

VINELAND PUBLIC CHARTER SCHOOL

Vineland Public Charter School
Vineland, New Jersey

Comprehensive Annual Financial Report
For the Year Ended June 30, 2011

Comprehensive Annual Financial Report

of the

Vineland Public Charter School

Vineland, New Jersey

For the Year Ended June 30, 2011

Prepared by

Vineland Public Charter School

TABLE OF CONTENTS

INTRODUCTORY SECTION		Page
	Letter of Transmittal	1-3
	Organizational Chart	4
	Roster of Officials	5
	Consultants and Advisors	6
 FINANCIAL SECTION		
	Independent Auditor's Report	7-8
	Required Supplementary Information - Part I	
	Management's Discussion and Analysis	9-16
	Basic Financial Statements	
A	Charter School-wide Financial Statements:	
	A-1 Statement of Net Assets	17
	A-2 Statement of Activities	18
B	Fund Financial Statement	
	Governmental Funds:	
	B-1 Balance Sheet	19
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	20
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
	Proprietary Funds:	
	B-4 Statement of Net Assets	22
	B-5 Statement of Revenues, Expenses, and Changes in Net Assets	23
	B-6 Statement of Cash Flows	24
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Assets	25
	B-8 Statement of Changes in Fiduciary Net Assets	26
	Notes to the Financial Statements	27-39

TABLE OF CONTENTS (continued)

	Page
Required Supplemental Information - Part II	
C Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	40-43
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	44
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	45
Other Supplementary Information	
D Not Applicable	
E Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	46
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F Capital Projects Fund:	
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
F-2 Summary Schedule of Project Expenditures	N/A
G Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	47
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	48
G-3 Combining Statement of Cash Flows	49

TABLE OF CONTENTS (continued)

		Page
	Internal Service Fund:	
	G-4 Combining Statement of Net Assets	N/A
	G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
	G-6 Combining Statement of Cash Flows	N/A
H	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Assets	50
	H-2 Combining Statement of Revenues, Expenses and Change in Fund Net Assets	51
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
	H-4 Payroll Agency Fund Statement of Changes in Assets and Liabilities	52
I	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	N/A
	I-2 Schedule of Obligations under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
STATISTICAL SECTION (Unaudited)		
Financial Trends		
	J-1 Net Assets by Component	53
	J-2 Changes in Net Assets	54-55
	J-3 Fund Balances - Governmental Funds	56
	J-4 Changes in Fund Balances - Governmental Funds	57
	J-5 General Fund Other Local Revenue by Source	58
Revenue Capacity		
	J-6 - J-9	N/A
Debt Capacity		
	J-10 Ratios of Outstanding Debt by Type	59
	J-11 - J-13	N/A
Demographic and Economic Information		
	J-14 Demographic and Economic Statistics	N/A
	J-15 Principal Employers	N/A
Operating Information		
	J-16 Full-Time Equivalent Charter School Employees by Function/Program	60
	J-17 Operating Statistics	61
	J-18 School Building Information	62
	J-19 Schedule of Required Maintenance Expenditures by School Facility	63
	J-20 Insurance Schedule	64

TABLE OF CONTENTS (continued)

SINGLE AUDIT SECTION	Page
K-1 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 Statements	65-66
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	N/A
K-3 Schedule of Expenditures of Federal Awards, Schedule A	67
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	68
K-5 Notes to the Schedules of Awards and Financial Assistance	69-71
K-6 Schedule of Findings and Responses	
Part 1 - Summary of Auditor's Results	N/A
Part 2 - Schedule of Financial Statement Findings	72
Part 3 - Schedule of State Award Findings and Questioned Costs	72
K-7 Summary Schedule of Prior Audit Findings	72

Introductory Section

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VINELAND, NEW JERSEY 08360
856-691-1004
856-691-1005 (fax)
vpcharterschool@verizon.net

September 16, 2011

The Honorable President and
Members of the Board of Trustees
Vineland Public Charter School
Vineland, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Vineland Public Charter School (District) for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School. All disclosures necessary to enable the reader to gain an understanding of the School's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School is not required to undergo an annual single audit in conformity with the provisions of OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. However, the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Vineland Public Charter School is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Reporting Standards*. All funds of the School are included in this report. The Vineland Public Charter School Board of Trustees and all its schools constitute the School's reporting entity. The School provides a full range of educational services appropriate to grade levels Kindergarten through Third Grade. These services include regular, special education for students with disabilities, as well as basic skills improvement for lower functioning students. The School completed its first year of operation in the 2010-2011 fiscal year with an enrollment of 156 students.

2) **ECONOMIC CONDITION AND OUTLOOK:** Although the Vineland Public Charter community is still developing, our enrollments will change based on our Charter which was able to get a revision to our original charter and have grades Kindergarten thru 5th grade. For the 2010-2011 school year, we added third grade. The School moved the last week of August 2010 to 610 East Montrose Avenue in Vineland, New Jersey. The building was the former Adult Education Center and we are leasing the facility from the Vineland Board of Education. This is a win-win for the charter school and school district.

3) **MAJOR INITIATIVES:** The District has identified target areas in which staff and administration will focus in an effort to increase and sustain student academic achievement which is our ultimate goal. The Vineland Public Charter School will empower students to realize their vast intellectual and social potential by teaching them to think critically and creatively and by guiding them to unite mastered skills and content knowledge to create and pursue their own opportunities.

Data driven decision making is the common thread that will allow the District to institute researched-based, intentional professional development planning (including an annual summer Faculty Academy), ongoing parental involvement activities with our Parents and Teachers Organization, The initiatives are meant to serve all students with a special emphasis on students deemed at risk and students in the economically disadvantaged subgroup within the subgroups of No Child Left Behind.

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial aid, the School also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the School management.

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the

subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

6) ACCOUNTING SYSTEM AND REPORTS: The School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School is organized on the basis of funds. The funds are explained in "Notes to Financial Statement", Note 1.

7) CASH MANAGEMENT: The investment policy of the School is guided in large part by State statute as detailed in "Notes to Financial Statements", Note 2. The School has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, directors and officers liability, child molestation, accident insurance, workers compensation, hazard and theft on property and contents, benefits, and surety bonds.

