOL
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND TO
 THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2012

Net Change in Fund Balance - General Fund \$ (177,339)

Amounts Reported for Governmental Activities in the Statement of Activities
 are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	1,723,429
Depreciation Expense	<u>(14,069)</u>

The governmental funds report bond proceeds as financing sources, while the repayment of the bond principal is reported as an expenditure. In the statement of net position, however, the bond payable increases long-term liabilities and does not affect the statement of activities and payment of obligation reduces the liability. The net effect of these differences in the treatment of bonds is as follows:

Proceeds from Bonds	<u>(1,500,000)</u>
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Change in Net Position of Governmental Activities \$ 32,021

GREEN WOODS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Green Woods Charter School (the School) is organized as a nonprofit corporation in Pennsylvania to operate a charter school in accordance with Pennsylvania Act 22 of 1997 and is operating under a recently renewed charter school contract ending on August 31, 2013.

A summary of the School's significant accounting policies which are consistently applied as follows:

A) Reporting Entity

Green Woods Charter School is a nonprofit corporation governed by a board of trustees. 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 of the School's accounting policies are described below.

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report on all of the activities of the School as a whole.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are effected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include Federal contracts for specified instruction related services. State and Local Educational Agency contract revenues and other items not included among program revenues are reported instead as general revenues.

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements:

The government-wide financial statements 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. Program revenues include Title I, Title II and IDEA money received from the Department of Education. Local education agency revenue is school district subsidy money from the City of Philadelphia. State subsidies are reimbursements from the State for rent and retirement costs. Grants and similar items are recognized as soon as all eligibility requirements imposed by provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liability rather than expenditure.

GREEN WOODS CHARTER SCHOOL
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013 AND 2012

NOTE 1 NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (CONTINUED)

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation
 (Continued)

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 365 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Operating grants, capital grants, contributions and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the School receives cash.

Under current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year the resources were expended rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims for judgments, are recorded only when payment is due.

The School reports the following governmental fund:

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

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.

GREEN WOODS CHARTER SCHOOL
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013 AND 2012

NOTE 1 NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (CONTINUED)

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation
 (Continued)

1. Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net assets are categorized as net invested in capital, restricted and unrestricted

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the School, not restricted for any project or other purpose.

The governmental fund financial statements segregate portions of fund balance that are either not available or have been earmarked for specific purposes. Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned.

- *Nonspendable* – This classification includes amounts that cannot be spent either because they are in a nonspendable form such as inventories or prepaid expenses or they are legally or contractually required to be maintained intact.
- *Restricted* - This classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* – This classification includes amounts that can be used only for the specific purposes determined by a resolution of the School's Board of Trustees.
- *Assigned* – This classification includes amounts that are intended to be used by the School for specific purposes, but do not meet the criteria to be classified as restricted or committed. It is the School's policy that the Board of Trustees is authorized to assign amounts to specific purposes.
- *Unassigned* – This classification includes all spendable amounts not contained in other classifications.

GREEN WOODS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013 AND 2012

NOTE 1 NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

1. Net Position/Fund Balances (Continued)

The School typically uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

2. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. An annual budget is adopted for the General Fund.

The Budgetary Comparison Schedule presents both the original and the final appropriated budgets for the reporting period. The budget is required supplementary information.

3. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

4. Receivables

Receivables primarily consist of amounts due from the Pennsylvania Department of Education for federal and state subsidy programs. Accounts receivable are stated at the amount management expects to collect from outstanding balances. As of June 30, 2013 and 2012, no allowance for doubtful accounts was deemed warranted based on historical experience.

5. Cash and Cash Equivalents

The School considers all highly liquid assets with a maturity of three months or less to be cash equivalents. Cash Restricted represents unspent proceeds from the 2013 bond issuance. Such cash is held in the Trustee's accounts to be used for construction and debt service related to the new building.

GREEN WOODS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013 AND 2012

NOTE 1 NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

6. Accounts Payable and Due to Students

Accounts payable and due to students consists of amounts payable to vendors and to student activities at year end.

