BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2016

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bronx Global Learning Institute for Girls,
The Shirley Rodriguez-Remeneski School

Report on the Financial Statements

We have audited the accompanying financial statements of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School, which comprise the statement of financial position as of June 30, 2016, and the related statement of activities and cash flows and functional expenses for year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School as of June 30, 2015, were audited by other auditors whose report dated October 22, 2015 expressed an unmodified opinion on those statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 18, 2016, on our consideration of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski 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 and should be considered in assessing the results of our audits.

Kach Group + Company, LLP
Certified Public Accountants

New York, New York
October 18, 2016

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016
(With Comparative Totals As of June 30, 2015)

ASSETS

	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	$ 6,133,034	$ 4,225,858
Grants and contracts receivable, net	193,217	184,832
Prepaid expenses	1,868	-
Total Current Assets	6,328,119	4,410,690
PROPERTY AND EQUIPMENT, net	69,232	105,018
OTHER ASSETS		
Restricted cash	75,404	75,356
Total Assets	$ 6,472,755	$ 4,591,064

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 112,729	$ 32,838
Accrued payroll and benefits	413,554	383,929
Total Current Liabilities	526,283	416,767
NET ASSETS - UNRESTRICTED	5,946,472	4,174,297
Total Liabilities and Net Assets	$ 6,472,755	$ 4,591,064

See notes to financial statements.

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016
(With Summarized Totals for the Year Ended June 30, 2015)

	2016	2015
UNRESTRICTED NET ASSETS		
REVENUE, GAINS AND OTHER SUPPORT		
Public school district		
Resident student enrollment	$ 6,107,565	$ 5,330,378
Grants and contracts		
State and local	128,790	31,063
Federal - Title and IDEA	255,248	248,497
Federal - other	15,709	-
Food service and child nutrition program	116,916	111,303
In-kind contributions	409,713	438,498
Contributions - foundation/individual/corporation	7,660	4,999
Interest and other income	3,937	4,939
Total Revenue, Gains and Other Support	7,045,538	6,169,677
EXPENSES		
Program Expenses		
Regular education	4,298,432	3,866,522
Special education	480,937	525,744
	4,779,369	4,392,266
Supporting Services		
Management and general	493,994	647,112
Total Expenses	5,273,363	5,039,378
Change in Net Assets	1,772,175	1,130,299
NET ASSETS		
Beginning of year	4,174,297	3,043,998
End of year	$ 5,946,472	$ 4,174,297

See notes to financial statements.

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016
(With Summarized Totals for the Year Ended June 30, 2015)

	No. of positions	Regular Education	Special Education	Total Programs	Management & General	Total 2016	Total 2015
Personnel Services Costs							
Administrative staff personnel	6	$ 569,487	$ 59,043	$ 628,530	$ -	$ 628,530	$ 516,234
Instructional personnel	47	2,138,320	221,695	2,360,015	-	2,360,015	2,238,592
Non-instructional personnel	4	4,931	21,381	26,312	138,298	164,610	148,237
Total Personnel Services Costs		2,712,738	302,119	3,014,857	138,298	3,153,155	2,903,063
Operating Expenses							
Payroll taxes and fringe benefits		549,352	61,182	610,534	28,006	638,540	607,481
Retirement		57,635	6,419	64,054	2,938	66,992	45,000
Management company fees		-	-	-	225,000	225,000	457,600
Contracted services - other		89,375	9,954	99,329	4,556	103,885	69,460
Administrative		62,476	6,958	69,434	3,185	72,619	12,307
Marketing and recruitment		2,605	290	2,895	133	3,028	5,903
Insurance		62,632	6,975	69,607	41,714	111,321	85,037
Legal and professional		-	-	-	13,354	13,354	20,143
Repairs and maintenance		4,294	478	4,772	219	4,991	6,028
In-kind goods and services		450,700	52,407	503,107	20,963	524,070	552,279
School and staff development		64,697	7,205	71,902	3,299	75,201	8,302
Student services		1,483	172	1,655	69	1,724	13,255
Supplies and instructional materials		129,249	14,395	143,644	6,589	150,233	159,681
Equipment and furnishings		15,843	1,764	17,607	809	18,416	17,395
Information technology support		13,162	1,466	14,628	671	15,299	12,707
Depreciation		55,844	6,219	62,063	2,847	64,910	50,655
Other expenses		26,347	2,934	29,281	1,344	30,625	13,082
Total Operating Expenses		1,585,694	178,818	1,764,512	355,696	2,120,208	2,136,315
TOTAL EXPENSES		$ 4,298,432	$ 480,937	$ 4,779,369	$ 493,994	$ 5,273,363	$ 5,039,378

See independent audtitor's report

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2016
(With Summarized Totals for the Year Ended June 30, 2015)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,772,175	$ 1,130,299
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES		
Depreciation	64,910	50,655
Changes in Operating Assets and Liabilities		
Grants and contracts receivable	(8,385)	(24,545)
Restricted cash	(48)	(75)
Prepaid expenses	(1,868)	2,436
Accounts payable and accrued expenses	79,891	(4,810)
Accrued payroll and benefits	29,625	63,755
Net cash from operating activities	1,936,300	1,217,715
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(29,124)	(95,527)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,907,176	1,122,188
CASH AND CASH EQUIVALENTS		
Beginning of year	4,225,858	3,103,670
End of year	$ 6,133,034	$ 4,225,858

See notes to financial statements.

