COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2011

D.U.E. Season Charter School

"Distinctions in Urban Education"

1000 Atlantic Avenue
Camden, New Jersey 08104

"Out of little seeds, great trees can grow."

PREPARED BY

D.U.E. SEASON CHARTER SCHOOL
CAMDEN, NEW JERSEY

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(COUNTY OF CAMDEN, NEW JERSEY)

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INTRODUCTORY SECTION

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D.U.E. Season Charter School

"Distinctions in Urban Education"

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"Out of little seeds, great trees can grow."

November 23, 2011

Acting Commissioner Chris Cerf
New Jersey Department of Education
100 Riverview Executive Plazas
CN – 500
Trenton, New Jersey 08625-0500

Dear Acting Commissioner Cerf:

We hereby submit the Comprehensive Annual Financial Report of the D.U.E. Season Charter School ("DSCS", the "School" or the "Charter School") for the fiscal year ended June 30, 2011. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. 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 fairly present the financial position and result of operations of the various funds and account groups of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter 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 Charter School's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, the basic financial statements, required supplementary information and other supplementary information, as well as the auditor's report thereon. The statistical section includes six unaudited fiscal years of data. The Charter School is required to undergo an annual single audit in conformity with the provisions of the OMB Circular A-133 and New Jersey OMB Circular Letter 04-04, *"Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid."* Information related to this single audit, including the auditor's report on internal control 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 Charter School is an independent reporting entity within the criteria adopted by the Government and Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the Charter School are included in this report.

School Description

Startup and Current Year: D.U.E. Season Charter School commenced implementation in the 2005 school year and just completed its sixth year of operation.

Address: D.U.E. Season Charter School is located at 1000 Atlantic Ave. Camden, NJ 08104.

Facility: The school is located in a five story multi-use facility. The primary location is the former patient tower of the Virtua Hospital Building. The school facility consists of 79,000 sq. ft. of space utilized for academics, recreation, assembly and cafeteria.

Number of Students, Grades and Classes: The school's charter authorized a maximum enrollment of five hundred students for the 2010-2011 school year. The enrollment at the beginning of the school year was 500 students. At the end of the year the enrollment was 500 students. At the end of the year the enrollment was 486 students. There are four classes at each grade level from Kindergarten through eighth grades.

Maximum Class Size: Class size is approximately 13-15 students per class on each grade level.

School Day: The school day begins at 8 a.m. and ends at 3:00 p.m. for a total time of seven hours. Total instructional time is six hours for first through eighth grades and six and a half hours for Kindergarten.

School Year: School year began August 30, 2010 and ended June 24, 2011, for a total of 186 school days.

Student/Teacher Ratio: 9:1

Planned Expansion: In the 2011-2012 academic year, the school will expand its capacity to 600 students.

Approved District(s) or Region of Residence: The school draws its students from the following districts: Camden (94%), Pennsauken (3%), Washington Township (1%) Collingswood (1%), Woodlynne (<1%), Lindenwold (01%).

Employees: The school employs a lead person, two assistant principals, one dean of students; fifty-five teachers, four administrative assistants, three special education teachers, a nurse, a social worker, guidance counselor, and two physical education teachers, a music teacher, a world languages teacher, dance teacher, a performing arts teacher, three instructional specialists, master teacher, parent facilitator, four instructional interns, two secretaries, development coordinator, technology coordinator, business manager, six security, a coordinator of foods, several program aides and two custodians.

Lead Person: The school's lead person is Dr. Doris Carpenter (Tel. (856) 225-0511), (Fax (856) 668-2196), (email: drcarpenter@dueseasoncharterschool.org).

Theme/Defining Attributes: The defining attributes of the school are its emphasis on performing arts, character development, and technology.

Organizational Affiliation (if any): The school is affiliated with the Lion of Judah Restoration Ministries, Inc. of Camden, a non-profit faith-based community service agency.

2) ECONOMIC CONDITION AND OUTLOOK

The City of Camden continues to experience a period of recover and restoration from being named the poorest and the most violent city in the country. The children who grew up in this city suffer relentless exposure to risk and D.U.E. Season Charter School serves an oasis in the midst of negativity. The City is developing neighborhood plans to design and conduct redevelopment throughout. The increasing number of business this will draw to the city will result in an increase in the employment level which results in an increased tax base, both residential and industrial. The redevelopment has begun and is expected to continue making it reasonable to project Camden to come back and begin to prosper.

3) SUMMARY OF MAJOR ACCOMPLISHMENTS

Governance: Board of Trustees:

D.U.E. Season Charter School Board of Trustees is driven by the mission statement and purposed for the student's attainment of the maximum levels of academic performance and to improve the quality of life for the urban student. The Board continues to acknowledge and commend our Chief Education Officer, Dr. Doris Carpenter, administrators, teachers and support staff for their diligent work and commitment to excellence during the 2010-2011 school year.

The following are major accomplishments realized during the 2010-2011 school year:

- Completed an additional 6,000 sq. ft. in our existing facility which provides a larger multi-purpose room, performance area, cafeteria, instructional space, offices and storage.
- Received 21st Century Community Learning Center grant at $2.4 million over five years from the NJ Department of Education
- Received Even Start Family Literacy Program grant at $295,000 during the 2010-2011 school year from the NJ Department of Education
- Received and approved a Customized Policy Manual through a Smarter Charter grant.
- Secured a partnership with the Philadelphia Region of McDonald's Corporation
- Held our first retreat between school managers and Board of Trustees
- Approved preliminary budget for 2010-2011 school year.
- Maintained a meeting quorum of voting board members throughout the year.

Board Members

Trustees are nominated and elected on the basis of a firm commitment to the mission, educational philosophy, goals and objectives of D.U.E. Season Charter School and for qualities of leadership, service, and expertise in an array of fields which they bring to the school. The Board is at full strength.

Policies

The Board of Trustees received a Smarter Charter grant from the New Jersey Charter School Association which it utilized to contract with the New Jersey School Boards Association to complete a customized policy manual. All of the policies in this manual were approved.

School Administration

There were no changes in school administration in the 2010-2011 school year.

Anticipated Issues

- The Board of Trustees continues to struggle with the issue of finance regarding facility expansion. The Board recognizes the challenges of securing financing for charter schools. The cost of facility acquisition/expansion is a critical issue. State charter school laws does not allow funding for charter school for facilities, as a result, charter schools must raise private funds or find other financing for up-front costs and then make lease and loan payments out of their operating funds. Since it is not uncommon for facilities costs to amount to 20-25% of a charter school's total budget, the net effect on the school's operating budget is severe.

- Interventions that address psychosocial risk mechanisms are needed at the elementary/middle school levels to make significant impact on the academic achievement of D.U.E. Season Charter School students. It is at the elementary/middle school level that D.U.E. Season Charter School will help students develop both an attachment to academics and a method of positive risk response, which will follow them through their academic careers.

Summary of Curriculum Development Progress

D.U.E. Season Charter School employed a number of methods to develop curriculum and ensure its implementation. During the summer, a committee of teachers and the instructional leaders worked on the development and revision of the curriculum. During the school year, the curriculum team unpacked the NJ World Class Standards for Science. Benchmark assessments were reviewed and revised for each marking period to assess the mastery of the skills. Benchmark assessments were aligned in content, format and rigor to the state assessments. During the summer, the curriculum team completed curriculum maps for Mathematics in grades K- 2 and Science in grades 4, 6, 7, and 8.

Curriculum was monitored in order to ensure both consistency of implementation and compliance with the NJCCCS. This was achieved through numerous methods. Teachers submitted weekly lesson plans to administrators and coaches for review. Each teacher was observed at least three times throughout the school year. In addition, each teacher conferred with an administrator and instructional coaches to discuss their students' data for each marking period. Instructional goals and plans were designed based on this data for the forthcoming marking period.