9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Swartz & Company, LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,

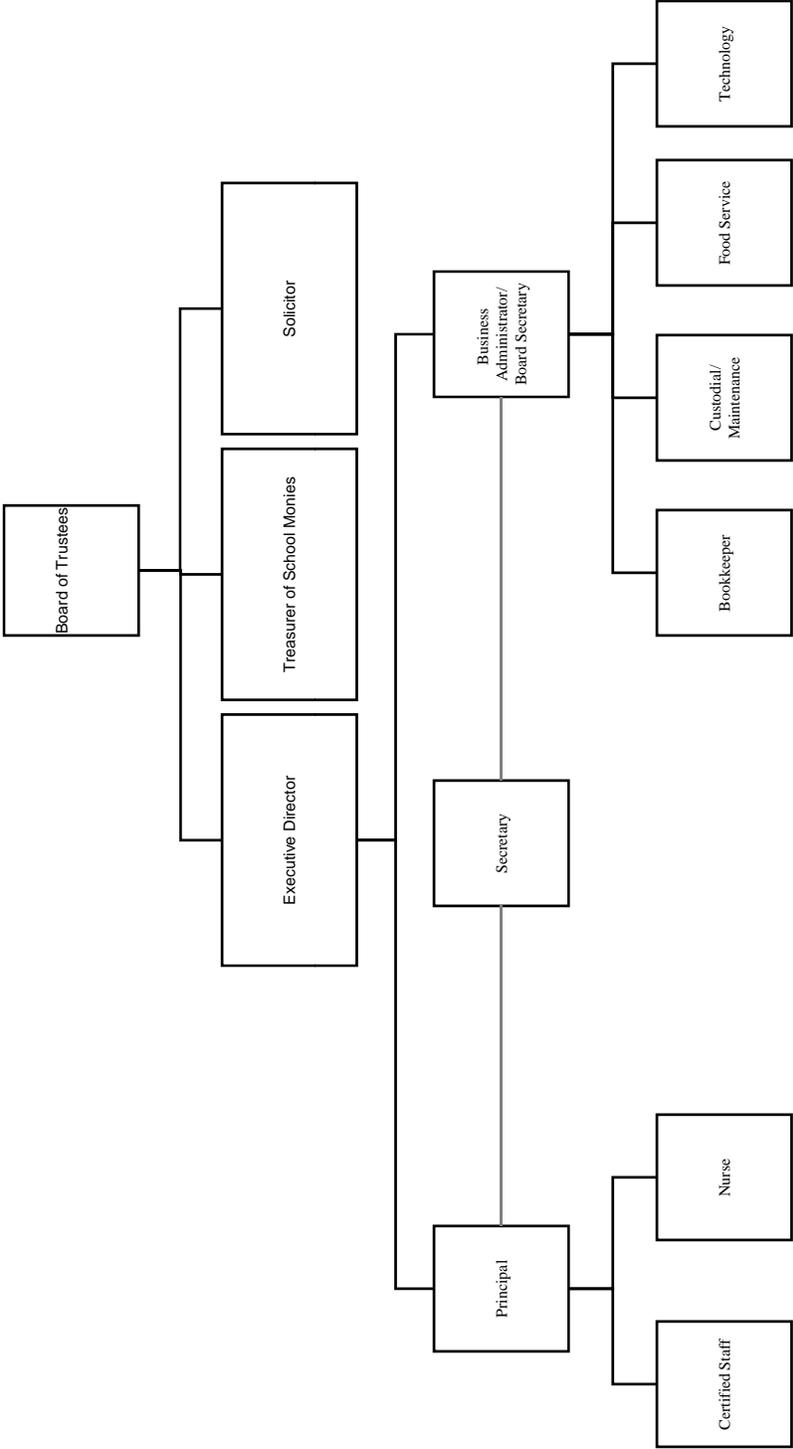


Ann F. Garcia, Ed. D
Executive Director



Jonathan Houdart
Business Administrator

VINELAND PUBLIC CHARTER SCHOOL ORGANIZATIONAL CHART



**Vineland Public Charter School
Vineland, New Jersey**

**Roster of Officials
June 30, 2011**

Members of the Board of Trustees

May Collins, President

Gary Stanker, Vice President

Maria Patel, Trustee

Esteban Garcia, Trustee

Dr. Michele Roemer, Trustee

Other Officials

Dr. Ann Garcia, Executive Director

Yvonne Cribbs, Principal

Jonathan Houdart CPA, Business Administrator

**Vineland Public Charter School
Consultants and Advisors**

Accounting Firm

Swartz & Co., LLC
1409 Cantillon Blvd.
P.O. Box 548
Mays Landing, NJ 08330

Attorney

Hope Blackburn, Esq.
Schwartz, Simon, Edelstein & Celso, LLC
44 Whippany Road
Suite 210
P.O. Box 2355
Morristown, NJ 07962

Official Depository

TD Bank
1701 Route 70 East
Cherry Hill, NJ 08003

Financial Section

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CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 548, Mays Landing, NJ 08330

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American Institute of CPAs
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Independent Auditor's Report

Honorable President and
Members of the Board of Trustees
Vineland Public Charter School
Vineland, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Vineland Public Charter School in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Vineland Public Charter School management. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, of the Vineland Public Charter School, in the County of Cumberland, State of New Jersey, as of June 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2011 on our consideration of the Vineland Public Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vineland Public Charter School's basic financial statements. The introductory section, combining and individual fund financial statements and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements of the Vineland Public Charter School in the County of Cumberland, State of New Jersey. The combining and individual fund financial statements and the schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



TerryAnn Marion, CPA
Licensed Public School Accountant
No. CS00119600

Swartz & Co. LLC

Swartz & Co., LLC
Certified Public Accountants

September 16, 2011

Required Supplemental Information

PART I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Vineland Public Charter School's (School) annual financial report presents our discussion and analysis of the School's financial performance during the year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the School's financial statement.

FINANCIAL HIGHLIGHTS

- The net assets of the School increased approximately \$64,000 as a result of unspent budget funds.
- The State of New Jersey reimbursed the School \$37,070 during the year ended June 30, 2011 for the employer's share of social security contributions. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- During the year ended June 30, 2011, the School's revenues were approximately \$64,000 more than total expenses.
- In the School's business-type activities, net assets increased approximately \$600.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements, required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, capital projects and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the School.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the School's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School's government, reporting on the School's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the School operates like businesses, such as the food service and community service programs.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the School acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The following table summarizes the major features of the School’s financial statements, including the portion of the School’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Major Features of Vineland Public Charter School’s
Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School (except fiduciary funds)	The activities of the School that are not proprietary or fiduciary, such as food service and student activities	Activities the School operates similar to private businesses; food service, After school program	Instances in which the School is the trustee or agent for someone else’s resources, such as payroll agency.
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets

Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

Government-wide Statements

The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School’s *net assets* and how they have changed. Net assets – the difference between the School’s assets and liabilities – is one way to measure the School’s financial health, or *position*.

- Over time, increases or decreases in the School’s net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the School you need to consider additional non-financial factors such as changes in the School's teacher to student ratio and the condition of the School's facilities.

The government-wide financial statements of the School are divided into two categories:

- *Governmental activities* – most of the School's basic services are included here, such as instruction, administration, and plant operations. Local funding and state and federal grants finance most of these activities.
- *Business-type activities* – the School charges fees to customers to help it cover the costs of certain services it provides. The School's food service program, before and after school program and summer camp program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant *funds* – not the School as a whole. Funds are accounting devices that the School uses to keep track of specific sources of funding and spending for particular purposes.