7. Prepaid Expenses

Prepaid expenses at June 30, 2013 and 2012 include payments to vendors for services applicable to future accounting periods such as rental payments.

8. Capital Assets

Capital Assets, which include furniture, equipment, and leasehold improvements, 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 maintains a threshold level of \$1,500 or more for capitalizing assets. 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; leasehold improvements (2-3 years) and equipment (5 years).

9. Income Tax Status

The School is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Service Code.

10. Adoption of Government Accounting Standards Board Statements

The School adopted the provisions of GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus*." The adoption of this statement had no effect on the reported amounts.

The School adopted the provisions of GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements*." The adoption of this statement had no effect on the reported amounts.

The School adopted the provisions of GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*." The adoption of this statement resulted in the remaining residual measure of all other elements presented in the statement of financial position as "net position," rather than "net assets."

GREEN WOODS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013 AND 2012

NOTE 1 NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The School adopted (early) the provisions of GASB Statement No. 65, *"Items Previously Reported as Assets and Liabilities."* The adoption of this statement has decreased the School's net position and fund balance in 2013.

11. Pending Changes in Accounting Principles

In 2010 the GASB issued Statement No. 60, *"Accounting and Financial Reporting for Service Concession Agreements."* The School is required to adopt Statement No. 60 for its fiscal year 2013/2014 financial statements.

In 2012 the GASB issued Statement No. 66, *"Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62."* The School is required to adopt Statement No. 66 for its fiscal year 2013/2014 financial statements.

In 2012 the GASB issued Statement No. 67, *"Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25."* The School is required to adopt Statement No. 67 for its fiscal year 2013/2014 financial statements.

In 2012 the GASB issued Statement No. 68, *"Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27."* The School is required to adopt Statement No. 68 for its fiscal year 2014/2015 financial statements.

In 2010 the GASB issued Statement No. 69, *"Government Combinations and Disposals of Government Operations."* The School is required to adopt Statement No. 69 for its fiscal year 2014/2015 financial statements.

In 2010 the GASB issued Statement No. 70, *"Accounting and Financial Reporting for Nonexchange Financial Guarantees."* The School is required to adopt Statement No. 70 for its fiscal year 2013/2014 financial statements.

These School has not yet performed the analysis necessary to determine the effect on the School's financial statements.

GREEN WOODS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013 AND 2012

NOTE 2 DEPOSIT RISK

Deposits

Custodial credit risk is the risk that in the event of the failure of the counterparty, the School will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. The School does not have a policy for custodial credit risk. As of June 30, 2013 and 2012, the School's bank balance was exposed to custodial credit risk as follows:

<u>Reconciliation to the Financial Statements</u>	<u>2013</u>	<u>2012</u>
Uninsured and Uncollateralized Amount	\$ 12,082,227	\$ 315,318
Plus: Insured Amount	616,286	250,000
Less: Outstanding Checks	<u>(22,378)</u>	<u>(53,655)</u>
Total Cash Per Financial Statements	<u>\$ 12,676,135</u>	<u>\$ 511,663</u>

Periodically, the School may maintain deposits in excess of the Federal Deposit Insurance Corporation's limit of \$250,000, with financial institutions. Under Pennsylvania ACT 72, financial institutions pledge collateral on a pooled basis to secure public deposits in excess of FDIC insurance limits. The School's accounts are covered by this ACT.

NOTE 3 CAPITAL ASSETS

Capital assets are stated at cost. Depreciation has been calculated on such assets using the straight-line method over the following estimated lives:

Equipment, Furniture & Fixtures	5 Years
Building	30 Years
Leasehold Improvements	2-3 Years

Activity for capital assets by the School for the years ended June 30, 2013 and 2012 is summarized below:

	Balance July 1, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2013</u>
Furniture and Fixtures	\$ 42,898	\$ -	\$ -	\$ 42,898
Building	1,500,000	89,469	-	1,589,469
CIP	223,429	6,323,798	-	6,547,227
Leasehold Improvements	221,184	-	-	221,184
Equipment	<u>140,858</u>	<u>54,974</u>	<u>-</u>	<u>195,832</u>
Total	2,128,369	6,468,241	-	8,596,610
Less: Accumulated Depreciation	<u>(394,452)</u>	<u>(16,248)</u>	<u>-</u>	<u>(410,700)</u>
Capital Assets, Net	<u>\$ 1,733,917</u>	<u>\$ 6,451,993</u>	<u>\$ -</u>	<u>\$ 8,185,910</u>