A goal for the 2011-2012 school year is to better ensure consistency and implementation of the curriculum. It is the goal of the instructional leaders of the school to give constructive feedback on lesson plans, increase the number of informal and formal class observations and walkthroughs, and hold constructive instruction based conference with teachers.

Furthermore, one of the goals of the curriculum committee is to complete curriculum mapping for Language Arts Literacy grades K -8 and Math grades 3 - 8.

Delivery of an Educational Program Leading to High Achievement for All Students

Delivery of Services to 'At-Risk' Students

The D.U.E. Season Charter School philosophy of education is founded upon Resiliency Theory and supported by research data on the brain and best practices of learning. Resiliency Theory focuses upon instilling protective factors within the school community, which enables students who are subjected to multiple risk factors the opportunity to demonstrate academic and personal success in the face of adversity.

Resiliency Theory highlights student competencies rather than deficiencies. Therefore, the basic principles of Resiliency Theory will be integrated into every component of the D.U.E. Season Charter School experience, in order to transform 'at-risk' learners into resilient achievers.

D.U.E. Season Charter School does not provide remediation for our students since it implies a deficiency within the student. Any student considered in need of remediation may be subject to self-indoctrination, which is counter indicative of what D.U.E. Season Charter School promotes. At D.U.E. Season Charter School, students who are performing below academic and social expectations are accelerated. Intensive acceleration shifts the focus from negative to positive.

Any D.U.E. Season Charter School student who may be in need of acceleration services are identified through the annual standardized assessment. The assessment instrument used this year was the NJ ASK. After analyzing the data, students who demonstrated the greatest need were assigned small group instruction for specific content areas of difficulty. These support services were offered during regular school hours. The services were monitored and provided by a select group of teachers in our Next Level department. Next Level is coined because of its approach to move borderline students up to the next level of proficiency or advanced proficiency. With a student to teacher ratio of approximately 6:1, students are able to receive more individualized attention in an area of academic weakness. Throughout the year the students were monitored to review their progress. Monitoring occurred via report card grades and benchmark testing. Every marking period students completed benchmark tests. Next Level students receive the same benchmark assessment as students in the general education classroom. As such, even though students are being taught differently, they are still expected to achieve the same learning objectives. Benchmark results allow teachers to identify individual student needs and create learning plans that assist student achievement.

Identifying behavioral "at-potential" students is mainly done by discipline inventories conducted by the Dean of Students and the Assistant Principals. The Assistant Principals and the Dean use the inventories to issue identified students with individualized behavior management cards. The behavior cards are utilized to keep the communication between home and school secure as the student works through struggles and begins the process of restoration. A part of the restoration process is our Saturday Restorative classes that hone in on skills necessary to be socially competent.

Students that consistently demonstrate weakness due to poor benchmark grades, report card grades and/or behavior eventually get referred to I&RS. D.U.E. Season Charter School has an I&RS Team that responds to the needs of those students identified by data and/or teachers as having academic and/or behavior difficulties that either interferes with the processes of the classroom or to his/her progress at school. This team, which meets as needed (but no less than monthly), is chaired by the assistant principal and is comprised of the following members: a teacher from each grade level and discipline, the school nurse, and a guidance counselor. Teachers begin the process by completing a referral form, which solicits detailed documentation, anecdotal records and records of previous interventions attempted to meet the student's needs. Team interventions must be clearly defined with measurable outcomes indicated. Issues involving poor attendance, frequent disciplinary behavior referrals and/or suspensions, low marking period grades, a sense of apathy or school resistance, may all be grounds for I&RS Team referrals. At this time approximately 10% of our population have been referred to our I&RS Committee. While some of the issues were found to be reconcilable in the present classroom setting, some were referred to the Child Study Team (CST) for further review. In all our interventions, our staff works to ensure the "whole" child is being considered and plans are made from collaborative effort.

Innovative/Exemplary Programs and Practices

The Celebration of Learning - At the end of the school year, our students and teachers are afforded the opportunity to showcase the product of their cumulative learning for the school community. Parents and other community members are invited to view student performances, projects and other displays that extend beyond the classroom environment. It is a day to celebrate their knowledge and share it with the surrounding community.

Next Level - At the Elementary/Middle School divisions, D.U.E. Season Charter School students, who scored within a ten point range of meeting proficiency on the state standardized test, are given enrichment classes from the Next Level teachers. Next Level teachers specialized in the content area of reading and math and worked in conjunction with the regular education teacher to provide rigorous instruction that would enable students to become proficient learners.

Electives - This year, D.U.E. Season implemented an Electives Program. Students were offered various co-curricular classes. Classes included broadcasting, Introduction to Theater, Dance as Art, and The Coffee House among many others. The classes were designed to develop students' interest and talents. Students demonstrated their proficiency in the content at The Celebration of Learning.

Advisories - An advisory program was implemented in the middle school to help support achievement of the academic and non-academic goals. Students met in small group with a mentor. Students were engaged in various activities such as setting goals, conflict resolution, and character development.

Sixth Period Class - The middle school schedule was designed to provide students with an additional forty minutes of Math and Language Arts Literacy instruction for the marking period prior to the NJ ASK. This time was utilized to provide small group instruction that focused on test taking strategies and instruction in identified areas of development as identified through the data analysis of the benchmark assessment. Each week teachers met with the instructional team to discuss the content and student progress.

Saturday NJ ASK Classes - The Saturday NJ ASK classes were designed to provide students with extra instructional time that was focused on test taking strategies and instruction in identified areas of development as identified through the data analysis of the benchmark assessment. Students were engaged in various activities based on a theme. Each Saturday session was based on a different theme such as March Madness Disco, etc. The themes were designed to encourage participation. The teachers designed activities that related to theme as well as meeting the goals of the program. For example, on March Madness Saturday, students reviewed mathematical skill by participating in a basketball game where the students gained shots by responding correctly to math problems.

Skills of Success - Skills of Success is a middle school class that is implemented during the first marking period. The curriculum was explicitly designed to address the specific needs of the middle school learners at D.U.E. Season. Instructional lessons are designed to develop students note taking skills, organization skills, test taking strategies as well as many other study skills. This also provides all middle school teachers with a common format and language for students' study skills.

Professional Learning Communities - This year D.U.E. Season Charter School implemented PLCs to promote and sustain the learning of all professionals in the school community with the collective purpose of enhancing pupil learning. Our benchmark data and the NJASK data showed the need for consistent improvement, therefore, our PLCs focused on teacher collaboration and innovative practices for ongoing professional learning in Mathematics and Language Arts Literacy. Grade level teachers met monthly with administrators and coaches to discuss best practices.

The Parent Resource Center has been an essential component in encouraging parents to increase involvement in their child's education. D.U.E. Season Charter School is in its fifth year of developing a Parent Resource Center for families to have their questions answered and obtain information regarding school and community resources. One of the primary goals of the school is to promote and encourage parent involvement. Studies indicate that parental involvement in the home is a strong indicator determining a student's success both in and outside of the classroom.

This year D.U.E. Season Charter School received the 2011 NJPIRC Impact Award for excellence in the Parent Resource Center. The Parent Resource Center has created an environment allowing a constant flow of communication, and information on a daily basis. Parents are made to feel welcome and can communicate with the Parent Coordinator whose role is to help them navigate through school policies and procedures in a way that is personable and efficient. Parents are afforded the opportunity to ask questions, communicate concerns and make suggestions in a safe and supportive manner.