BRONX GLOBAL LEARNING INSTITUTE FOR GIRLS,
THE SHIRLEY RODRIGUEZ-REMENESKI SCHOOL

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

1. Organization

Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School (the "School"), a 501(c) (3) tax-exempt organization, a Kindergarten through eighth grade charter school, located in Bronx, New York. The School was chartered in February 2008 and was extended for a term up through and including June 30, 2018. In fiscal year of 2015-2016, eighth grade was added. The School educates children in a completely nondiscriminatory and secular basis. The founders and supporters of the School believe that access to a public education of high quality for all children is the foremost issue.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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.

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation.

Net Asset Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Unrestricted amounts are those currently available at the discretion of the board for use in the operations of the School. Temporarily restricted amounts are restricted by donor imposed restrictions as to use or time restricted. When a restriction expires, temporarily restricted net assets are re-classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Permanently restricted amounts contain donor imposed restrictions to be maintained permanently by the School.

There are no temporarily or permanently restricted net assets at June 30, 2016.

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue Recognition

Tuition revenue is from state and local government sources for student tuition and other school-related income. The School recognizes tuition and other school-related income as revenue during the applicable school year in which the revenue is earned.

Grants and contracts revenue is recognized when qualifying expenditures are incurred and/or services are provided to the students during the applicable school year. Funds received in advance or any unspent funds for which qualifying expenditures have not been incurred are recorded as refundable advances. Any unspent amounts might be returned to the granting agency or the granting agency can approve that those amounts be applied to a future grant period.

Grants Receivable

Grants receivable are recorded at net realizable value and do not bear interest. The allowance for doubtful accounts is the School's best estimate of the amount of probable credit losses in existing receivables. Management determines the allowance based on historical write-off experience and reviews its allowance for doubtful accounts periodically. Past due balances are reviewed individually for collectability. At June 30, 2016, there are no allowances recorded, as management believes all amounts are collectible.

Donated Goods and Services

The School receives donated services from unpaid volunteers. No amounts have been recognized in the statement of activities since the services do not meet the specialized skill criteria for recognition under U.S. GAAP.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation.

2. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Purchases of property and equipment are capitalized at cost. Donated assets are capitalized at the estimated fair value at date of receipt. The cost of maintenance and repairs is charged to expense as incurred; significant improvements are capitalized. The School capitalizes additions and significant improvements in excess of $1,000. Depreciation is computed using the straight-line method over estimated useful lives of 3 to 7 years.

Restricted Cash

Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution, should such event occur.

Functional Allocation of Expenses

Expenses have been charged to program and supporting services, either directly when identifiable to a specific program, or indirectly based on management's estimate of the functional area benefited.

Income Taxes

Bronx Global Learning Institute for Girls filed and received approval of its application for tax exempt status from the Internal Revenue Service under section 501(c)(3) of the Internal Revenue code to be classified as a publicly supported organization as described in Internal Revenue Code section 509 (A)(1) and 170 (B)(1)(A)(II).

Management has determined that the School had no uncertain tax positions that would require financial statement recognition. The School is no longer subject to income tax examination by federal, state or local tax authorities for years before June 30, 2012.

Prior Year Summarized Comparative Information

Information as of and for the year ended June 30, 2015 is presented for comparative purposes only. The notes to the financial statements and certain activity by net asset classification are not included in this report. Accordingly, such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the School's financial statements as of and for the year ended June 30, 2015, from which the summarized comparative information was derived.

2. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 18, 2016.

3. Property and Equipment

At June 30, 2016, property and equipment consisted of the following:

Furniture and fixtures	$ 55,100
Computer equipment	365,855
Computer software	23,108
Office equipment	10,876
Telephone equipment	12,332
	467,271
Less: Accumulated depreciation	(398,039)
	$ 69,232

4. Accrued Payroll and Benefits

Accrued payroll and benefits consist of amounts due to staff for payroll earned during the school year but paid over the summer months.

5. Defined Contribution Plan

The School offers a 401(k) plan (the "Plan") for all employees. Employees are eligible for the Plan immediately following their first payroll and participation in the Plan is voluntary. Employees can make pretax contributions up to 15% of their annual compensation, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The School matches the employee contribution 100% up to 4% of the employee's annual compensation. For the year ended June 30, 2016, the School's matching contribution was $66,992. The Plan assets are held in a separate trust and are not included in the accompanying financial statements. All Plan assets are held for the exclusive benefit of the Plan's participants and beneficiaries.

6. Concentration of Risk

The School maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The School has not experienced any losses in such accounts. The School believes it is not exposed to significant credit risk on cash and cash equivalents.

The School receives a substantial portion of its support and revenue from the New York City Department of Education. If the charter school laws were modified, resulting in a reduction or elimination of these revenues the School's finances could be materially adversely affected.

7. In-kind Goods and Services

The School received in-kind goods and service of facilities (approximate 14,962 square feet) and services from various sources. In-kind contributions in the statement of activities and the schedule of functional expenses consisted of the following for the year ended June 30, 2016:

Rent	$	360,748
Maintenance/Security		36,807
Utilities		12,158
Food Service/Meals		114,357
	$	524,070

8. Contingency

The School participates in a number of federal and state programs. These programs require that the School comply with certain laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government grants and contracts by government agencies is presently not determinable, it should not, in the opinion of the management, have a material effect on the financial position or results of operations.

Accordingly, no provision for any such liability that may result has been made in the accompanying financial statements.

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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 of
Bronx Global Learning Institute for Girls,
The Shirley Rodriguez-Remeneski School

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 Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's internal control. Accordingly, we do not express an opinion on the effectiveness of Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski 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

As part of obtaining reasonable assurance about whether Bronx Global Learning Institute for Girls, The Shirley Rodriguez-Remeneski School's financial statements are free from 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.

Kack Group + Company, LLP
Certified Public Accountants

New York, New York
October 18, 2016