

**NEW JERSEY REENTRY CORPORATION
FINANCIAL STATEMENTS
FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016
WITH
INDEPENDENT AUDITOR'S REPORT**

NEW JERSEY REENTRY CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
New Jersey Reentry Corporation
Jersey City, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of New Jersey Reentry Corporation. (a nonprofit organization), 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 period December 1, 2015 through June 30, 2016, 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 New Jersey Reentry Corporation for the period December 1, 2015 to 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying and the schedule of state financial assistance, as required by New Jersey OMB Circular 15-08 are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2016, on our consideration of New Jersey Reentry Corporation'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 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 New Jersey Reentry Corporation's internal control over financial reporting and compliance.



DONOHUE, GIRONDA, DORIA & TOMKINS LLC

Certified Public Accountants

Bayonne, New Jersey
October 7, 2016

NEW JERSEY REENTRY CORPORATION

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2016

ASSETS

Current Assets:

Cash	\$ 863,707
Grants Receivable	234,348
Prepaid Rent	<u>33,000</u>
Total Current Assets	1,131,055

Property and Equipment:

Furniture and Equipment, Net	<u>116,211</u>
Total Assets	\$ <u>1,247,266</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable and Accrued Expenses	\$ 39,142
Deferred Revenue	<u>1,072,973</u>
Total Current Liabilities	<u>1,112,115</u>

Total Liabilities	<u>1,112,115</u>
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Net Assets:

Unrestricted	<u>135,151</u>
Total Net Assets	<u>135,151</u>
Total Liabilities and Net Assets	\$ <u>1,247,266</u>

See Accompanying Notes to Financial Statements.

NEW JERSEY REENTRY CORPORATION

STATEMENTS OF ACTIVITIES

FOR THE PERIOD DECEMBER 1, 2015 TO JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, Grants and Other Support:			
Governmental Grants	\$ -	\$ 1,307,027	\$ 1,307,027
Contributions	5,000	-	5,000
Miscellaneous	13,940	-	13,940
Net Assets Released from Restriction	<u>1,307,027</u>	<u>(1,307,027)</u>	<u>-</u>
Total Revenues, Grants and Other Support	<u>1,325,967</u>	<u>-</u>	<u>1,325,967</u>
Expenses			
Program Services	\$ 1,020,216	\$ -	\$ 1,020,216
Supporting Services			
Management and General	160,484	-	160,484
Depreciation	<u>10,116</u>	<u>-</u>	<u>10,116</u>
Total Supporting Services	<u>170,600</u>	<u>-</u>	<u>170,600</u>
Total Expenses	<u>1,190,816</u>	<u>-</u>	<u>1,190,816</u>
Change in Net Assets	135,151	-	135,151
Net Assets at the Beginning of the Year	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets at the End of the Year	<u>\$ 135,151</u>	<u>\$ -</u>	<u>\$ 135,151</u>

See Accompanying Notes to Financial Statements.

NEW JERSEY REENTRY CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD DECEMBER 1, 2015 TO JUNE 30, 2016

	Total Program Services	Management & General	Depreciation	Total
Salaries	\$ 578,531	\$ 89,961	\$ -	\$ 668,492
Payroll Taxes	29,192	5,375	-	34,567
Employee Benefits	<u>121,139</u>	<u>22,392</u>	<u>-</u>	<u>143,531</u>
Total Salaries & Related	728,862	117,728	-	846,590
Consultants	63,370	25,130	-	88,500
Technical Services	31,114	6,913	-	38,027
Facility Operating Costs	31,033	-	-	31,033
Professional Services	20,670	8,128	-	28,798
Rent Expense	25,500	-	-	25,500
Office Furniture and Equipment	19,723	-	-	19,723
Supplies	17,127	372	-	17,499
Insurance	14,763	615	-	15,378
Participant Cost	13,514	-	-	13,514
Maintenance and Repairs	11,852	540	-	12,392
Utilities	12,149	312	-	12,461
Communication	11,715	138	-	11,853
Bus Tickets	10,790	-	-	10,790
Computers/Network/Server	2,974	404	-	3,378
Printing and Publication	2,451	43	-	2,494
Meetings, Conferences	1,510	136	-	1,646
Tabe Tests	959	-	-	959
Travel	140	25	-	165
Depreciation	<u>-</u>	<u>-</u>	<u>10,116</u>	<u>10,116</u>
	<u>\$ 1,020,216</u>	<u>\$ 160,484</u>	<u>\$ 10,116</u>	<u>\$ 1,190,816</u>

See Accompanying Notes to Financial Statements.