The School has three kinds of funds:

- *Governmental funds* – Most of the School's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the School charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the School's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

- *Fiduciary funds* – The School is the trustee, or *fiduciary*, for its employees’ unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The School is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the School’s fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the School’s government-wide financial statements because the School cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net assets. The School’s governmental activities net assets increased between fiscal years 2011 and 2010 as a result of controlling costs. The business-type activities net assets increased slightly due to an excess of revenues over costs.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 251,646	279,793	10,718	2,327	262,364	282,120
Capital assets	5,300	-			5,300	-
Total assets	256,946	279,793	10,718	2,327	267,664	282,120
Other liabilities	65,699	4,750	7,792	-	73,491	4,750
Long-term liabilities	6,000	153,159	-	-	6,000	153,159
Total liabilities	71,699	157,909	7,792	-	79,491	157,909
Net assets						
Invested in capital assets	5,300	-	-	-	5,300	-
Restricted	55,822	237	-	-	55,822	237
Unrestricted	124,125	121,647	2,926	2,327	127,051	123,974
Total net assets	\$ 185,247	121,884	2,926	2,327	188,173	124,211

Changes in net assets. The total net assets of the School increased approximately \$64,000 due to an excess of revenues over expenses.

Approximately 2.36% of the School’s revenue comes from the State of New Jersey in the form of non-restricted state aid while 83.01% comes from Charter School Aid. This aid is based on the School’s enrollment. The School expenses are primarily related to instruction, administration, and plant operations.

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Charter School Aid	1,301,159	83.01%	791,393	67.63%
Unrestricted State and Federal Aid	37,070	2.36%	110,276	9.42%
Operating grants and contributions	200,263	12.78%	265,870	22.72%
Other	29,033	1.85%	2,586	0.22%
Totals	<u>1,567,525</u>	<u>100.00%</u>	<u>1,170,125</u>	<u>100.00%</u>

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the School during the 2011 and 2010 fiscal years:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program revenue						
Charges for services			23,714	11,596	23,714	11,596
State grants and entitlements	\$ 200,263	265,870	27,763	16,419	228,026	282,289
General revenues						
Charter School Aid	1,301,159	791,393			1,301,159	791,393
State aid entitlements	37,070	110,276			37,070	110,276
Other	29,033	2,586			29,033	2,586
Total revenues	<u>1,567,525</u>	<u>1,170,125</u>	<u>51,477</u>	<u>28,015</u>	<u>1,619,002</u>	<u>1,198,140</u>
Expenses						
Instruction:						
Regular	787,616	456,868			787,616	456,868
Support services:						
School administration services	501,732	388,277			501,732	388,277
General & business admin	214,814	203,096			214,814	203,096
Business-type activities			50,878	25,688	50,878	25,688
Total expenses	<u>1,504,162</u>	<u>1,048,241</u>	<u>50,878</u>	<u>25,688</u>	<u>1,555,040</u>	<u>1,073,929</u>
Increase in net assets	<u>63,363</u>	<u>121,884</u>	<u>599</u>	<u>2,327</u>	<u>63,962</u>	<u>124,211</u>

Business-type Activities

Revenues of the School's business-type activities exceeded expenses by \$599. This is due to close monitoring of expenses and prices charged.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$188,114 which is approximately \$61,500 higher than the beginning of the year.

General Fund Budgetary Highlights

As further explained in the Footnotes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and are approved by the Board of Trustees. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The School is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution, which are not budgeted, the School's actual revenue was \$16,967 less than the budget. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, actual expenditures were below the budgeted appropriations by \$201,684.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the School had invested \$5,300 in capital assets.

	Governmental Activities		Business-type Activities		Totals	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Machinery & equipment	5,300	-	-	-	5,300	-
					-	
Total	<u>5,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>-</u>

Long-Term Debt

	<u>Balance 1/1/10</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6/30/11</u>
Compensated Absenses	\$ 4,750	6,167	2,750	8,167
Total Long Term Debt	<u>\$ 4,750</u>	<u>6,167</u>	<u>2,750</u>	<u>8,167</u>

More detailed information about the School's long-term debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The School budget for the 2012 fiscal year does not include any major acquisitions. The School has added an additional grade level to the school for the 2012 school year.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving Schools, and creditors) with a general overview of the School's finances and to demonstrate the School's accountability. If you have questions about the report or need additional financial information, contact the School's business administrator at 610 E. Montrose St., Vineland, NJ 08360.

Basic Financial Statements

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CHARTER SCHOOL - WIDE FINANCIAL STATEMENTS

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Vineland Public Charter School
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 221,003	8,390	229,393
Other receivables	9,108		9,108
Internal balances	832	(832)	-
Due from other governments	20,703	3,160	23,863
Capital Assets, net:			
Depreciable assets, net of depreciation	5,300		5,300
Total Assets	<u>256,946</u>	<u>10,718</u>	<u>267,664</u>
LIABILITIES			
Accounts payable	21,563	4,652	26,215
Payable to other governments	41,969		41,969
Deferred Revenue		3,140	3,140
Long term debt			
Due within one year	2,167		2,167
Due beyond one year	6,000		6,000
Total liabilities	<u>71,699</u>	<u>7,792</u>	<u>79,491</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,300	-	5,300
Restricted for:			
Other purposes	55,822		55,822
Unrestricted	124,125	2,926	127,051
Total net assets	<u>\$ 185,247</u>	<u>2,926</u>	<u>188,173</u>

FUND FINANCIAL STATEMENTS

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**Vineland Public Charter School
Balance Sheet
Governmental Funds
June 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 221,003	-	221,003
Due from other governments	-	20,703	20,703
Other receivables	9,108		9,108
Due from other funds	21,409		21,409
Total assets	<u>251,520</u>	<u>20,703</u>	<u>272,223</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	21,437	126	21,563
Due to other governments	41,969	-	41,969
Due to other funds		20,577	20,577
Total liabilities	<u>63,406</u>	<u>20,703</u>	<u>84,109</u>
Fund Balances:			
Assigned to:			
Encumbrances	55,822		55,822
Unassigned:			
General fund	132,292		132,292
Total Fund balances	<u>188,114</u>	<u>-</u>	<u>188,114</u>
Total liabilities and fund balances	<u>\$ 251,520</u>	<u>20,703</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,300
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(8,167)</u>
Net assets of governmental activities	<u>185,247</u>

Vineland Public Charter School
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Charter School Aid	\$ 1,301,159		1,301,159
Miscellaneous	29,033	8,015	37,048
State sources	37,070		37,070
Federal Sources		192,248	192,248
Total revenues	<u>1,367,262</u>	<u>200,263</u>	<u>1,567,525</u>
EXPENDITURES			
Current:			
Regular instruction	594,804	96,131	690,935
Support services and undistributed costs:			
School administrative services	362,370	85,268	447,638
General and business administrative services	309,412		309,412
Reimbursed TPAF Social Security Contributions	37,070		37,070
Capital Outlay	2,126	18,864	20,990
Total expenditures	<u>1,305,782</u>	<u>200,263</u>	<u>1,506,045</u>
Excess of revenues over expenditures	61,480	-	61,480
Net change in fund balances	61,480		61,480
Fund balance—July 1	126,634		126,634
Fund balance—June 30	<u>\$ 188,114</u>		<u>188,114</u>

**Vineland Public Charter School
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2011**

Total net change in fund balances - governmental funds (from B-2) \$ 61,480

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(369)	
	Capital outlays	<u>5,669</u>	5,300

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (3,417)