The primary objectives of the Parent Resource Center are to provide support and accountability to parents and guardians through daily realization of the Four E's of Excellence:

Empowerment: To provide parents with resources and practical tools needed to empower parents to help their children become healthy, life-long learners. The Parent Resource Center is a place to share ideas, suggestions, and have concerns addressed in a caring, respectful manner.

Education: To promote parental involvement as an integral part of a child's educational success; to facilitate parent trainings and workshops, providing parents and guardians access to information on a variety of prevalent parenting issues.

Encouragement: To motivate and inspire, building confidence in the skills and abilities each parent possesses; helping to instill in each person the belief that the key to a successful family begins with a healthy parent.

Engagement: Finally, the Parent Resource Center is designed with the goal of building bridges between the home and school environment; in doing so developing positive, long-term relationships, ensuring continuity between home and school and ensuring success for every student.

Parent Resource Center/Parent Computer:
Parents at D.U.E. Season Charter School have access to community resources through pamphlets, handbooks, and written material made available through the Parent Resource Center (PRC). In addition to obtaining information about the school and community resources, parents have at their disposal a computer that is set up in the PRC for their use throughout the year. Parents have used the computer to search for jobs, housing and apply for social services. This year we had forty-one visits to the Parent Resource Center for the purpose of utilizing our parent computer.

Home Visits:
Home visits are done on an as needed basis as requested by the School Social Worker, Teachers and Administration. Any student that has excessive absences, is involved in a situation involving possible neglect and/or abuse, or if attempts at communicating with a parent/guardian have been unsuccessful, the Parent Coordinator in collaboration with the Social Worker will conduct a home visit to determine how to best support the family. This year, three home visits were conducted in an effort to extend support to families who needed immediate intervention.

Uniform Donation Program / School Supplies:
The Parent Office accepts gently worn uniforms from parents and makes them available for students in need throughout the year. Additionally, donations of school supplies are accepted throughout the year to be used for students demonstrating a need. Information about uniforms and donations can be obtained from the Parent Coordinator and on our school website.

D.U.E. Season was also the recipient of the 21st Century Community Learning Center and Even Start Family Literacy Program grants. The two programs collaborated to receive training from Prevent Child Abuse New Jersey in EPIC parent workshops. These workshops provide parents with the skills they need to improve their relationship with their child enhance their involvement in school and boost their child's academic performance through being involved with the school. The 21st Century program will continue into its second year during the 2011-2012 school year. The Even Start Program was federally eliminated nationwide, but the workshops administered to the Even Start parent group will now be available for all lower school children beginning in the 2011-2012 school year.

Parent Satisfaction

Strengths:
Based on the results of the June 2010 parent survey, the overwhelming majority of parents are satisfied with the academic program at D.U.E. Season Charter School. Most of the respondents indicated that they were very satisfied with the school's ability to meet their children's academic needs. With regards to school climate, the majority of respondents feels welcomed and comfortable visiting the school and responded they were satisfied with the services provided by teachers, support staff, Administrators as well as the Board of Trustees.

Areas of Remediation:
One of the areas of concern for some parents is food services. Parents would like more variety in the school menu and larger portions. Transportation services were also another area of concern for a few parents. Parents who live within a two mile radius would like to have services for their children. Finally, communication was an area of slight concern. Five parents indicated they were somewhat satisfied with the communication home.

Parent Information

D.U.E. Season has several ways of communicating information to parents and students on an ongoing basis.

Parent/Student Handbook: Handbooks are distributed at the beginning of the year, during progress conferences and are available upon request in the Parent Resource Center.

School Website: The school website is updated frequently to include information about student homework, lunch menus as well as health and registration information.

Powergrade: Parents can access lunch information, student grades, as well as preview their child's attendance online at any time.

Parent Surveys: Surveys are distributed twice a year to assess the effectiveness of the school program. In addition to written surveys, parents are able to take these surveys online at their convenience.

Global Connect: A phone messaging system is utilized to send global messages to parents regarding school events, reminders, closing and delays.etc. This year we utilized the parent messaging system sixty-one times to relay pertinent information to parents and guardians.

Training and Support

New / Returning Parent Orientation:
In early August, all parents were provided with a summer orientation. Each family in attendance received a copy of the Parent Handbook. New parents were given an opportunity to ask questions and meet members of Administration. Returning parents attended the meeting to review new school policies and procedures.

NJ Child Assault Prevention Trainings:
Parents were invited to the school for a training designed to introduce the NJ CAP program. The CAP program utilized a three-pronged approach to community prevention education: training of staff, parents and children. CAP strategies included self assertion, peer support, effective communication and reporting skills. Adult workshops preceded the children's programming. They included staff in-service trainings and parent workshops. They covered the prevention and empowerment strategies given in the children's workshops and offered suggestions for the most effective ways to support those strategies at home, school and in the community.

Parent Parties:
Parents are expected to become active participants in their child's learning. The traditional monthly PTO meetings have been replaced with interactive and engaging parent/child centered activities called Parent Parties. Each month parents and their children participate in especially themed workshops that empower the parents as they discover the keys to successful parenting.

Internet Safety Night:
Parents and guardians of children in grades K-8 participated in a workshop designed to inform parents about current trends in child internet use, as well as how to look for signs of inappropriate internet behavior. Parents and guardians were shown how to navigate through various popular web programs and social networking sites to ensure they are safe for their children.

NJ ASK Parent Trainings:
Parents and guardians in grades 3-8 participated in a workshop that allowed them to obtain information about the state NJ ASK test. Through the use of games and buzzers, parents were able to see sample questions of the test and get tips on how to better help prepare their child for the test.

Parent Volunteer Hours:
The Parent Resource Center affords parents the opportunity to come in and give of their time either through participation in family events or through volunteering in the Parent Resource Center during the week. It is the expectation that ALL parents complete 20 parent volunteer hours per year. This school year, parents earned hours through the following events:

- New / Returning Parent Orientations
- Monthly Parent Parties
- Internet Safety Night
- Fall Fundraiser
- Parent Office assistance
- Field Trips
- Scholastic Book Fair Volunteer
- Progress Conference participation
- School Picture Day
- Assemblies (i.e. Character Education Honor Roll)
- Junior Cotillion
- Classroom Volunteer
- NJ Child Assault Prevention Training
- Holiday Fundraiser
- Diabetes Walk 2011
- Back to School Night
- 21st Century parent activities
- Even Start Program parent activities

D.U.E. Season is proud of their ongoing collaboration with New Jersey Parent Information Resource Center. NJPIRC is a program of Prevent Child Abuse-New Jersey, a statewide, non-profit organization founded to help provide leadership and technical assistance to local educational agencies to help those organizations put successful parental involvement programs in place. The goals of NJPIRC are:

- To strengthen parental understanding of how to support their child's education in the home by increasing the availability of information on this topic for parents throughout NJ.
- To strengthen parenting skills & parental understanding of how to support education in the home by increasing the availability of parent training, information, & support programs in NJ, particularly in the Abbott or other high needs districts.
- To improve student achievement in NJ Abbott or other high needs school district throughout the State by providing training & technical assistance to strengthen and/or develop parental involvement policies, programs & activities
- Increase parent's skill & understanding of how to support the development of their child's literacy skills by providing literacy training programs, particularly in disadvantaged areas in NJ.
- To improve parents' understanding of the NJ accountability system & opportunities for supplemental services & public school choice under Section 1116 ESEA.
- To further the developmental progress of disadvantaged/special needs children in NJ.
- Coordinate PIRC activities with existing federal, state and local programs and services.

Through this collaboration it is our goal to provide parents at D.U.E. Season Charter School with parent workshops offered through NJPIRC for the 2011-2012 school year.

Public Relations and Outreach Activities and Outcomes

Public Relations/Engagement and Partnerships.