NEW JERSEY REENTRY CORPORATION
STATEMENT OF CASH FLOWS
FOR THE PERIOD DECEMBER 1, 2015 TO JUNE 30, 2016

Cash Flows from Operating Activities:

Change in Net Assets	\$ 135,151
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	10,116
(Increase) in Grants Receivable	(234,348)
(Increase) in Prepaid Expense	(33,000)
Increase in Accounts Payable and Accrued Expenses	39,142
Increase in Deferred Revenue	<u>1,072,973</u>
Net Cash Provided by Operating Activities	<u>990,034</u>

Cash Flows From Financing Activities

Purchase of Furniture and Equipment	<u>(126,327)</u>
Net Cash Provided by Financing Activities	<u>(126,327)</u>
Net (Decrease) Increase in Cash	863,707
Cash at Beginning of the Year	-
Cash at End of the Year	<u>\$ 863,707</u>

See Accompanying Notes to Financial Statements.

NEW JERSEY REENTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

NOTE 1: NATURE OF ACTIVITIES

The New Jersey Reentry Corporation (NJRC), a nonprofit corporation, is designed to provide critical services for those persons who have been court-involved. Its purpose is to enroll and provide services, including addiction treatment, sober transitional housing, and training and employment, linkage to health care services, motor vehicle identification and legal support, for individuals with a diagnosed mental health and/or substance use disorder, who have been arrested, incarcerated and sentenced through the judicial system.

The NJRC received their tax exempt certificate from the State of New Jersey on November 22, 2014 and commenced operations on December 1, 2015.

Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

- **One-Stop Offender Re-entry Services**

The program is designed to help communities develop and implement comprehensive and collaborative strategies that address the challenges posed by offender reentry and recidivism reduction. The program provides rapid risk/needs assessment, pre-release services, linkage to entitlement and services prior to release, post-release services, ongoing assessment, case management, and implementation of data collection and analysis strategies to better understand the population and impact of the program.

- **Management and General**

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the NJRC's program strategy; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration; and manage the financial and budgetary responsibilities of the NJRC.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of NJRC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

NEW JERSEY REENTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

NJRC reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted assets.

Grants Receivable

Grants receivable are stated at the amount management expects to be reimbursed by federal or state funding agencies. Grants receivable also include amounts advanced which have not yet been expended.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, NJRC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Furniture and Equipment

NJRC capitalizes all expenditures for property and equipment in excess of \$5,000. Furniture and equipment are carried at cost. Depreciation is computed using the straight-line basis over the estimated useful life of the asset.

Revenue/Expense Recognition

Revenues are recognized when the funds are earned. Grant revenues are considered temporarily restricted until the time resources are expended for the purpose specified in the grant agreement. At the time the expense is incurred program restrictions are considered satisfied and the temporary restriction of net assets is considered released.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Deferred Revenue

Income from grants are deferred and recognized when earned.

NEW JERSEY REENTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 these estimates.

Income Taxes

NJRC is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. The NJRC has no liability for any unrelated business income tax.

NOTE 3: OFFICE AND TRANSPORTATION EQUIPMENT

Office and Transportation Equipment for the period December 1, 2015 through June 30, 2016 was as follows:

Office Equipment	\$ 101,527
Transportation Equipment	<u>24,800</u>
	126,327
Less: Accumulated Depreciation	<u>(10,116)</u>
Total Equipment	<u><u>\$ 116,211</u></u>

Depreciation on building and equipment has been computed on a straight-line basis over estimated useful lives as follows:

Office Equipment – 3 years
Transportation Equipment – 5 years

Depreciation expense was \$10,116 for the period December 1, 2015 through June 30, 2016.

