Bronx Global Learning Institute for Girls

Financial Statements
and
Independent Auditors' Report

June 30, 2015

Bronx Global Learning Institute for Girls

Table of Contents

Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8
Supplemental Information	
Schedule of Functional Expenses	10
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed Accordance with Government Auditing Standards	11 - 12

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Independent Auditors' Report

To the Board of Trustees of
Bronx Global Learning Institute for Girls
Bronx, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Bronx Global Learning Institute for Girls (a nonprofit organization) which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 as of June 30, 2015, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Bronx Global Learning Institute for Girls' 2014 financial statements, and our report dated October 3, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2015, on our consideration of Bronx Global Learning Institute for Girls' 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bronx Global Learning Institute for Girls' internal control over financial reporting and compliance.



New City, New York
October 22, 2015

Bronx Global Learning Institute for Girls
Statement of Financial Position
June 30, 2015
(With Summarized Comparative Information For June 30, 2014)

ASSETS	**2015**	**2014**
Current Assets		
Cash	$ 4,225,858	$ 3,103,670
Due from Government Agencies (Note 3)	184,832	160,287
Prepaid Expenses	-	2,436
Total Current Assets	4,410,690	3,266,393
Fixed Assets		
Equipment, Furniture and Fixtures	438,147	342,621
Less: Accumulated Depreciation	(333,129)	(282,475)
Total Fixed Assets	105,018	60,146
Other Assets		
Escrow Deposit	75,356	75,281
Total Other Assets	75,356	75,281
Total Assets	$ 4,591,064	$ 3,401,820
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 32,838	$ 37,648
Accrued Payroll and Related Expenses	383,929	320,174
Total Current Liabilities / Total Liabilities	416,767	357,822
Net Assets	4,174,297	3,043,998
Total Net Assets	4,174,297	3,043,998
Total Liabilities and Net Assets	$ 4,591,064	$ 3,401,820

See accompanying notes and independent auditors' report.

Bronx Global Learning Institute for Girls
Statement of Activities
For the year ended June 30, 2015
(With Summarized Comparative Information For The Year Ended June 30, 2014)

PUBLIC SUPPORT AND REVENUE	Unrestricted	Temporarily Restricted	**2015**	**2014**
Resident Student Enrollment	$ 5,330,378	$ -	$ 5,330,378	$ 4,671,903
Food Service / Meals (Note 6)	111,303	-	111,303	98,978
Federal Funding	-	248,497	248,497	213,144
State and City Funding	-	31,063	31,063	17,386
In-kind Contributions (Note 6)	438,498	-	438,498	530,889
Contributions	50		50	1,599
Miscellaneous Income	4,949	-	4,949	3,820
Interest Income	4,939	-	4,939	4,763
	5,890,117	279,560	6,169,677	5,542,482
Net Assets Released From Restrictions	279,560	(279,560)	-	-
Total Public Support and Revenue	6,169,677	-	6,169,677	5,542,482
EXPENSES				
Program Services				
Regular Education	3,866,522	-	3,866,522	3,595,676
Special Education	525,744	-	525,744	386,259
	4,392,266	-	4,392,266	3,981,935
Supporting Services				
Management and General	647,112	-	647,112	617,372
Total Expenses	5,039,378	-	5,039,378	4,599,307
Change in Unrestricted Net Assets	1,130,299	-	1,130,299	943,175
Net Assets, Beginning of Year	3,043,998	-	3,043,998	2,100,823
Net Assets, End of Year	$ 4,174,297	$ -	$ 4,174,297	$ 3,043,998

See accompanying notes and independent auditors' report.