GREEN WOODS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013 AND 2012

NOTE 3 CAPITAL ASSETS (CONTINUED)

	Balance July 1, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2012</u>
Furniture and Fixtures	\$ 42,898	\$ -	\$ -	\$ 42,898
Building	-	1,500,000		1,500,000
CIP	-	223,429		223,429
Leasehold Improvements	221,184	-	-	221,184
Equipment	<u>140,858</u>	<u>-</u>	<u>-</u>	<u>140,858</u>
Total	404,940	1,723,429	-	2,128,369
Less: Accumulated Depreciation	<u>(380,383)</u>	<u>(14,069)</u>	<u>-</u>	<u>(394,452)</u>
Capital Assets, Net	<u>\$ 24,557</u>	<u>\$ 1,709,360</u>	<u>\$ -</u>	<u>\$ 1,733,917</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	<u>2013</u>	<u>2012</u>
Instruction	<u>\$ 16,248</u>	<u>\$ 14,069</u>

NOTE 4 NOTE PAYABLE

Green Woods Charter School obtained \$1,500,000 in temporary financing to fund the purchase of the \$1,723,429 building which was repaid upon the issuance of bonds in October 2012. When settling on the purchase of the new building, a \$1,500,000 bridge loan was taken at 5.00%. Green Woods Charter School paid a \$37,500 loan commitment fee for the period June 30, 2012 through September 25, 2012 and a loan extension fee of \$15,000 for an additional month before paying the loan off in October, 2012. As of June 30, 2013 and 2012, the amounts outstanding were \$0 and \$1,500,000, respectively.

NOTE 5 LOCAL EDUCATIONAL AGENCY REVENUE

Charter schools are funded by the local public school district in which each student resides. The rate per student is determined annually and is based on the budgeted total expenditure per average daily membership of the prior school year for each school district. The majority of the students for the School reside in Philadelphia. For the years ended June 30, 2013 and 2012, the rate for the School District of Philadelphia was \$8,096 and \$8,773, respectively, per year for regular education students plus additional funding for special education students at a rate of \$19,660 and \$19,423, respectively, per student. The annual rate is paid monthly by the School District of Philadelphia and is prorated if a student enters or leaves during the year. Total revenue from local sources for the fiscal years ended June 30, 2013 and 2012 were \$3,709,038 and \$2,357,765, respectively.

NOTE 6 GOVERNMENT GRANTS AND REIMBURSEMENT PROGRAMS

The School participates in numerous state and federal grant and reimbursement programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs and reimbursement programs for social security taxes, retirement expense, facility lease costs and health services 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 and reimbursement

GREEN WOODS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013 AND 2012

NOTE 6 GOVERNMENT GRANTS AND REIMBURSEMENT PROGRAMS (CONTINUED)

programs, refunds of any money received may be required and the collectability of any related receivable at June 30, 2013 and 2012 may be impaired. In the opinion of the School management, 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 7 PENSION PLAN

The School contributes to the Public School Employees' Retirement System ("the System"), a cost-sharing multi-employer defined benefit pension plan administered by the Pennsylvania Public School Employees' Retirement System, which provides retirement and disability benefits, legislative 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 that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing the Bureau of Fiscal Control, Public School Employees' Retirement System, P.O. Box 125, Harrisburg, Pennsylvania 17108-0125.

Payroll expense for employees covered by the System for the years ended June 30, 2013 and 2012 was approximately \$2,000,000 and \$1,365,000, respectively.

The rate of contribution for employees ranges from 5.25% - 7.5% depending upon classification and elections of employees and the School's contribution. As of June 30, 2013 and 2012, the School's contribution rate was 12.36% and 8.64%, respectively. 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 94, but not less than one-half of the school entities contributions. The School's contributions to the Plan for the years ended June 30, 2013, 2012 and 2011 totaled \$241,264, \$111,675 and \$70,789, respectively, which equals 100% of the contractually required contribution for each year as set by the state.