NEW JERSEY REENTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

NOTE 4: CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

NJRC maintains its cash balances in one financial institution located in Jersey City, New Jersey. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. NJRC's uninsured cash balances totaled \$651,378 at 30, 2016.

NOTE 5: CONTRACTS WITH SUBRECIPIENTS

On November 23, 2015, NJRC entered into an agreement with the Greater Newark Conservancy, a New Jersey nonprofit to be the sole substance/mental health treatment provider at Integrity House, Inc. in connection with the One-Stop Offender Re-entry Services grant. This agreement was modified on May 11, 2016 to increase the funding allocation for the subrecipient.

On December 9, 2015, NJRC entered into a contract with the Jersey City Employment and Training Program, Inc. to provide administrative and program services in connection with the One-Stop Offender Re-entry Services grant. Under the terms of the contract, NJRC will reimburse Jersey City Employment and Training Program, Inc. for a percentage of costs related to administrative and program services.

NOTE 6: OPERATING LEASES

On January 10, 2016, NJRC entered into a one year sub-lease agreement with the option to cancel the lease at the end of each year, with an expiration date of December 31, 2019 with William H. Butler Help Center Inc., a nonprofit corporation, commencing upon completion of renovations as determined by the Sub-lease located at 147 Montgomery Street, Paterson, New Jersey for the entire second and third floor Grace Gospel Church of Paterson, Inc.

On February 23, 2016, NJRC entered into a 5 year lease for office space located at 310 Main Street, Toms River, New Jersey to provide services in connection with the One-Stop Offender Re-entry Services grant.

Rental Expense was \$25,500 for the period December 31, 2015 through June 30, 2016.

NOTE 7: CONTINGENCIES

NJRC receives all of its support from the State of New Jersey, Department of Community Affairs. A significant reduction in the level of this support may have an effect on the NJRC's programs.

JERSEY CITY OFFICE OF EMPLOYMENT AND TRAINING, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

NOTE 7: CONTINGENCIES (Continued)

Grants require the fulfillment of certain conditions as set forth in the grant agreement. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, management deems the contingency remote, since by accepting grants and their terms; it has accommodated the objectives of the organization to the provisions of the grant.

NOTE 8: RELATED ENTITIES

The NJRC and the Jersey City Office of Employment and Training, Inc. mutually support each other's respective missions through shared administrative and social delivery services.

NOTE 9: INCOME TAXES

Uncertain Tax Positions

NJRC is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code, except on net income derived from unrelated business activities. NJRC believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Federal Exempt Organization Business Income Tax Returns (Form 990) for 2015 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 9: SUBSEQUENT EVENTS

Subsequent events were evaluated through October 7, 2016, which is the date the financial statements were available to be issued.

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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 Directors of
New Jersey Reentry Corporation
Jersey City, New Jersey

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 New Jersey Reentry Corporation (a nonprofit organization), which comprise the statement of financial position for the period December 1, 2015 to 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 November 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Jersey Reentry Corporation'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 New Jersey Reentry Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of New Jersey Reentry Corporation'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 New Jersey Reentry Corporation'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 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.



DONOHUE, GIRONDA, DORIA & TOMKINS LLC
Certified Public Accountants

Bayonne, New Jersey
October 7, 2016

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

To the Board of Directors of
New Jersey Reentry Corporation
Jersey City, New Jersey

Report on Compliance for Each Major State Program

We have audited New Jersey Reentry Corporation's compliance with the types of compliance requirements described in the State of New Jersey OMB Circular 15-08 Compliance Supplement that could have a direct and material effect on New Jersey Reentry Corporation's major state program for the period December 1, 2015 to June 30, 2016. New Jersey Reentry Corporation's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for New Jersey Reentry Corporation's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of New Jersey OMB Circular 15-08. Those standards and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about New Jersey Reentry Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its state program. However, our audit does not provide a legal determination of New Jersey Reentry Corporation compliance.

Opinion on State Program

In our opinion, New Jersey Reentry Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the period December 1, 2015 to June 30, 2016.