Bronx Global Learning Institute for Girls
Statement of Cash Flows
For the year ended June 30, 2015
(With Summarized Comparative Information For The Year Ended June 30, 2014)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Resident Student Enrollment	$ 5,320,884	$ 4,667,139
Receipts from Grants and Contributions	264,559	233,098
Receipts from Other Revenue	9,812	8,495
Payments to Employees	(3,491,789)	(2,949,445)
Payments to Vendors and Suppliers	(885,752)	(957,760)
Net Cash Provided by Operating Activities	1,217,714	1,001,527
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Equipment, Furniture and Fixtures	(95,526)	(53,515)
Net Cash Used In Investing Activities	(95,526)	(53,515)
NET INCREASE IN CASH	1,122,188	948,012
CASH - BEGINNING OF YEAR	3,103,670	2,155,658
CASH - END OF YEAR	$ 4,225,858	$ 3,103,670
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Unrestricted Net Assets	$ 1,130,299	$ 943,175
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	50,655	34,841
Gain on Disposal of Assets		
Changes in Assets and Liabilities		
(Increase) / Decrease in:		
Due from Government Agencies	(24,545)	(3,795)
Prepaid Expenses	2,436	5,042
Escrow Deposit	(75)	(89)
Increase / (Decrease) in:		
Accounts Payable and Accrued Expenses	(4,811)	(43,880)
Accrued Payroll and Related Expenses	63,755	66,233
Total Adjustments	87,415	58,352
Net Cash Provided by Operating Activities	$ 1,217,714	$ 1,001,527

See accompanying notes and independent auditors' report.

NOTE 1 - ORGANIZATION

Bronx Global Learning Institute for Girls (the "School") is a charter school for children located in Bronx, New York. In the first year of operation (2008-2009), the school operated grades kindergarten through first. The school plans to add one grade per year until the eighth grade is reached. It 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. The School was chartered in February 2008 and was extended for a term up through and including June 30, 2018.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation
The net assets of the School and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor imposed restrictions.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the School and/or the passage of time. The School had no temporarily restricted net assets at June 30, 2015.

Use of Estimates in the Preparation of Financial Statements
The preparation of financial statements in conformity with accounting principles generally accepted in The United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions
The School records contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulation time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All contributions received in the year ended 2015 were unrestricted.

Recognition of Revenue
Government contract revenue is recognized as earned in the period services are provided and costs are incurred.

Cash and Cash Equivalents
For the purposes of the statement of cash flows, the School considers all highly liquid investments available for current use with an initial period of three months or less to be cash equivalents.

Income Tax Status
The School is a not-for-profit corporation organized under the laws of the State of New York. It is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment, Furniture and Fixtures,
Equipment, furniture and fixtures are valued at cost less accumulated depreciation. Depreciation is computed on a straight line basis over the estimated useful lives of the related assets or the term of the lease agreement. Normal replacement and maintenance costs are charged to earnings as incurred, and major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation is removed from the accounts and the resulting gain or loss for the period. The School capitalizes assets with cost of $500 and over. Depreciation is calculated based on the useful lives of the assets as follows: Equipment, Furniture and Fixtures 3 - 7 Years.

Functional Allocation of Expenses
Expenses relating to more than one function are allocated to program service and management and general based on employee time estimates or other appropriate usage factors.

Contributed Services
Contributed services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

A number of volunteers have made a contribution of their time to the School to develop academic and other programs and to serve on the board of trustees. The value of this contributed time is not reflected in the financial statements as such services either do not require specialized skills or would not typically be purchased had they not been provided as donations.

Concentration of Credit Risk
Financial instruments which potentially subject the School to concentrations of credit risk are cash and cash equivalents. The School places its cash and cash equivalents on deposit with JP Morgan Chase in what it believes to be highly credited financial institutions. Cash balances exceed the Federal Deposit Insurance Corporation (FDIC) insured levels of $250,000 per institution. The School believes that there is little risk in any losses and has not experienced any losses in such accounts.

Comparative Financial Information
The June 30, 2015 financial statements include certain prior year summarized comparative information in total but not by net asset class. As a result, the June 30, 2014 comparative information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such June 30, 2014 information should be read in conjunction with the School's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

NOTE 3 – PUPIL ENROLLMENT AND OTHER REVENUES FROM GOVERNMENT

Under the School's Charter School Agreement and the Charter School Act, the School is entitled to receive funding from both State and Federal sources that are available to public schools. These funds include State pupil enrollment funds and Federal food subsidies and Title I, IIA, IID, IV and V funds. The calculation of the amounts to be paid to the School under these programs is determined by the State, and is based on complex laws and regulations, enrollment levels, and economic information related to the home school district of the children enrolled in the school. If these regulations, some of which are relatively new in the State of New York, were to change, or other factors included in the calculations were to change, the level of funding that the School receives could vary significantly. Amounts due from governmental agencies as of June 30, 2015 are $184,832.