As of June 30, 2012, the last estimated valuation date, the actuarial value of the assets was \$58,227,622,000 and the accrued liability was \$87,760,660,000. The unfunded accrued liability was \$29,533,038,000. The funded ratio was 66.3%. Three years of the annual required contribution, actual employer contribution and percentage contributed are as follows:

Fiscal Year Ended June 30,	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed
2012	\$ 2,629,244,000	\$ 1,001,140,000	38%
2011	2,436,602,000	647,000,000	27%
2010	1,928,278,000	527,212,000	27%

The actuarial cost method used to determine the amounts above is the entry age method. The amortization method is level dollar, open, over 30 years. The asset valuation method is the 10 year smoothed market method. These methods assume an investment rate of return of 7.5% and projected salaried increases of 5.5%.

GREEN WOODS CHARTER SCHOOL
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013 AND 2012

NOTE 8 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 from the previous year in any of the School's policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years.

NOTE 9 CONTINGENCIES

Grants received are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School expects such amounts, if any, to be immaterial.

NOTE 10 BONDS PAYABLE

In October 2012, the School borrowed \$18,500,000 for improvements and purchase of a building. The bond is payable in annual payments of principal and interest of approximately \$1,200,000 bearing interest ranging from 5.5 – 6.6%. The balance outstanding on the bond was \$18,500,000 at June 30, 2013. The bond matures in June 2042. The School had no long term liabilities as of June 30, 2012.

Following are principal maturities on long-term debt for each of the next five years and thereafter as of June 30, 2013:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ -
2015	220,000
2016	245,000
2017	285,000
2018	320,000
Thereafter	<u>17,430,000</u>
	<u>\$ 18,500,000</u>

Interest expense, net of interest capitalized on construction in process of \$425,001, amounted to \$284,302 for the year ended June 30, 2013. Green Woods has specific financial debt covenants regarding their long term debt. At June 30, 2013, all covenants were met.

GREEN WOODS CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013 AND 2012

NOTE 11 RENTAL AGREEMENT

In September 2006, Green Woods Charter School entered into an agreement to rent a building for the 10 month school year from the Schuylkill Center for Environmental Education. The lease term extended through August 30, 2011. For the year ended June 30, 2012, Green Woods Charter School continued renting the building from the Schuylkill Center for Environmental Education, being billed on a month to month basis in the amount of \$19,082. For the year ended June 30, 2013, the School changed locations and rented from two locations, St. John's and St. Mary's in the amounts of \$9,375 and \$9,656, respectively. Rent Expense for the years ended June 30, 2013 and 2012 was \$218,719 and \$209,849, respectively. These amounts are reported in operation and maintenance expense in the statements of activities.

NOTE 12 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2013, expenditures exceeded appropriations in the general fund by \$7,820,440. These overexpenditures were funded by other financing sources obtained in 2013. For the year ended June 30, 2012, expenditures exceeded appropriations in the general fund by \$1,772,528. These overexpenditures were funded by available fund balance in that fund and higher than anticipated revenues and other financing sources.

NOTE 13 SUBSEQUENT EVENTS

Subsequent events have been evaluated for Green Woods Charter School through the date of the report, December 18, 2013. No matters of audit significance were noted, except for what was noted in the paragraph above. The financial statements of Green Woods Charter School for the year ended June 30, 2013, are available to be issued as of December 18, 2013.