Report on Internal Control Over Compliance

Management of New Jersey Reentry Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered New Jersey Reentry Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on its state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of New Jersey Reentry Corporation's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



DONOHUE, GIRONDA, DORIA & TOMKINS LLC
Certified Public Accountants

Bayonne, New Jersey
October 7, 2016

NEW JERSEY REENTRY CORPORATION

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

GRANTOR/PROGRAM TITLE	ACCOUNT NUMBER		GRANT PERIOD		FUND RECEIVED		PASS THROUGH TO SUBRECIPIENTS		BALANCE AT 06/30/15		CASH RECEIPTS		EXPENDITURES		BALANCE AT 06/30/16		CUMULATIVE EXPENDITURES			
	FROM	TO	AWARD	RECEIVED																
New Jersey Department of Community Affairs																				
One-Stop Offender Re-entry Services	2016-05161-0072-00	09/01/15	06/30/16	\$ 3,500,000	\$ 2,380,000	\$	504,228	\$	-\$	\$ 2,380,000	\$	-\$	1,307,027	\$	1,072,973	\$	1,307,027	\$	1,072,973	
Total New Jersey Department of Community Affairs																				
Total State Financial Assistance																				

See Accompanying Notes to the Schedules of Expenditures of State Financial Assistance.

NJ REENTRY CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of state financial assistance include the state grant activity of New Jersey Reentry Corporation under programs of the state government for the period December 1, 2015 through June 30, 2016. The information on these schedules is presented in accordance with the requirements of the *State of New Jersey Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* All state awards received from state agencies, as well as state financial assistance passed through other governmental agencies is included on these schedules.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of state financial assistance are presented on the accrual basis of accounting. This basis of accounting is described in Note 1 to the basic financial statements. The information in these schedules is presented in accordance with the requirements of the *State of New Jersey Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 3 RELATIONSHIP TO STATE REPORTING

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

NOTE 4 RECONCILIATION OF SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE TO THE FINANCIAL STATEMENTS

Expenditures per schedule of expenditures of state awards	\$ 1,307,027
Furniture and transportation	
equipment capitalized	(126,327)
Depreciation Expense	<u>10,116</u>
	<u><u>\$ 1,190,816</u></u>

NJ REENTRY CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

Section 1 - Summary of Auditors' Results

Financial Statement Section

A) Type of Auditors Report Issued: _____ Not Applicable

B) Internal Control over Financial Reporting:

1) Material weakness(es) identified? _____ Yes _____ No

2) Significant deficiency(ies) identified? _____ Yes _____ None reported

C) Noncompliance material to basic financial statements noted? _____ Yes _____ No

Federal Awards Section

D) Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes _____ No

2) Significant deficiency(ies) identified? _____ Yes _____ None reported

E) Type of auditor's report on compliance for major program _____

F) Any audit findings disclosed that are required to be reported in accordance
2 CFR Part 200 Uniform Administrative Requirements _____ Yes _____ No

G) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

H) Dollar threshold used to distinguish between Type A and
Type B Programs. _____

I) Auditee qualified as low-risk auditee? _____ Yes _____ No

NJ REENTRY CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

Section 1 - Summary of Auditors' Results

State Awards Section

J) Dollar threshold used to distinguish between Type A and Type B Programs.

\$750,000

K) Auditee qualified as low-risk auditee?

Yes No

L) Internal Control over major programs:

1) Material weakness(es) identified?

Yes ✓ No

2) Significant deficiency(ies) identified? _____ Yes _____ ✓ None reported

Yes ✓ None reported

M) Type of auditor's report on compliance for major programs: _____ Unmodified

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 15-08?

Yes ✓ No

O) Identification of major programs:

State Grant/Project Number(s)

2016-05161-0072-00

Name of State Program

One-Stop Offender Re-entry Services

**NEW JERSEY REENTRY CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016

Section II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

None Reported

**NEW JERSEY REENTRY CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD DECEMBER 1, 2015 THROUGH JUNE 30, 2016**

Section III - State Financial Assistance Findings and Questioned Costs

(This section identifies audit findings required to be reported by New Jersey OMB Circular 15-08.)

None Reported