D.U.E. Season completed several public relations and outreach initiatives this school year. Some of these include the following noted below:

- Implemented our brand new website district-wide. Our new website design was completed in April 2010, but our teachers and staff did not have ample ability to become familiar with website layout, design and functionality until this school year. We have successfully raised the bar of teacher and staff use of this important media.
- Utilized social media (Facebook) to more effectively communicate with the D.U.E. Season community and beyond.
- Partnered with the Philadelphia Region of McDonald's Corporation as they selected us as their "Adopt-a-Family" recipient for the 2010-2011 school year. They were directed to us by our website.
- Collaborated with Virtua Health employees to bring Junior Achievement of New Jersey to our school.

- Converted our publication, Harvest Times, to an e-newsletter electronically. This has resulted in greater distribution and increased cost-effectiveness.
- Launched 21st Century Community Learning Center Program which depends on collaborators to implement the many services and activities.
- Launched Even Start Family Literacy Program which required partnerships and collaborators for operations.
- Continued to provide information for student recruitment in multiple languages.
- Continued to provide website translation in multiple languages.
- Hosted the new CEO of the NJ Charter School Association in a meeting with members of our management team, teaching staff and student body.
- Hosted the Commissioner of the NJ Department of Health and Senior Services as she sought to see the innovative relationship between D.U.E. Season (tenant) and Virtua Health (landlord).

Our Coordinator of Development has the primary responsibility for coordinating all public relations, outreach, fundraising, partnerships, mentoring and other initiatives to assist our students.

Goals for the Upcoming Year - D.U.E. Season has the following key outreach goals as we move forward:

- Expand our utilization of the website and social media to communicate with our students, parents and other constituents while also promoting our school
- Build on our network of partners and collaborators in the 21st Century Community Learning Center program.
- Maintain relationships with partner and collaborators in the Even Start Family Literacy Program even though the program has been federally eliminated.

Student and Staff Recruitment Activities

Admissions Timeline and Recruitment Activities Recruitment is an ongoing process for D.U.E. Season Charter School. The recruitment is either to maintain the wait list for the current year or to fill seats for the coming year. D.U.E. Season Charter School opens the application season for the next school year in November of the year before (i.e. November 2010 for September 2010). The application period extends until early January of the following year. The first open lottery was held on December 31, 2010. The second lottery, if needed, is held on January 12, 2011 to allow ample time to apprise the Commissioner of enrollment information. Recruitment was conducted across the city to attract students from a cross section of the city. In the opening year recruitment activities included:

- Advertisements in the Courier Post, Al Dia, and other local publications
- Advertisements on local radio stations
- Recruitment stations in local restaurants and grocery stores
- Advertisements in transit shelters

-
- Posting on the school website
- Distribution of flyers in community churches, stores, and other community gathering places
- Word of mouth from our existing

All recruitment materials were distributed in English, Spanish, and Vietnamese. The school website has been upgraded and can be read in multiple languages with the click of a button.

Admissions Results D.U.E. Season Charter School's student composition continues to be a mirror of the community. Approximately, ninety-five percent of the student population is African-American and Latino, and two percent Caucasian and other. Enrolled students reside within district (94% Camden residents), with the exception, with the exception of a few (6% other districts). Students are recruited from a cross-section of the district as evidenced by the need for transportation, which is limited to students living outside a two mile range from the school. The enrollment challenge is recruitment of students in lower grades because of transportation regulations. Students in lower grades who live within the two mile limit are difficult to recruit consequent to the danger associated with the walk to school. Many potential parents do not have access to transportation to bring their children to school.

An additional challenge is presented as the district schools begin to erect new and beautiful buildings. The potential parent group would prefer their children attend the new school building as it represents a fresh, new program in their minds. Retention of middle school students has become a challenge as parents transfer their middle school children to schools that also have a high school. Enrollment was full at the beginning of the school year. The wait list was healthy and was utilized to sustain enrollment for the remainder of the year.

Student Withdrawals and Exit Interviews
Each parent/guardian that withdraws a child completes a Student Transfer Verification Form. As previously mentioned, D.U.E. Season Charter School had an excellent student retention rate overall. There were some students whose parents elected to remove them from the school this year, however the number is minimal. Each student withdrawal is tracked and aligned with our PowerSchool program. Some of the reasons for student transfers were as follows:

- Parent moved out of the district and/or the state
- Willful non-compliance with school regulations
- Distance from school
- School hours are not conducive to family needs. Students transferred to school with longer hours to avoid paying for after care
- Dissatisfaction with program

The Lead Person meets with all parents who express an interest in transferring their child out of D.U.E. Season Charter School. During the conference, concerns the parent may have are addressed and an earnest effort is made to reconcile. If this is not possible, the reason for transfer is logged and the parent is wished the best of luck. The parent is always asked to bring the child back to the school to visit. Even though the child is no longer a student of D.U.E. Season Charter School, the school maintains an active interest in his/her progress.

Staff Recruitment

D.U.E. Season Charter School's focus is on providing an education for our students that is distinguished by excellence. With a goal of a 50% improvement in staff retention by June 30, 2011we concentrated our recruiting and interviewing efforts on finding more seasoned teachers with the education skills and experience that are required to better understand our students; their personal, physical and emotional needs; and their individual educational needs. We chose candidates who were familiar with data driven instructional planning and whom we felt were a better fit for our school culture.

At the close of the 2010-2011 school year, three teachers were non-renewed. We received nine resignations, three of whom accepted employment in China.

Recruitment Results Recruitment efforts have been fruitful, yielding over three hundred applications for certificated positions. From these, we interviewed thirty-five candidates. We have successfully filled all certificated positions for the 2011-2012 school year. A copy of the School Staff Recruitment and Retention Plan in Appendix G

Exit Interview Procedures and Data. All employees who are voluntarily terminating are required to submit a letter of resignation. On the last day of employment, all terminating employees are asked to meet with the Human Resources Manager and complete a brief questionnaire which is designed to determine their reason for leaving, what they liked or disliked about school policies and culture, and suggestions for school improvement.

Self-Evaluation and Accountability Plan

Description of Major Areas of Self-Evaluation D.U.E. Season Charter School is accountable to the general public, its students and staff, the Board of Trustees, and the public agency granting its charter. The school holds itself accountable with regard to its management in accordance with its fulfillment of the terms of the charter, including financial stability and competent governance and staffing, and all applicable regulatory and statutory requirements.

D.U.E. Season Charter School is accountable for the academic success of the students it serves including students either demonstrating high academic achievement or a need for consistent and measurable improvement.

D.U.E. Season Charter School's self-evaluation entails comparison of its performance against its stated mission, goals and objectives and not against the performance of any other public or private school.

The school's focus is on student achievement as measured against baseline and cohort data, and includes non-academic measures of pupil and staff attendance rates, numbers of applications and enrollment; degree of parent participation, school environment including safety and order, professional development, physical plant, and fiscal management, as well as others.

Student performance assessment procedures, along with instruments internal to the school, also include both state-mandated and voluntary national standardized testing to afford ready comparison with a broader student population.

D.U.E. Season Charter School continues to refine its record-keeping system to track all the information needed for state and federal reporting requirements with which the school must comply. Data has been collected beginning with the first student application and continuing throughout the ensuing school year for an ongoing collection and reporting effort. These data fall into four major categories: student; staff; financial; and nutrition (for participation in federal food programs). Financial records are kept according to Generally Accepted Accounting Principles and are examined annually by an independent auditor hired by, and reporting to, the Board of Trustees.