Change in net assets of governmental activities \$ 63,363

**Vineland Public Charter School
Statement of Net Assets
Proprietary Funds
June 30, 2011**

	Business-type Activities - Enterprise Funds	
	Non-Major Funds	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	8,390	8,390
Intergovernmental Accounts receivable	3,160	3,160
Total current assets	11,550	11,550
LIABILITIES		
Current liabilities:		
Accounts Payable	4,652	4,652
Due to other funds	832	832
Deferred Revenue	3,140	3,140
Total current liabilities	8,624	8,624
Total liabilities	8,624	8,624
NET ASSETS		
Unrestricted	2,926	2,926
Total net assets	2,926	2,926

Vineland Public Charter School
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	13,640	13,640
Program revenue	8,713	8,713
Other revenue	1,361	1,361
Total operating revenues	23,714	23,714
Operating expenses:		
Salaries	10,475	10,475
Cost of sales	40,403	40,403
Total Operating Expenses	50,878	50,878
Operating (loss)	(27,164)	(27,164)
Nonoperating revenues:		
State sources:		
State school lunch program	696	696
Federal sources:		
National school lunch program	27,067	27,067
Total nonoperating revenues	27,763	27,763
Change in net assets	599	599
Total net assets—beginning	2,327	2,327
Total net assets—ending	2,926	2,926

**Vineland Public Charter School
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011**

	Business-type Activities - Enterprise Funds	
	Non-Major Funds	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 26,854	26,854
Cash payments to employees for services	(9,305)	(9,305)
Cash payments to suppliers for goods and services	(36,089)	(36,089)
Net cash (used) by operating activities	(18,540)	(18,540)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	705	705
Federal Sources	26,040	26,040
Net cash provided by non-capital financing activities	26,745	26,745
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	-	-
Net cash provided by investing activities	-	-
Net increase in cash and cash equivalents	8,205	8,205
Balances—beginning of year	185	185
Balances—end of year	\$ 8,390	8,390
Reconciliation of operating (loss) to net cash provided (used) by operating activities:		
Operating (loss)	(27,164)	(27,164)
Increase in accounts payable	4,652	4,652
Increase in interfund payable	832	832
Increase in deferred revenue	3,140	3,140
Net cash (used for) operating activities	(18,540)	(18,540)

**Vineland Public Charter School
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011**

	<u>Unemployment Compensation Trust</u>
ASSETS	
Cash and cash equivalents	\$ 2,339
Total assets	<u>2,339</u>
LIABILITIES	
Due to State of New Jersey	707
Total liabilities	<u>707</u>
NET ASSETS	
Held in trust for unemployment claims and other purposes	<u>\$ 1,632</u>

**Vineland Public Charter School
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011**

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member contributions	\$ 1,930
Other	2
Total Contributions	1,932
Total additions	1,932
DEDUCTIONS	
Unemployment claims	1,930
Other	-
Total deductions	1,930
Change in net assets	2
Net assets—beginning of the year	1,630
Net assets—end of the year	\$ 1,632

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Trustees (Board) of the Vineland Public Charter School (School) have been prepared in conformity with generally accepted accounting principles (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. In its accounting and financial reporting, the School follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. Although the School has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the School has chosen not to do so. The more significant accounting policies established in GAAP and used by the School are discussed below.

A. REPORTING ENTITY:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the school. A school coordinator is appointed by the Board and is responsible for the administrative control of the school. The School had an approximate enrollment at June 30, 2011 of 153 students.

It has been determined that the school is a not for profit entity that reports under GASB 29. Further, the school is required to file a federal tax return (form 990) and pays no federal or state income tax.

The primary criterion for including activities within the School's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the School
- there is a fiscal dependency by the organization on the School

Based on the aforementioned criteria, the School has no component units.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The School's general and special revenue activities are classified as governmental activities. The School's food service program, before and after school program and the summer camp program are classified as business-type activities.

In the governmental-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The School first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the School's functions and business-type activities. The functions are also supported by general government revenues (sending district payments, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The School does allocate indirect costs such as depreciation expense and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net assets resulting from the current year's activities.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the School:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the School.

- a. **General fund** is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the School:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity establishes fees and charges based on a pricing policy designated to recover similar costs.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The School's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) they cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For the purpose of determining cash equivalents the School considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey Schools are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school Schools.

Additionally, the School has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

Vineland Public Charter School
Notes to Financial Statements
June 30, 2011

NJSA 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

2. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Machinery and equipment	10-15 years
-------------------------	-------------

GASBS No. 34 requires the District to report and depreciate new infrastructure assets. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The District has included all infrastructure assets in the current fiscal year.

3. Fund Balances – Governmental Funds

Vineland Public Charter School elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Trustees, the School’s highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Trustees.

Vineland Public Charter School
Notes to Financial Statements
June 30, 2011

- Assigned – includes amounts that the School intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the School’s policy, amounts may be assigned by the Business Administrator.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The School reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

4. Revenues:

Substantially all governmental fund revenues are accrued. District revenues are susceptible to accrual and under New Jersey State Statutes each sending district is required to remit to the School the entire balance of aid in the amount certified by the state based upon student count, prior to the end of the school year. The School records the entire approved payment as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

5. Expenditures:

Expenses are recognized when the related fund liability is incurred.

6. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

7. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The following material transfers were made to/(from) budgetary line items:

Account Name	Amount
Support Service - Other Purchased Services	\$ (16,500)
Instruction - General Supplies	16,500
Admin. Costs - Benefits	(15,192)
Instruction - Salaries	15,192

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

8. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

9. Allocation of Costs

In the government-wide statement of activities, the School has allocated unallocated benefits to various programs based on the final budgetary expenditures by program.

NOTE 2 - INVESTMENTS

As of June 30, 2011, the School had no investments.

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investment to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 3. CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2011, \$0 of the government's bank balance of \$250,293 was exposed to custodial credit risk.

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Vineland Public Charter School
Notes to Financial Statements
June 30, 2011

NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance June 30, 2010	Additions	Disposals/ Adjustments	Balance June 30, 2011
Governmental Activities:				
Machinery and Equipment	\$ -	5,669		5,669
Total at historical cost	-	5,669	-	5,669
Less: Accumulated depreciation	-	(369)		(369)
Total capital assets being depr, net of accum depr	-	5,300		5,300
Governmental activities capital assets, net	\$ -	5,300	-	5,300

Depreciation expense as charged to governmental functions as follows:

Regular instruction	\$ 369
	<u>\$ 369</u>

NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Balance January 1, 2010	Issued	Retired	Balance June 30, 2011	Amounts Due Within One Year
Compensated Absences	\$ 4,750	6,167	2,750	8,167	2,167
	<u>\$ 4,750</u>	<u>6,167</u>	<u>2,750</u>	<u>8,167</u>	<u>2,167</u>

NOTE 6. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 5.5% and the PERS rate is 5.5% of covered payroll. The School District's contributions to TPAF for the years ended June 30, 2011, and 2010 were \$0 and \$0 respectively. The School District's contributions to PERS for the years ended June 30, 2011, and 2010 were \$0 and \$0 respectively.

Vineland Public Charter School
Notes to Financial Statements
June 30, 2011

During the fiscal years ended June 30, 2011 and 2010, the State of New Jersey contributed \$0 and \$0 respectively to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$37,070 and \$27,330 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c. 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

NOTE 8. DEFERRED COMPENSATION

The School offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Omni Group

NOTE 9. RISK MANAGEMENT

The Charter 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.