REQUIRED SUPPLEMENTARY
INFORMATION

GREEN WOODS CHARTER SCHOOL
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget (Positive or Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local Sources	\$ 3,937,932	\$ 3,754,063	\$ 3,709,038	\$ (45,025)
State Sources	203,159	223,690	213,887	(9,803)
Federal Sources	388,616	331,140	335,269	4,129
Other Sources	<u>77,250</u>	<u>35,436</u>	<u>92,771</u>	<u>57,335</u>
Total Revenues	<u>4,606,957</u>	<u>4,344,329</u>	<u>4,350,965</u>	<u>6,636</u>
Expenditures				
Instruction	2,132,524	2,148,747	2,141,725	7,022
Support Services	2,358,675	1,897,719	1,741,534	156,185
Non-Instructional Services	-	-	31,836	(31,836)
Debt Service and Bond Closing Costs	-	-	1,483,570	(1,483,570)
Capital Outlay	<u>-</u>	<u>-</u>	<u>6,468,241</u>	<u>(6,468,241)</u>
Total Expenditures	<u>4,491,199</u>	<u>4,046,466</u>	<u>11,866,906</u>	<u>(7,820,440)</u>
Excess of Expenditures Over (Under) Revenues	<u>115,758</u>	<u>297,863</u>	<u>(7,515,941)</u>	<u>(7,813,804)</u>
Other Financing Sources/(Uses)				
Repayment of Notes	-	-	(1,500,000)	1,500,000
Proceeds from Bonds	<u>-</u>	<u>-</u>	<u>18,500,000</u>	<u>(18,500,000)</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>17,000,000</u>	<u>(17,000,000)</u>
Net Change in Fund Balance	<u>\$ 115,758</u>	<u>\$ 297,863</u>	<u>\$ 9,484,059</u>	<u>\$ 9,186,196</u>

GREEN WOODS CHARTER SCHOOL
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget (Positive or Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Local Sources and Other	\$ 2,296,180	\$ 2,338,331	\$ 2,358,628	\$ 20,297
State Sources	171,108	103,944	115,457	11,513
Federal Sources	<u>176,322</u>	<u>176,322</u>	<u>206,928</u>	<u>30,606</u>
Total Revenues	<u>2,643,610</u>	<u>2,618,597</u>	<u>2,681,013</u>	<u>62,416</u>
Expenditures				
Instruction	1,388,481	1,388,481	1,360,896	27,585
Support Services	1,223,243	1,197,343	1,272,378	(75,035)
Non-Instructional Services	-	-	1,649	(1,649)
Capital Outlay	<u>-</u>	<u>-</u>	<u>1,723,429</u>	<u>(1,723,429)</u>
Total Expenditures	<u>2,611,724</u>	<u>2,585,824</u>	<u>4,358,352</u>	<u>(1,772,528)</u>
Excess of Expenditures Over (Under) Revenues	<u>31,886</u>	<u>32,773</u>	<u>(1,677,339)</u>	<u>(1,710,112)</u>
Other Financing Sources/(Uses)				
Proceeds from Notes	-	-	1,500,000	1,500,000
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
Net Change in Fund Balance	<u>\$ 31,886</u>	<u>\$ 32,773</u>	<u>\$ (177,339)</u>	<u>\$ (210,112)</u>

OTHER SUPPLEMENTARY INFORMATION

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
Green Woods Charter School
Philadelphia, 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 the major fund of the Green Woods Charter School as of and for the year ended June 30, 2013, the related notes to the financial statements, which collectively comprise Green Woods Charter School's basic financial statements and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
December 18, 2013

GREEN WOODS CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
JUNE 30, 2013

None



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/21/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Phone: (215) 487-3600 Fax: (215) 487-0424 BOARDMAN-HAMILTON COMPANY 8459 RIDGE AVE 1ST FLOOR PHILADELPHIA PA 19128	CONTACT NAME: Boardman-Hamilton Company PHONE (A/C, No. Ext): (215) 487-3600 FAX (A/C, No): (215) 487-0424 E-MAIL ADDRESS: PRODUCER CUSTOMER ID: 5769																					
INSURED GREEN WOODS CHARTER SCHOOL 119 RECTOR STREET PHILADELPHIA PA 19127	<table border="1"> <thead> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A :</td> <td>Great American Insurance Co of NY</td> <td>22136</td> </tr> <tr> <td>INSURER B :</td> <td>Great American Alliance</td> <td>26832</td> </tr> <tr> <td>INSURER C :</td> <td>Technology Insurance Company</td> <td>42376</td> </tr> <tr> <td>INSURER D :</td> <td>Darwin Select Insurance Company</td> <td>24319</td> </tr> <tr> <td>INSURER E :</td> <td></td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A :	Great American Insurance Co of NY	22136	INSURER B :	Great American Alliance	26832	INSURER C :	Technology Insurance Company	42376	INSURER D :	Darwin Select Insurance Company	24319	INSURER E :			INSURER F :		
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INSURER F :																						