Individual student records are maintained by the business office under the supervision of the Principal/CEO and shall be retained after the student leaves the school, as required. Aggregate statistics of student performance are reported to the Board of Trustees and included in the Annual Report as detailed above. One or more database systems have been established using the data elements necessary for school use or required by laws and regulations. Data is collected monthly from all divisions of the school and presented to the Board of Trustees by the Chief Education Officer with recommendations for effective priority and/or modification.

Current and/or Proposed Changes to the SEAP The federal education law known as No Child Left Behind (NCLB) requires all U.S. public schools to demonstrate yearly progress in reading and mathematics. This is usually measured by standardized state assessments. D.U.E. Season Charter School is currently in year three as a school in needs of improvement. To increase the efficiency of the management of the school, D.U.E. Season Charter School has established a management team which consists of administrators and managers. The team meets monthly to discuss to devise a needs assessment plan and determine the effectiveness of our programs. Next year D.U.E. Season Charter School will establish our own accountability system by implementing a School Improvement Committee. As a committee, we will specify the area(s) in which the school fell short of required performance standards and set measurable performance goals. We will also outline a set of research-based strategies that are designed to meet those goals. When drafting a school improvement plan, we will seek input from the administrators, faculty, parents and the community in which the school is located.

Summary of Progress in Achieving Strategic Improvement Plans and Milestone

Goals At present D.U.E. Season Charter School is on target in achieving its five-year plan as outlined in the school Business Plan. In some ways the charter school has exceeded its phase-in schedule, *i.e.* some staffing positions were phased in earlier to provide more efficacies in program management. The Commissioner granted the school Charter Renewal this year which is accomplishing a major milestone.

D.U.E. Season Charter School is also on target in the expansion of facilities needed to house the remainder of the program up and through the end of the Charter. D.U.E. Season Charter School now has three floors in the multi-use building of location, 2 computer labs and three instructional divisions.

4) INTERNAL ACCOUNTING CONTROLS

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure the assets of the Charter 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). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost 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 assistance, the Charter School is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School's Board of Trustees.

As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS

In addition to internal accounting controls, the Charter 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 School's Board of Trustees. Annual appropriated budgets are adopted for the General Fund and Special Revenue Fund. The final budget amount, as amended for the fiscal year is reflected in the financial section.

6) ACCOUNTING SYSTEM AND REPORT

The Charter School's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) FINANCIAL STATEMENT INFORMATION AT FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue funds for the fiscal year ended June 30, 2011.

Revenue	2011	2010	Increase (Decrease)	% Change
Local sources	$ 395,439	$ 328,070	$ 67,369	20.53%
State sources	6,474,603	6,251,166	223,437	3.57%
Federal sources	1,343,000	880,630	462,370	52.50%
Total	$ 8,213,042	$ 7,331,820	$ 753,176	10.27%

The increase in federal sources is due to an increase in No Child Left Behind Grant funding and ARRA funding for both the Title I and IDEA grants. The monies received from State and the number of children enrolled in our program determines Federal sources attributable to grants in aid.

The following schedule presents a summary of general fund and special revenue expenditures for the fiscal year ended June 30, 2011.

Expenditures	2011	2010	Increase (Decrease)	% Change
Instructional	$ 3,690,464	$ 2,729,160	$ 961,304	35.22%
Support Services:				
Administrative Expenses	1,892,762	1,665,662	227,100	13.63%
Support Services	2,264,550	1,626,446	638,104	39.23%
Capital Outlay	515,836	118,549	397,287	335.12%
On-behalf TPAF Payments	407,445	336,670	70,775	21.02%
Total Expenses	$ 8,771,057	$ 6,476,487	$ 2,294,570	35.43%

8 CASH MANAGEMENT

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

9) RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation.

10) OTHER INFORMATION

Independent Audit

The State of New Jersey Statute requires an annual audit by independent certified public accountants or registered municipal accountants. The Charter School appointed the accounting firm of Galleros Koh LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the OMB Circular A-133 and the New Jersey OMB Circular Letter 04-04. The auditor's report on the general-purpose financial statements, combining and individual fund statements, and schedules are 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.

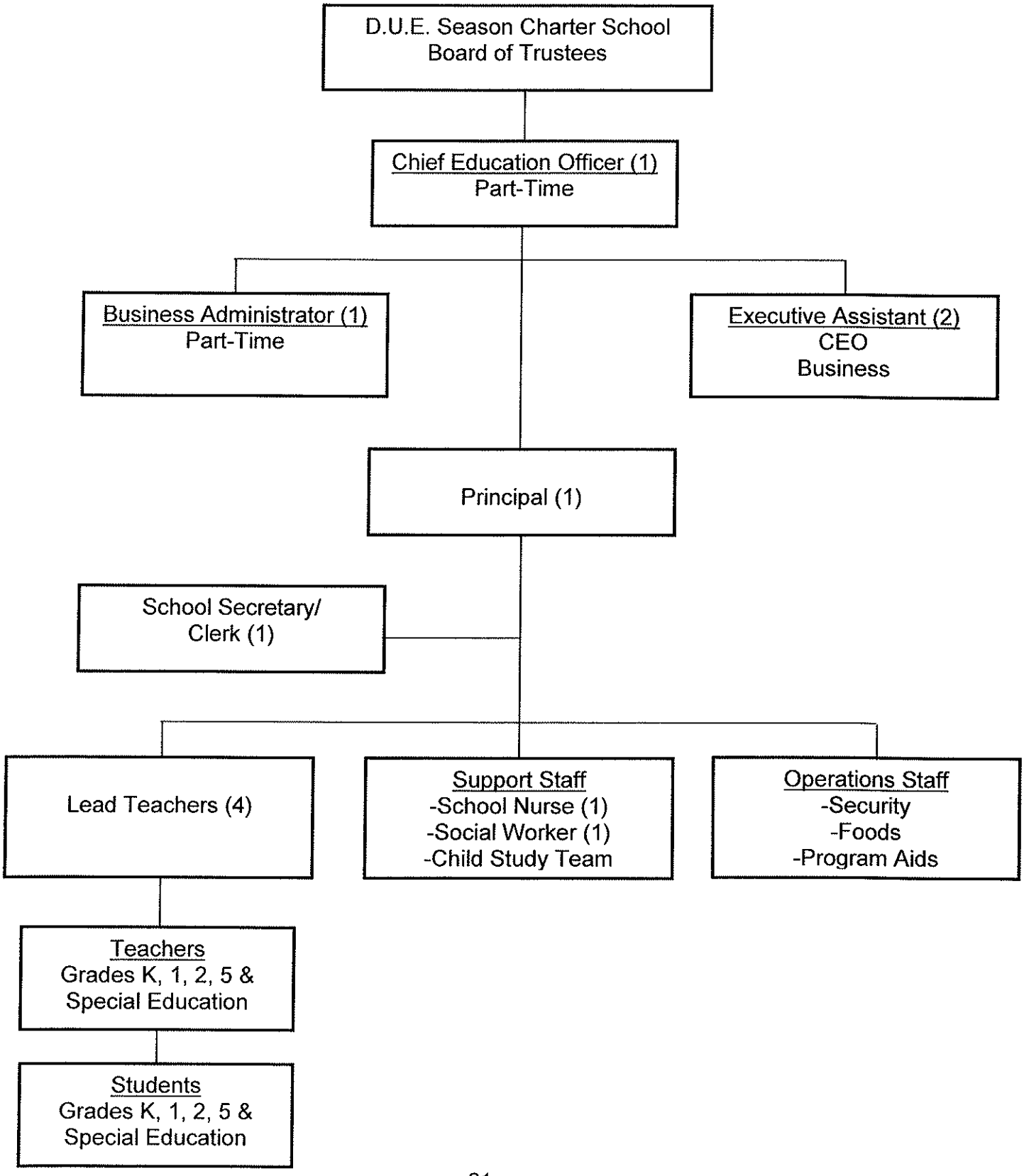
11) ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Board of Trustees of the D.U.E. Season Charter School for their concern in providing fiscal accountability to the citizens and taxpayers of Newark 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 administrative staff.