Property and Liability Insurance - The School maintains commercial insurance coverage for property, liability and surety bonds. There has been no significant decrease in coverage or claims in excess of insurance.

Vineland Public Charter School
Notes to Financial Statements
June 30, 2011

New Jersey Unemployment Compensation Insurance - The School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School is billed quarterly for amounts due to the State. The following is a summary of School contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School's expendable trust fund for the current year:

<u>Fiscal Year</u>		<u>School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$	0	1,932	1,930	1,632
2009-2010		0	1,630	0	1,630

NOTE 10. FUND BALANCE APPROPRIATED

General Fund - Of the \$188,114 General Fund fund balance at June 30, 2011, \$55,822 is reserved for encumbrances and \$132,292 is unreserved and undesignated.

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2011, several interfunds remained on the various balance sheets of the Vineland Public Charter School.

	<u>From</u>	<u>To</u>
General Fund:		
Special Revenue Fund	\$ 20,577	
Before & After School Fund	832	
Special Revenue Fund:		
General Fund		20,577
Before & After School Fund		832
	<u>\$ 21,409</u>	<u>21,409</u>

Vineland Public Charter School
Notes to Financial Statements
June 30, 2011

NOTE 12. BUILDING RENTAL

On August 22, 2010 the School entered into a sublease agreement with the Vineland Board of Education for classroom and office space. The lease expires on June 30, 2013 and has an annual rent of \$125,000 payable in equal monthly installments. During 2011, \$107,191 was paid for rent. Future minimum payments under the lease are:

<u>Year</u>	<u>Amount</u>
2012	\$ 125,000
2013	<u>125,000</u>
Total	<u><u>\$ 250,000</u></u>

NOTE 13. RESTATEMENT OF BALANCES

The June 30, 2010 governmental net assets have been increased by \$10,740 due to a change in the School's policy of accounting for compensated absences. The School does not reimburse employees for unused sick time.

NOTE 14. SUBSEQUENT EVENTS

The School has evaluated subsequent events through September 16, 2011, the date which the financial statements were available to be issued and no items were noted for disclosure.

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Required Supplemental Information

PART II

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BUDGETARY COMPARISON SCHEDULES

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**Vineland Public Charter School
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Charter School Aid	\$ 1,290,207	10,952	1,301,159	1,301,159	-
Miscellaneous	46,000	-	46,000	29,033	(16,967)
Total - Local Sources	1,336,207	10,952	1,347,159	1,330,192	(16,967)
State Sources:					
Reimbursed TPAF Social Security Contributions (non-budgeted)				37,070	37,070
Total - State Sources	-	-	-	37,070	37,070
Total Revenues	1,336,207	10,952	1,347,159	1,367,262	20,103

Vineland Public Charter School
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Instruction:					
Salaries of Teachers	464,200	27,536	491,736	491,736	-
Purchased Professional Technical Services	27,000	(950)	26,050	26,050	-
Other Purchased Services	4,600	(1,079)	3,521	3,521	-
General Supplies	39,000	21,384	60,384	36,459	23,925
Textbooks	31,200	38,120	69,320	33,323	35,997
Other Objects	4,700	(985)	3,715	3,715	-
Total Instruction	570,700	84,026	654,726	594,804	59,922
Administrative costs:					
Salaries - administrative	139,200	84,130	223,330	187,650	35,680
Salaries of Secretarial/Clerical Assistants	54,130	(54,130)			
Benefits	177,881	(15,191)	162,690	117,605	45,085
Purchased professional/technical services	35,000	-	35,000	33,098	1,902
Other Purchased Services	5,300	-	5,300	100	5,200
Communications/Telephone	12,200	1,000	13,200	12,206	994
Supplies and Materials	4,000	14,000	18,000	8,262	9,738
Miscellaneous Expenditures	3,500	-	3,500	3,449	51
Total Administrative Costs	431,211	29,809	461,020	362,370	98,650

**Vineland Public Charter School
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services:					
Salaries	62,800	100	62,900	61,611	1,289
Purchased Professional and Technical Services	10,000	(100)	9,900	6,344	3,556
Other Purchased Services	38,000	12,500	50,500	42,034	8,466
Rental of Land and Buildings	187,500	-	187,500	173,982	13,518
Insurance	13,000	-	13,000	7,272	5,728
Supplies and Materials	8,500	-	8,500	6,888	1,612
Transportation - Other than to/from school	2,000	-	2,000	340	1,660
Energy Costs - Heat and Electricity	42,000	(27,650)	14,350	10,480	3,870
Miscellaneous	3,000	-	3,000	461	2,539
Total Support Services	366,800	(15,150)	351,650	309,412	42,238
Reimbursed TPAF Social Security Contributions (non-budgeted)				37,070	(37,070)
Total On-behalf Contributions	-	-	-	37,070	(37,070)
Total Current Expense	1,368,711	98,685	1,467,396	1,303,656	163,740

Vineland Public Charter School
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay:					
Instructional Equipment	3,000	-	3,000	2,126	874
Total Equipment	3,000	-	3,000	2,126	874
Total Capital Outlay	3,000	-	3,000	2,126	874
Total Expenditures	1,371,711	98,685	1,470,396	1,305,782	164,614
Excess of Revenues Over Expenditures	(35,504)	(87,733)	(123,237)	61,480	184,717
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(35,504)	(87,733)	(123,237)	61,480	184,717
Fund Balances, July 1	126,634		126,634	126,634	-
Fund Balances, June 30	\$ 91,130	(87,733)	3,397	188,114	184,717

Recapitulation:

Assigned to:

Year end Encumbrances

Unassigned

Fund Balance per Governmental Funds (GAAP)

55,822
 132,292
 188,114

Vineland Public Charter School
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Artists in Education Grant	\$ 6,015		6,015	6,015	-
Target Field Trip Grant	2,000		2,000	2,000	-
Total - Local Sources	8,015	-	8,015	8,015	-
Federal Sources:					
Title I - Part A		31,030	31,030	31,030	-
Title I - Part A - ARRA	9,610		9,610	9,610	-
Title II-A	2,293	460	2,753	2,753	-
Title II-D	317		317	317	-
I.D.E.A.		12,840	12,840	12,840	-
Start-Up Grant Yr 2	117,941	-	117,941	117,941	-
Total - Federal Sources	130,161	44,330	174,491	174,491	-
Total Revenues	138,176	44,330	182,506	182,506	-
EXPENDITURES:					
Instruction					
Salaries of Teachers	10,400	14,000	24,400	24,400	-
Supplies and Materials	41,722	14,170	55,892	55,892	-
Total instruction	52,122	28,170	80,292	80,292	-
Support Services					
Salaries		6,000	6,000	6,000	-
Personal Services - Employee Benefits	1,688	4,000	5,688	5,688	-
Purchased Professional - Educational Services		12,840	12,840	12,840	-
Purchased Professional/Technical Services	11,597	1,869	13,466	13,466	-
Supplies & Materials	45,454	(98)	45,356	45,356	-
Total support services	58,739	24,611	83,350	83,350	-
Capital Outlay					
Instructional Equipment	2,600	(1,175)	1,425	1,425	-
Non-instructional Equipment	24,715	(7,276)	17,439	17,439	-
	27,315	(8,451)	18,864	18,864	-
Total expenditures	\$ 138,176	44,330	182,506	182,506	-
Excess of Revenues Over Expenditures	-	-	-	-	-