NOTE 4 – DEFINED CONTRIBUTION PLAN

The School offers a 401(k) plan (the "Plan") for substantially all of its employees. Employees are eligible for the plan immediately upon employment and participation in the Plan is voluntary. Employees may contribute up to 15% of their annual compensation to the Plan, 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. The School's contribution recognized in the statement of activities was $45,000 for 2015. 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.

NOTE 5 – 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, 2015:

Rent	$ 325,284
Maintenance/Security	103,785
Utilities	9,429
Food Service / Meals	113,781
	$ 552,279

NOTE 6 – CONTINGENCY

Audits by Funding Sources

The School participates in a number of Federal and State programs. These programs require that the School complies with certain requirement of laws, regulations, contracts, and agreements applicable to the program 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 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 result of operations. Accordingly, no provision for any such liability that may result has been made in the accompanying financial statements.

NOTE 7 – CONCENTRATION OF REVENUE

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, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

NOTE 8 – SUBSEQUENT EVENTS

The School evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events need to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was October 22, 2015, for these financial statements.

Supplemental Information

Bronx Global Learning Institute for Girls
Schedule of Functional Expenses
For the year ended June 30, 2015
(With Summarized Comparative Information For The Year Ended June 30, 2014)

Personnel Service Costs	Regular Education	Special Education	Total Programs	Support Services	2015	2014
Administrative Staff Personnel	$ 461,888	$ 54,346	$ 516,234	$ -	$ 516,234	$ 482,662
Instructional Personnel	2,002,928	235,664	2,238,592	-	2,238,592	1,872,588
Non-Instructional Personnel	10,747	46,601	57,348	90,889	148,237	93,379
Total Personnel Service Costs	2,475,563	336,611	2,812,174	90,889	2,903,063	2,448,629
Fringe Benefits	294,229	40,007	334,236	10,802	345,038	313,536
Retirement Benefits	38,373	5,218	43,591	1,409	45,000	31,175
Payroll Taxes	223,796	30,430	254,226	8,217	262,443	222,338
Total Personnel and Related Expenses	3,031,961	412,266	3,444,227	111,317	3,555,544	3,015,678
Operating Expenses						
Contracted Financial and Administrative S	-	-	-	457,600	457,600	440,000
Professional and Other Consultant Fees	59,231	8,054	67,285	2,175	69,460	85,964
Legal	-	-	-	12,143	12,143	3,852
Food (Note 6)	97,026	13,193	110,219	3,562	113,781	103,134
Insurance	49,139	6,682	55,821	29,216	85,037	64,076
Supplies and Materials	136,167	18,515	154,682	4,999	159,681	154,508
Technology	10,836	1,473	12,309	398	12,707	26,561
In-kind Goods and Services (Note 6)	373,925	50,845	424,770	13,728	438,498	531,439
Staff Development	7,079	963	8,042	260	8,302	20,394
Marketing and Recruiting	5,034	684	5,718	185	5,903	4,693
Auditing Fees	-	-	-	8,000	8,000	11,600
Office Expense	10,495	1,427	11,922	385	12,307	33,592
Maintenance and Repairs	5,140	699	5,839	189	6,028	6,474
Equipment/Furnishings	14,833	2,017	16,850	545	17,395	14,378
Student Services	11,303	1,537	12,840	415	13,255	26,564
Depreciation	43,196	5,873	49,069	1,586	50,655	34,841
Other Expenses	11,157	1,516	12,673	409	13,082	21,559
Total Operating Expenses	834,561	113,478	948,039	535,795	1,483,834	1,583,629
TOTAL EXPENSES	$ 3,866,522	$ 525,744	$ 4,392,266	$ 647,112	$ 5,039,378	$ 4,599,307

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

To the Board of Trustees of
Bronx Global Learning Institute for Girls
Bronx, New York

We have audited, 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, the financial statements of Bronx Global Learning Institute for Girls (a nonprofit organization) which comprise the statement of financial position as of June 30, 2015 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bronx Global Learning Institute for Girls' 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' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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' 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vargas & Rivera, LLP

New City, New York
October 22, 2015