Respectfully submitted,

Wellington Davenport
Board Secretary and School Business Administrator

D.U.E SEASON CHARTER SCHOOL
ORGANIZATIONAL CHART



D.U.E SEASON Charter School
"Out of little seeds, great trees can grow."

ROSTER OF OFFICIALS

BOARD OF TRUSTEES

Ralph Green	President, Voting
Jennifer Idler	Vice-President, Voting
Monique Bonnier	Treasurer, Non-Voting
Wellington Davenport	Board Secretary, Non-Voting
Brandi Johnson, Esq.	Member, Voting
Danyell Barnes	Member, Voting
Edward Venable	Member, Voting
Linda Jones	Member, Voting
Michael Phelps	Member, Voting
Walter Milton	Member, Voting
Doris Carpenter	CEO, Non-Voting

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ATTORNEY

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Laurel Corporate Center
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Mount Laurel, NJ 08054

OFFICIAL DEPOSITORIES

PNC Bank
110 North Broadway
Camden, NJ 08102

FINANCIAL SECTION

GALLEROS • KOH LLP
Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
D.U.E Season Charter School
County of Camden
Camden, 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 D.U.E Season Charter School, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Charter School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the D.U.E. Season Charter School Board of Trustees' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the D.U.E Season Charter School Board of Trustees, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable 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 November 23, 2011, on our consideration of the D.U.E Season Board of Trustees 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. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 26 through 32 and Budgetary Comparison Information on pages 62 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying introductory section, other supplementary information including combining statements and individual fund financial schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections 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.

The accompanying schedules of expenditures of federal awards (SEFA) and state financial assistance (SFA) are also presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey OMB's Letter Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not also a required part of the basic financial statements. The combining and individual fund financial statements, schedules, SEFA and SFA are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Leonora Galleros

Leonora Galleros, CPA
Licensed Public School Accountant
No. 20CS002239400

November 23, 2011

REQUIRED SUPPLEMENTARY INFORMATION

PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) provides an analysis of the Charter School's overall financial position and results of operations.

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Introduction

This section of the D.U.E Season Charter School's (the "Charter School") annual financial report presents our discussion and analysis of the Charter School's financial performance and provides an overview of the Charter School's financial activities for the fiscal year ended June 30, 2011. It should be read in conjunction with the transmittal letter at the front of this report and the Charter School's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting Model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments,* issued June 1999; GASB Statement No. 37, *Basic Financial Statement – and Management's Discussion and Analysis- for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and No. 34, issued in June 2001, and; in GASB Statement No 38, Certain Financial Statement Note Disclosures, issued in 2001.

It is noteworthy to report that the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. The requirements of GASB Statement No. 54 are effective for financial statements for periods ending June 30, 2011; therefore they are introduced in this report for the first time. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications is detailed in Note 1Q, Fund Balance and Equity in the Notes to Financial Statements section of this report.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- General revenues accounted for $6,458,557 or 76.7% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $1,943,472 or 23.1% of total revenues of $8,431,110.

- The Charter School had $8,698,047 in expenses; only $1,972,553 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $6,458,557 were adequate to provide for these programs.

- Among governmental funds, the General Fund had $6,866,002 in revenues and $7,424,017 in expenditures. The General Fund's fund balance decreased by $558,015 over 2010.

Basic Financial Statements

This annual report consists of a series of basic financial statements, required supplementary information, other supplementary information and notes to those statements and information.

The report is organized so the reader can understand the D.U.E Season Charter School as a financial whole, or as an entire operating entity. The first two basic financial Statements, the Statement of Net Assets and the statement of activities, are governmental- wide financial statements and provide overall information about the activities of the entire Charter School, presenting both an aggregate view of the Charter School's finances and a long-term view of those finances.

Fund Financial Statements

The remaining basic financial statements are fund financial statements that focus on the individual parts of the government, reporting the Charter School's operation in more detail than the government-wide statements. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in a single column. For the D.U.E Season Charter School, the General Fund is the most significant fund.

The governmental funds statements tell how general government services 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 government operates like a business, such as food service.

Fiduciary fund statements provide information about financial relationship in which the Charter School acts solely as a trustee or agent for the benefits of other, 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.

Reporting the Charter School as a Whole

Statement of Net Assets and Statements of Activities

While this report contains the funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and asks the question, "how did we do financially during fiscal year 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all the Charter School's assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. These bases of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the Charter School's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the Charter School has improved or diminished for the Charter School as a whole. This change is the result of many factors some financial, some not. Financial factors represent increases in federal and state funding that resulted from the increase in enrollment noted for the fiscal year ended June 30, 2011. These factors are presented in our discussions on the Charter School as a whole. Non-financial factors include the property tax base of the School District where the Charter School is located, current educational funding laws in New Jersey, facilities conditions, required educational programs, and other factors. In the Statements of Net Assets and the Statements of Activities, the Charter School is divided into two distinct kinds of activities:

Governmental Activities – Most of the Charter School's programs and services are reported here including instructional, extracurricular activities, curriculum, staff development, special education and other support services, operation and maintenance of plant, pupil transportation, health services and general administration.

Business-Type Activity – Services are provided on a charge for goods or services or reimbursement basis to recover the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School Charter School's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Charter School's major funds, not the Charter School as a whole. Funds are accounting devices that the Charter School uses to keep track of a multitude of financial transactions. The Charter School's only major governmental fund is the General Fund.

Governmental Funds

Most of the Charter School's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statement provides a detailed short-term view of the Charter School's general government operations and the basic services it provides.

Governmental fund information helps determine whether there are sufficient financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the Statement of Net Assets and the Statement of Activities and the governmental funds are reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The Charter School as a Whole

The perspective of the Statement of Net Assets is of the Charter School as a whole. The table below provides a summary of the Charter School's net assets at June 30, 2011 and 2010.

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current Assets	$ 1,654,701	$ 2,322,476	$ 137,754	$ 125,635	$ 1,792,455	$ 2,448,111
Capital Assets, net	1,018,371	616,704	-	-	1,018,371	616,704
Total Assets	2,673,072	2,939,180	137,754	125,635	2,810,826	3,064,815
Liabilities						
Current Liabilities	221,756	331,516	129,702	100,195	351,458	431,711
Net Assets						
Invested in Capital Assets	1,018,371	616,704	-	-	1,018,371	616,704
Restricted for Food Service	16,105	-	-	-	16,105	-
Unrestricted	1,416,840	1,990,960	8,052	25,440	1,424,892	2,016,400
Total Net Assets	$ 2,451,316	$ 2,607,664	$ 8,052	$ 25,440	$ 2,459,368	$ 2,633,104

The total net assets of the Charter School have decreased by $266,937 at the end of the fiscal year.

The Charter School as a Whole

The table that follows reflects the change in net assets for fiscal years 2011 and 2010.