Vineland Public Charter School
 Required Supplementary Information
 Budgetary Comparison Schedule
 Notes to Required Supplementary Information
 For the Year Ended June 30, 2011

Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	Special Revenue
Sources/inflows of resources	
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 182,506
Difference - budget to GAAP:	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized	
Prior year	17,757
Current year	
<hr style="border: 0.5px solid black;"/>	
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	200,263
Uses/outflows of resources	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	182,506
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	
Prior year	17,757
Current year	
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 200,263

Supplemental Information

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SPECIAL REVENUE FUND

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Vineland Public Charter School
 Special Revenue Fund
 Combining Schedule of Revenue and Expenditures
 Budgetary Basis
 For the Year Ended June 30, 2011

	Title I Part A	Title I Part A - ARRA	Title II Part A	Title II Part D	I.D.E.A. Part - B Basic	Start-Up Grant Year 2	Total Federal Funds	Target Field Trip Grant	Artists Dance Instruction Grant	Total Local Funds	Total
REVENUES:											
Local Sources	31,030	9,610	2,753	317	12,840	117,941	174,491	2,000	6,015	8,015	8,015
Federal Sources	31,030	9,610	2,753	317	12,840	117,941	174,491	2,000	6,015	8,015	174,491
Total revenues											182,506
EXPENDITURES:											
Instruction:											
Salaries of teachers	20,000	1,000				3,400	24,400				24,400
General supplies	5,479	380				50,033	55,892				55,892
Total instruction	25,479	1,380				53,433	80,292				80,292
Support services:											
Salaries	4,000	6,000				288	6,000				6,000
Personal services- employee benefits		1,400					5,688				5,688
Purchased professional-educational service					12,840		12,840				12,840
Purchased professional/technical service	1,551	830	2,753	317			5,451	2,000	6,015	8,015	13,466
Supplies and materials						45,356	45,356				45,356
Total support services	5,551	8,230	2,753	317	12,840	45,644	75,335	2,000	6,015	8,015	83,350
Capital Outlay											
Instructional Equipment						1,425	1,425				1,425
Non-instructional Equipment						17,439	17,439				17,439
Total capital outlay						18,864	18,864				18,864
Total expenditures	31,030	9,610	2,753	317	12,840	117,941	174,491	2,000	6,015	8,015	182,506

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PROPRIETARY FUNDS

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**Vineland Public Charter School
Non-major Proprietary Funds
Combining Statement of Net Assets
June 30, 2011**

	<u>Food Service</u>	<u>Before/After Program</u>	<u>Summer Camp</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 2,754	2,496	3,140	8,390
Intergovernmental Accounts Receivable	3,160			3,160
Total Current Assets	<u>5,914</u>	<u>2,496</u>	<u>3,140</u>	<u>11,550</u>
Total assets	<u><u>5,914</u></u>	<u><u>2,496</u></u>	<u><u>3,140</u></u>	<u><u>11,550</u></u>
LIABILITIES:				
Current liabilities:				
Accounts payable	4,314	338		4,652
Interfund payable		832		832
Deferred Revenue			3,140	3,140
Total current liabilities	<u>4,314</u>	<u>1,170</u>	<u>3,140</u>	<u>8,624</u>
NET ASSETS:				
Unrestricted	1,600	1,326	-	2,926
Total net assets	<u><u>\$ 1,600</u></u>	<u><u>1,326</u></u>	<u><u>-</u></u>	<u><u>2,926</u></u>

Vineland Public Charter School
Non-major Proprietary Funds
Combining Statement of Revenues, Expenses
and Changes in Net Assets
For the Year Ended June 30, 2011

	<u>Food Service</u>	<u>Before/After Program</u>	<u>Summer Camp</u>	<u>Total</u>
OPERATING REVENUES:				
Local Sources:				
Daily sales- reimbursable programs	\$ 13,640			13,640
Program Revenue		8,713		8,713
Other Revenues	1,361			1,361
Total Operating Revenues	<u>15,001</u>	<u>8,713</u>	<u>-</u>	<u>23,714</u>
OPERATING EXPENSES:				
Salaries	3,088	7,387		10,475
Supplies and Materials	40,403			40,403
Total operating expenses	<u>43,491</u>	<u>7,387</u>	<u>-</u>	<u>50,878</u>
Operating (loss)	<u>(28,490)</u>	<u>1,326</u>	<u>-</u>	<u>(27,164)</u>
Nonoperating revenues:				
State sources:				
State school lunch program	696			696
Federal sources:				
National school lunch program	27,067			27,067
Total nonoperating revenues	<u>27,763</u>	<u>-</u>	<u>-</u>	<u>27,763</u>
Change in net assets	(727)	1,326	-	599
Total Net Assets - beginning	<u>2,327</u>	<u>-</u>	<u>-</u>	<u>2,327</u>
Total Net Assets - ending	<u>\$ 1,600</u>	<u>1,326</u>	<u>-</u>	<u>2,926</u>

**Vineland Public Charter School
Combining Statement of Cash Flows
Non-major Proprietary Funds
For the Year Ended June 30, 2011**

	<u>Food Service</u>	<u>Before/After Program</u>	<u>Summer Camp</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 15,001	8,713	3,140	26,854
Cash payments to employees for services	(3,088)	(6,217)		(9,305)
Cash payments to suppliers for goods and services	(36,089)		-	(36,089)
Net cash provided/(used) for operating activities	<u>(24,176)</u>	<u>2,496</u>	<u>3,140</u>	<u>(18,540)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	705			705
Federal Sources	26,040			26,040
Net cash provided by non-capital financing activities	<u>26,745</u>	<u>-</u>	<u>-</u>	<u>26,745</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	2,569	2,496	3,140	8,205
Balances—beginning of year	185	-	-	185
Balances—end of year	<u>\$ 2,754</u>	<u>2,496</u>	<u>3,140</u>	<u>8,390</u>
Reconciliation of operating income (loss) to net cash provided				
(used) by operating activities:				
Operating income/(loss)	\$ (28,490)	1,326	-	(27,164)
Increase in accounts payable	4,314	338		4,652
Increase in interfund payable		832		832
Increase in deferred revenue			3,140	3,140
Total adjustments	<u>4,314</u>	<u>1,170</u>	<u>3,140</u>	<u>8,624</u>
Net cash provided by/(used for) operating activities	<u>\$ (24,176)</u>	<u>2,496</u>	<u>3,140</u>	<u>(18,540)</u>

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FIDUCIARY FUNDS

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**Vineland Public Charter School
Fiduciary Fund
Combining Statement of Fiduciary Net Assets
June 30, 2011**