COVERAGES

CERTIFICATE NUMBER: 30695

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Abuse & Molestation Coverage <input checked="" type="checkbox"/> Incidental Malpractice GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			PAC3879004	08/20/13	08/20/14	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED. EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PAC3879004	08/20/13	08/20/14	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000			UMB3879005	08/20/13	08/20/14	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	TWC3324536	08/20/13	08/20/14	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH ER \$ E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE-EA EMPLOYEE \$ 500,000 E.L. DISEASE-POLICY LIMIT \$ 500,000
D	Educators Errors & Omissions			0202-2069	08/20/13	08/20/14	Limit \$5,000,000. Includes EPL, D&O & Teachers Professional Liability

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

(A.) Package Policy # PAC3879004 8-20-2013 TO 8-20-2014 --- Property Coverage situated at 119 Rector St Contents Limit \$169,510. Extra Expense \$500,000, Fire Legal Liability \$1,000,000, and 171 Conarroe St. Contents Limit \$138,690. and 468 Domino Lane Phila., Pa 19128 --Contents \$750,000.

Additional Insured: Pennsylvania Department of Education

CERTIFICATE HOLDER**CANCELLATION**

PENNSYLVAINA DEPARTMENT OF EDUCATION
333 MARKET STREET
HARRISBURG PA 17126

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Attention:

Edward H. Roberts
 Edward H. Roberts

The Charter School maintains fiscal solvency in many ways. The first is by use of QuickBooks for the accounting software which is loaded with the State Chart of Accounts and allows the Business Manager to generate Profit & Loss statements, Balance Sheet and Check Disbursement runs. The system allows for Grant Tracking through the use of fund codes so Profit & Loss statements by Grant can be produced at any time. All accounting transactions are driven by paper form, initially, and then converted to electronic format. Forms are in place for all transactions including, but not limited to, purchase orders, check requests, payroll processing, new employee paperwork, etc. All forms are signed by the CEO and the Controller. The CEO and Controller maintain routine conversation regarding possible changes to the budget. Financials are presented to the CEO and Board President in advance of the Board Meeting after review in the Business Office. Once reviewed and agreed upon they are disbursed to the full Board and presented at the Board meetings.



pennsylvania
DEPARTMENT OF EDUCATION

333 MARKET STREET
HARRISBURG, PA 17126-0333
www.pde.state.pa.us

July 5, 2013

Mrs Jean Wallace
Chief Executive Officer
Green Woods CS
119 Rector Street
Philadelphia, PA 19127

Dear Mrs Wallace:

This letter is to inform you that the Division of Federal Programs has determined that Green Woods CS has maintained fiscal effort when comparing the fiscal year ending June 30, 2011 to the fiscal year ending June 30, 2012. Maintenance of Effort (MOE) references a federal regulation requiring grant recipients to maintain a certain level of state/local fiscal effort in order to be eligible for full participation in federal grant funding. This is important, because if an LEA fails to maintain fiscal effort (measured by aggregate expenditure or per pupil expenditure), the Pennsylvania Department of Education is required to reduce its allocations under Title I, Part A, as well as other federal programs for the appropriate year.

According to your Annual Financial Report, aggregate expenditures from state and local sources were 7.7%. For the same comparison period, per pupil spending from state and local sources were 1.8% during the most recent comparison year (2011-12). One or both of these percentages was within the allowable reduction rate of 10%. Because of this, no action is required, and your LEA is eligible for full participation in federal grant funding for school year 2013-14.

If you have any questions regarding MOE, please contact your Regional Coordinator in the Division of Federal Programs at (717) 783-2193.

Sincerely,

A handwritten signature in black ink that reads "Susan McCrone". The signature is written in a cursive style.

Susan McCrone
Division Chief

cc: Federal Programs Coordinator
2013-14 Project File