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charge for Services	$ -	$ -	$ 29,081	$ 22,712	$ 29,081	$ 22,712
Operating Grants and Contributions	1,750,445	1,100,221	188,987	186,341	1,939,432	1,286,562
Total Program Revenues	1,750,445	1,100,221	218,068	209,053	1,968,513	1,309,274
General Revenues:						
Local Sources	374,068	305,970	-	-	374,068	305,970
State Sources	6,067,158	5,914,496	-	-	6,067,158	5,914,496
Miscellaneous	21,371	11,133	-	-	21,371	11,133
Total General Revenues	6,462,597	6,231,599	-	-	6,462,597	6,231,599
Total Revenues	8,213,042	7,331,820	218,068	209,053	8,431,110	7,540,873
Expenses:						
Instructions	4,643,878	3,357,480	-	-	4,643,878	3,357,480
Support Services:					-	-
Administrative expenses	1,260,846	1,120,201	-	-	1,260,846	1,120,201
Support services	2,350,497	1,752,211	-	-	2,350,497	1,752,211
Unallocated depreciation	114,169	97,437	-	-	114,169	97,437
Food service	-	-	201,716	203,987	201,716	203,987
After Care	-	-	33,740	1,417	33,740	1,417
Total Expenses	8,369,390	6,327,329	235,456	205,404	8,604,846	6,532,733
Change in Net Assets	$ (156,348)	$ 1,004,491	$ (17,388)	$ 3,649	$ (173,736)	$ 1,008,140

In 2011, total revenues increased by $890,237 while total expenses incurred increased by $2,165,314.

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted state entitlements for the fiscal year ended June 30, 2011.

	Total Cost of Services	Net Cost of Services
Instructional	$ 4,643,878	$ 3,508,018
Support Services:		
Administrative expenses	1,260,846	1,192,478
Support services	2,350,497	1,800,240
Unallocated depreciation	114,169	114,169
Total Expenses	$ 8,369,390	$ 6,614,905

Business-Type Activity

The only business-type activity of the Charter School is the food service and after school operations. These programs had revenues of $218,068 and operating expenses of $235,456 for fiscal year 2011.

The Charter School's Funds

The Charter School's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues and other financing sources of $8,213,042 and expenditures and other financing uses of $8,771,057. The net change in fund balance was most significant in the general fund, a decrease of $558,015 in 2011 while there was an increase of $983,379 for 2010.

General Fund Budgeting Highlights

The Charter School's budget is prepared according to New Jersey laws and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2011, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid and other revenue based budgets. The budgeting systems are designed to tightly control the total budget, but provide the flexibility for Charter School management teams.

For the General Fund, final budgeted revenues and other financing sources were $6,654,717, which included a local tax levy of $388,809. Expenditures and other financing uses were budgeted at $7,835,367. The Charter School anticipated an ending fund balance of $810,310. In its 2010-2011 budget, General Fund expenditures and other financing uses were more than revenues and other financing sources by $1,180,650. Actual revenues and other financing sources were $6,866,002 and expenditures were $7,424,017.

The State of New Jersey reimbursed the Charter School $219,831 during the year ended June 30, 2011 for the employer's share of social security contributions, and made on-behalf payments of $187,614 for postretirement medical benefits for TPAF members. These unbudgeted amounts are included in both revenues and expenditures.

Capital Assets

At the end of fiscal year 2011, the Charter School had $1,018,371 invested in capital assets all in governmental activities.

The table below reflects fiscal year 2011 balances:

	Governmental Activities	Business Type Activities	Total
Leasehold improvement	$ 641,911	$ -	$ 641,911
Machinery & equipment	738,555	-	738,555
Total Capital Assets	1,380,466	-	1,380,466
Less: Accumulated Depreciation	(362,095)	-	(362,095)
Totals	$ 1,018,371	$ -	$ 1,018,371

Economic Factors and Next Year's Budget

The State of New Jersey continues to face serious budgetary constraints. These impact the amount of state aid allocated to charter schools. This reality was taken into account when adopting the General Fund budget for 2010-2011. Nothing was done to compromise the quality of the programs in place in our Charter School during the regular instructional day. The budget was prepared to ensure that all students have the textbooks, materials supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards.

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to reflect the Charter School's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to:

D.U.E SEASON CHARTER SCHOOL
1000 Atlantic Avenue
Camden, New Jersey 08104

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL
WIDE FINANCIAL STATEMENTS

EXHIBIT A-1

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 273,725	$ 82,679	$ 356,404
Accounts receivables	744,539	55,075	799,614
Interfund receivable	636,437	-	636,437
Total current assets	1,654,701	137,754	1,792,455
Capital assets:			
Machinery & equipment	641,911	-	641,911
Leasehold improvements	738,555	-	738,555
	1,380,466	-	1,380,466
Less: Accumulated depreciation	(362,095)	-	(362,095)
Net capital assets	1,018,371	-	1,018,371
Total assets	$ 2,673,072	$ 137,754	$ 2,810,826
Liabilities			
Current Liabilities:			
Accounts payable	17,410	-	17,410
Interfund payable	9,230	129,702	138,932
Intergovernmental payables:			
State	187,010	-	187,010
Deferred revenue	1,188	-	1,188
Total current liabilities	214,838	129,702	344,540
Net assets			
Invested in capital assets, net of related debt	1,018,371	-	1,018,371
Restricted for food service	16,105	-	16,105
Unrestricted	1,416,840	8,052	1,424,892
Total net assets	2,451,316	8,052	2,459,368
Total liabilities and net assets	$ 2,666,154	$ 137,754	$ 2,803,908

See accompanying notes to financial statements.

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Totals
Governmental activities:						
Instruction						
Salaries	$ 3,185,714	$ -	$ 484,340	$ (2,701,374)	$ -	$ (2,701,374)
Allocated benefit costs	953,414	-	366,991	(586,423)	-	(586,423)
Professional /Technical service	99,626	-	89,297	(10,329)	-	(10,329)
Other purchased services	14,587	-	-	(14,587)	-	(14,587)
General educational supplies	306,007	-	189,537	(116,470)	-	(116,470)
Instructional text and books	78,834	-	-	(78,834)	-	(78,834)
Other instructional expenses	5,696	-	5,696	-	-	-
Administrative cost:						-
Salaries	779,734	-	-	(779,734)	-	(779,734)
Allocated benefit costs	233,357	-	68,368	(164,990)	-	(164,990)
Professional /Technical service	63,157	-	-	(63,157)	-	(63,157)
Other purchased services	108,012	-	-	(108,012)	-	(108,012)
Communications and Telephones	16,750	-	-	(16,750)	-	(16,750)
Supplies and materials	59,836	-	-	(59,836)	-	(59,836)
Support services:						
Salaries	681,471	-	167,609	(513,862)	-	(513,862)
Allocated benefit costs	203,949	-	90,089	(113,860)	-	(113,860)
Purchased Professional /Technical service	228,087	-	218,306	(9,781)	-	(9,781)
Other purchased services	222,912	-	58,879	(164,033)	-	(164,033)
Rent on land and buildings	772,837	-	-	(772,837)	-	(772,837)
Insurance-fidelity, liability property	67,687	-	-	(67,687)	-	(67,687)
Travel	3,756	-	3,756	-	-	-
Supplies and materials	147,580	-	11,618	(135,962)	-	(135,962)
Transportation costs	22,218	-	-	(22,218)	-	(22,218)
Miscellaneous	-	-	-	-	-	-
Capital outlay						
Instructional equipment	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Purchased land/improvements	-	-	-	-	-	-
Unallocated depreciation	114,169	-	-	(114,169)	-	(114,169)
Total governmental activities	8,369,390	-	1,754,485	(6,614,905)	-	(6,614,905)
Business-type activities:					-	-
Food Service	201,716	6,116	188,987	-	(6,613)	(6,613)
After Care	33,740	22,965	-	-	(10,775)	(10,775)
Total business-type activities	235,456	29,081	188,987	-	(17,388)	(17,388)
Total primary government	$ 8,604,846	$ 29,081	$ 1,943,472	$ (6,614,905)	$ (17,388)	$ (6,632,293)
	General revenues, transfers and special items:					
	Local sources			$ 374,068	-	$ 374,068
	State sources			6,067,158	-	6,067,158
	Miscellaneous			17,331	-	17,331
	Total general revenues, transfers and special item			6,458,557	-	6,458,557
	Changes in net assets			(156,348)	(17,388)	(173,736)
	Net assets - beginning			2,607,664	25,440	2,633,104
	Net assets - ending			$ 2,451,316	$ 8,052	$ 2,459,368