	<u>Expendable Trusts</u>	<u>Agency</u>	
	<u>Unemployment</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 2,339	-	2,339
Total Assets	<u>2,339</u>	<u>-</u>	<u>2,339</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Due to the State of New Jersey	707		707
Interfund payable			-
Total Liabilities	<u>707</u>	<u>-</u>	<u>707</u>
Unreserved Fund Balance	1,632		1,632
Total Fund Balance	<u>1,632</u>		<u>1,632</u>
Total liabilities and fund balances	<u>\$ 2,339</u>		<u>1,632</u>

**Vineland Public Charter School
Unemployment Expendable Trust Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Net Assets
For the Year Ended June 30, 2011**

	2011
OPERATING REVENUES:	
Local sources:	
Employee Contributions	\$ 1,930
Transfer from Other Funds	
Other	2
Total operating revenues	1,932
 OPERATING EXPENSES:	
Payments of unemployment claims	1,930
Other	
Total operating expenses	1,930
Operating Income	2
Net Income	2
Fund balances, July 1	1,630
Fund balances, June 30	\$ 1,632

**Galloway Community Charter School
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2011**

	Balance 1/1/2010	Additions	Deletions	Balance 6/30/2011
ASSETS:				
Cash and cash equivalents	-	843,871	843,871	-
Total assets	<u>-</u>	<u>843,871</u>	<u>843,871</u>	<u>-</u>
LIABILITIES:				
Payroll deductions and withholdings	-	823,547	823,547	-
Interfund payable	-	20,324	20,324	-
Total liabilities	<u>-</u>	<u>843,871</u>	<u>843,871</u>	<u>-</u>

Statistical Section

The GASB requires that ten years of information be presented. However, in some cases the information is either not available or the school was not in operation for that length of time.

VINELAND PUBLIC CHARTER SCHOOL
Net Assets by Component,
Last Two Fiscal Years
Unaudited

	Fiscal Year Ended June 30,	
	<u>2010</u>	<u>2011</u>
Governmental activities		
Invested in capital assets, net of related debt	-	5,300
Restricted	237	55,822
Unrestricted	<u>121,647</u>	<u>124,125</u>
Total governmental activities net assets	<u><u>121,884</u></u>	<u><u>185,247</u></u>
Business-type activities		
Invested in capital assets, net of related debt		
Restricted		
Unrestricted	<u>2,327</u>	<u>2,926</u>
Total business-type activities net assets	<u><u>2,327</u></u>	<u><u>2,926</u></u>
District-wide		
Invested in capital assets, net of related debt	-	5,300
Restricted	237	55,822
Unrestricted	<u>123,974</u>	<u>127,051</u>
Total district net assets	<u><u>124,211</u></u>	<u><u>188,173</u></u>

The District began operations in January 2009. Based on this, only two years of information is presented.

Source: CAFR Schedule A-1

VINELAND PUBLIC CHARTER SCHOOL
Changes in Net Assets, Last Two Fiscal Years
Unaudited

	<u>2010</u>	<u>2011</u>
Expenses		
Governmental activities		
Instruction		
Regular	467,608	787,616
Support Services:		
General administrative services	203,096	501,732
School administrative services	388,277	214,814
Total governmental activities expenses	<u>1,058,981</u>	<u>1,504,162</u>
Business-type activities:		
Food service	25,688	43,491
Before and After School	-	7,387
Total business-type activities expense	<u>25,688</u>	<u>50,878</u>
Total district expenses	<u><u>1,084,669</u></u>	<u><u>1,555,040</u></u>
Program Revenues		
Governmental activities:		
Operating grants and contributions	265,870	200,263
Total governmental activities program revenues	<u>265,870</u>	<u>200,263</u>

VINELAND PUBLIC CHARTER SCHOOL
Changes in Net Assets, Last Two Fiscal Years
Unaudited

	<u>2010</u>	<u>2011</u>
Business-type activities:		
Charges for services		
Food service	11,596	15,001
Before and After School	-	8,713
Operating grants and contributions	<u>16,419</u>	<u>27,763</u>
Total business type activities program revenues	<u>28,015</u>	<u>51,477</u>
Total district program revenues	<u><u>293,885</u></u>	<u><u>251,740</u></u>
Net (Expense)/Revenue		
Governmental activities	(793,111)	(1,303,899)
Business-type activities	<u>2,327</u>	<u>599</u>
Total district-wide net expense	<u><u>(790,784)</u></u>	<u><u>(1,303,300)</u></u>
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Charter School Aid	791,393	1,301,159
Unrestricted grants and contributions	110,276	37,070
Miscellaneous income	2,586	29,033
Transfers	-	-
Total governmental activities	<u>904,255</u>	<u>1,367,262</u>
Business-type activities:		
Investment earnings	-	-
Transfers	-	-
Total business-type activities	<u>-</u>	<u>-</u>
Total district-wide	<u><u>904,255</u></u>	<u><u>1,367,262</u></u>
Change in Net Assets		
Governmental activities	111,144	63,363
Business-type activities	<u>2,327</u>	<u>599</u>
Total district	<u><u>113,471</u></u>	<u><u>63,962</u></u>

The District began operations in January 2009. Based on this, only two year of information is presented.

Source: CAFR Schedule A-2

VINELAND PUBLIC CHARTER SCHOOL
Fund Balances, Governmental Funds,
Last Two Fiscal Years
Unaudited

	<u>Fiscal Year</u>	<u>Ended June 30,</u>
	<u>2010</u>	<u>2011</u>
General Fund		
Assigned		55,822
Unassigned		132,292
Reserved	237	
Unreserved	129,397	
Total general fund	<u>129,634</u>	<u>188,114</u>
All Other Governmental Funds		
Reserved	-	-
Unreserved, reported in:		
Special revenue fund	-	-
Total all other governmental funds	<u>-</u>	<u>-</u>

The District began operations in January 2009. Based on this, only two years of information is presented.

Beginning with fiscal year ended June 30, 2011 the District was required to comply with GASB 54, which required a change in the method of presentation of fund balances.

Source: CAFR Schedule B-1

VINELAND PUBLIC CHARTER SCHOOL
Changes in Fund Balances, Governmental Funds,
Last Two Fiscal Years
Unaudited

	<u>2010</u>	<u>2011</u>
Revenues		
Charter School Aid	791,393	1,301,159
Miscellaneous	3,386	37,048
State sources	110,276	37,070
Federal sources	265,070	192,248
Total revenue	<u>1,170,125</u>	<u>1,567,525</u>
Expenditures		
Instruction		
Regular Instruction	420,290	690,935
Support Services:		
School Administrative services	350,256	447,638
General administrative services	240,015	309,412
Unallocated employee benefits	27,330	37,070
Capital outlay	5,600	20,990
Total expenditures	<u>1,043,491</u>	<u>1,506,045</u>
Excess (Deficiency) of revenues over (under) expenditures	126,634	61,480
Other Financing sources (uses)		
Transfers in		
Transfers out		
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	<u><u>126,634</u></u>	<u><u>61,480</u></u>

Source: CAFR Schedule B-2

The District began operations in January 2009. Based on this, only two years of information is presented.

VINELAND PUBLIC CHARTER SCHOOL
General Fund Other Local Revenue by Source
Last Two Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Donation</u>	<u>Interest on</u> <u>Investments</u>	<u>Misc.</u>	<u>Total</u>
2010			3,386	3,386
2011	26,479		10,569	37,048

The District began operations in January 2009. Based on this, only two years of information is presented.

Source: District Records

VINELAND PUBLIC CHARTER SCHOOL
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2002								
2003								
2004								
2005								
2006								
2007								
2008								
2009								
2010								
2011								

Not applicable - the district does not have any debt

VINELAND PUBLIC CHARTER SCHOOL
Full-time Equivalent District Employees by Function/Program,
Last Two Fiscal Years
Unaudited

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>
Instruction		
Regular	8.4	11.8
Support Services:		
Health Services	1.0	1.0
Student & instruction related services	2.0	1.4
General administrative services	2.0	2.7
Plant operations and maintenance	0.5	1.0
Food Services	-	0.9
Total	13.9	18.8

Source: District Personnel Records

The Vineland Public Charter School's year of inception was the 2009-2010 fiscal year.

GALLOWAY COMMUNITY CHARTER SCHOOL
Operating Statistics
Last Two Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2010	102	1,043,491	10,230	N/A	8	13:1		102	96	N/A	94.58%
2011	153	1,506,045	9,843	-3.78%	12	13:1		148	141	45.81%	95.27%

Sources: District records, ASSA and Schedule J-6

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

The Vineland Public Charter School's year of inception was the 2009-2010 fiscal year.

VINELAND PUBLIC CHARTER SCHOOL
School Building Information
Last Ten Fiscal Years
Unaudited

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
------	------	------	------	------	------	------	------	------	------

Elementary

Not Applicable - The District does not own a building

VINELAND PUBLIC CHARTER SCHOOL
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

School Facilities	Project # (s)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
-------------------	---------------	------	------	------	------	------	------	------	------	------	------

Not Applicable - The District does not own a building

VINELAND PUBLIC CHARTER SCHOOL
Insurance Schedule
June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property Limits		
Building and personal property	10,000	500
Blanket Extra	7,500	500
Electronic Data Processing Equip.	7,500	500
General Liability	2,000,000	per occ.
	2,000,000	aggregate
Medical Expenses	10,000	
Business Auto	1,000,000	1,000
Workers Compensation	Statutory	
School Board E & O	1,000,000	
Surety Bonds		
Board Treasurer	117,000	

Single Audit Section

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**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**

The Honorable President and
Members of the Board of Trustees
Vineland Public Charter School
County of Cumberland, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Vineland Public Charter School in the County of Cumberland, State of New Jersey as of and for the year ended June 30, 2011, which collectively comprises the District's basic financial statements, and have issued our report thereon dated September 16, 2011. We conducted our audit 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 audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Vineland Public Charter School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Vineland Public Charter School's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vineland Public Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Vineland Public Charter School's internal control over financial reporting.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vineland Public 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* or the requirements of the Department of Education.

We noted certain matters that we reported to the management of Vineland Public Charter School Board of Trustees in a separate letter dated September 16, 2011.

This report is intended solely for the information and use of the finance committee, management, and the State of New Jersey, Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



TerryAnn Marion, CPA
Licensed Public School Accountant
No. CS00119600

Swartz & Co., LLC

Swartz & Co., LLC
Certified Public Accountants

September 16, 2011

VINELAND PUBLIC CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010	Cash Received	Budgetary Expenditures	Funds Returned	(Accounts Receivable)	Deferred Revenue June 30, 2011	Due to Grantor
U. S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
National School Lunch Program	10.555		7/1/09-6/30/10	15,706	\$ (2,049)	2,049					
National School Lunch Program	10.555		7/1/10-6/30/11	27,067		23,991	(27,067)		(3,076)		
Total U.S. Department of Agriculture					(2,049)	26,040	(27,067)		(3,076)	-	-
U.S. Department of Education											
Passed-through State Department of Education:											
Special Revenue Fund:											
L.D.E.A. Part B - Basic	84.027		9/1/09-8/31/10	15,977	(15,977)	15,977					
L.D.E.A. Part B - Basic	84.027		9/1/10-8/31/11	31,030		8,401	(12,840)		(4,439)		
NCLB Title I Part A	84.010		9/1/09-8/31/10	28,537	(1,202)	1,202					
NCLB Title I Part A	84.010		9/1/10-8/31/11	31,030		18,665	(31,030)		(12,365)		
NCLB Title I Part A - ARRA	84.389		9/1/09-8/31/11	9,756	(146)	5,946	(9,610)		(3,810)		
NCLB Title IIA	84.367A		9/1/09-8/31/10	2,293		2,293	(2,293)				
NCLB Title IIA	84.367A		9/1/10-8/31/11	460		371	(460)		(89)		
NCLB Title III	84.318X		9/1/09-8/31/10	317	(482)	317	(317)				
NCLB Title IV	84.186A		9/1/09-8/31/10	482		482					
Start-Up Grant Yr 2	84.282		10/1/09-7/31/10	190,625	107,012	109,929	(117,941)				
Total Special Revenue Fund					89,205	64,583	(174,491)		(20,703)	-	-
Total Federal Financial Awards					\$ 87,156	90,623	(201,558)		(23,779)	-	-

VINELAND PUBLIC CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2011

State Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010	Cash Received	Budgetary Expenditures	Funds Returned	(Accounts Receivable)	Deferred Revenue June 30, 2011	Due to Grantor	Cumulative Expenditures
State Department of Education												
Passed-through Local Districts:												
General Fund:												
Equalization Aid		495-034-5120-089	7/1/09-6/30/10	88,161	\$ 6,960			(6,960)				81,201
Security Aid		495-034-5120-084	7/1/09-6/30/10	1,808	63			(63)				1,745
TPAF Social Security		495-034-8095-051	7/1/10-6/30/11	37,070		37,070	(37,070)		-			37,070
Total General Fund					7,023	37,070	(37,070)	(7,023)	-	-	-	120,016
State Department of Agriculture												
Enterprise Fund:												
National School Lunch Program (State Share)		100-034-5120-067	7/1/09-6/30/10	713	(93)	93			-			713
National School Lunch Program (State Share)		100-034-5120-067	7/1/10-6/30/11	696		612	(696)		(84)			696
Total Enterprise Fund					(93)	705	(696)	-	(84)	-	-	1,409
Total State Financial Assistance					\$ 6,930	\$ 37,775	(37,766)	(7,023)	(84)	-	-	121,425

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

Vineland Public Charter School
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Trustees of the Vineland Public Charter School. The Board of Trustees is defined in Note 1 to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's general-purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

The general-purpose financial statements present the general fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$17,757 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as follows:

Vineland Public Charter School
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

	<u>General fund</u>	Food service fund	<u>Total</u>
State Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 37,070	696	37,766
Difference – budget to "GAAP"	_____	_____	_____
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 37,070</u>	<u>696</u>	<u>37,766</u>

	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 174,491	27,067	201,558
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.	17,757		17,757
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 192,248</u>	<u>27,067</u>	<u>219,315</u>

Vineland Public Charter School
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

**VINELAND PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING JUNE 30, 2011**

Part 2 – Schedule of Financial Statement Findings

NONE

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

NONE

Status of Prior Year Findings

NONE