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2011

	General Fund	Special Revenue Fund	Totals Governmental Funds
Assets			
Cash and cash equivalents	$ 273,725	$ -	$ 273,725
Accounts receivable:			
State	193,877	-	193,877
Federal	-	550,662	550,662
Interfund	1,178,993	-	1,178,993
Total assets	$ 1,646,595	$ 550,662	$ 2,197,257
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 17,410	$ -	$ 17,410
Intergovernmental payables:			
State	187,010	-	187,010
Interfund payables	9,230	549,474	558,704
Deferred revenue	-	1,188	1,188
Total liabilities	213,650	550,662	764,312
Fund balances:			
Assigned for -			
Capital projects	26,282	-	26,282
Unassigned	1,406,663	-	1,406,663
Total fund balances	1,432,945	-	1,432,945
Total liabilities and fund balances	$ 1,646,595	$ 550,662	
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.			
	Cost of capital assets		$ 1,380,466
	Accumulated depreciation		(362,095)
			1,018,371
Net assets of governmental activities - A-1			$ 2,451,316

See accompanying notes to financial statements.

EXHIBIT B-2

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Total
Revenues			
Local Sources:			
Local tax levy	$ 374,068	$ -	$ 374,068
Miscellaneous	17,331	4,040	21,371
Total revenues -local sources	391,399	4,040	395,439
State sources	6,067,158	-	6,067,158
Federal sources	-	1,343,000	1,343,000
TPAF-Social security	219,831	-	219,831
On-behalf TPAF payments - Post retirement benefits	187,614	-	187,614
Total revenues	6,866,002	1,347,040	8,213,042
Expenditures			
Current expense:			
Instruction:			
Salaries	2,701,374	484,340	3,185,714
Professional /Technical service	10,329	89,297	99,626
Other purchased services	14,587	-	14,587
General educational supplies	116,470	189,537	306,007
Instructional text and books	78,834	-	78,834
Other instructional expenses	-	5,696	5,696
Administrative cost:			
Salaries	779,734	-	779,734
Total benefit costs	865,273	-	865,273
Professional /technical service	63,157	-	63,157
Other purchased services	108,012	-	108,012
Communications and Telephones	16,750	-	16,750
Supplies and materials	59,836	-	59,836
Support services:			
Salaries	513,862	167,609	681,471
Employee benefits	-	118,002	118,002
Purchased Professional /Technical service	9,781	218,306	228,087
Other purchased services	164,033	58,879	222,912
Rent on land and buildings	772,837	-	772,837
Insurance-fidelity, liability property	67,687	-	67,687
Travel	-	3,756	3,756
Supplies and materials	135,962	11,618	147,580
Transportation-other than to/from school	22,218	-	22,218
Capital outlay:			
Instructional equipment	23,658	-	23,658
Non-instructional equipment	18,460	-	18,460
Purchased land/improvements	473,718	-	473,718
On-behalf payments:			
TPAF- Social security	219,831	-	219,831
TPAF- Post retirement medical benefits	187,614	-	187,614
Total expenditures	7,424,017	1,347,040	8,771,057
Excess (deficiency) of revenues over expenditures	(558,015)	-	(558,015)
Fund balances, July 1, 2010	1,990,960	-	1,990,960
Fund balances, June 30, 2011	$ 1,432,945	$ -	$ 1,432,945

See accompanying notes to financial statements.

EXHIBIT B-3

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds (B-2)	$ (558,015)
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 depreciation expense exceeded capital outlays in the period. Additionally, in the Statement of Activities gains or (losses) are recognized upon	
Capital outlay	515,836
Depreciation expense	(114,169)
	401,667
Change in net assets of governmental activities (A-2)	$ (156,348)

See accompanying notes to financial statements.

PROPRIETARY FUNDS

EXHIBIT B- 4

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

PROPRIETARY FUND

STATEMENT OF NET ASSETS

JUNE 30, 2011

Assets		
Current assets:		
Cash and cash equivalents	$	82,679
Accounts receivables:		
Federal		54,114
State		961
		55,075
Interfund receivables - General Fund		9,230
Total assets	$	146,984
Liabilities		
Current liabilities		
Interfund payable - General Fund	$	138,932
Net assets		
Unrestricted		8,052
Total liabilities and net assets	$	146,984

See accompanying notes to financial statements.

EXHIBIT B-5

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2011

Operating revenues:		
Charges for services:		
Daily sales - nonreimbursable programs	$	6,116
Miscellaneous revenue		22,965
Total Operating revenues		29,081
Operating expenses:		
Cost of sales		200,029
Professional /Technical service		1,140
Supplies and materials		1,687
Total operating expenses		202,856
Operating income (loss)		(173,775)
Nonoperating revenues:		
State sources:		
State School Breakfast Program		-
State School Lunch Program		3,394
Federal sources:		
National School Lunch Program		168,358
National School Breakfast Program		17,235
Total nonoperating revenues		188,987
Change in net assets		15,212
Total net assets-beginning of year		25,440
Total net assets-end of year	$	40,652

See accompanying notes to financial statements.

EXHIBIT B-6

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

Cash flows from operating activities	
Operating loss	$ (206,375)
Adjustment to reconcile operating loss to net cash from operating activities	
Changes in assets and liabilities:	
Decrease in accounts receivable	3,737
Increase in interfund receivable	17,487
Decrease in interfund payable	12,020
Net cash from operating activities	(173,131)
Cash flows from noncapital financing activities	
Cash received from state and federal reimbursements	188,987
Net cash from noncapital financing activities	188,987
Net increase in cash and cash equivalents	15,856
Cash, beginning	66,823
Cash, ending	$ 82,679

See accompanying notes to financial statements.

FIDUCIARY FUNDS

EXHIBIT B-7

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2011

Assets	
Cash and cash equivalents	$ 439,047
Total assets	$ 439,047
Liabilities and Net Assets	
Liabilities:	
Payroll withholdings payable	$ 29,244
Interfund payables	409,803
Total liabilities	439,047
Net Assets	
Restricted	
Unemployment compensation	-
Total net assets	-
Total liabilities and net assets	$ 439,047

See accompanying notes to financial statements.

EXHIBIT B-8

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

YEAR ENDED JUNE 30, 2011

Revenues:	
General fund appropriation	$ -
Total revenues	-
Expenditures:	
Payments to NJ Unemployment Compensation Fund	-
Total expenditures	-
Excess(deficiency) of revenue over(under) expenditures	-
Fund balance, beginning	-
Fund balance, ending	$ -

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of D.U.E Season Charter School (the "Charter School") is presented to assist in understanding the Charter School's financial statements and notes, which represents the Charter School's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America as applied to governmental units and have been consistently applied in the preparation of these financial statements.

A. Reporting Entity

The Charter School is an instrument of the State of New Jersey, established to function as an educational institution. The Charter School is governed by an independent Board of Trustees, which consists of parents, founders and other community representatives in accordance with its charter, which was approved by the State Department of Education. A school director is appointed by the board and is responsible for the administrative control of the Charter School.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB's Codification of Governmental Accounting and Financial Reporting Standards, is in the degree of oversight responsibility maintained by the Charter School's management. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The accompanying financial statements present the activities of the Charter School. Furthermore, the Charter School is not includable in any other reporting entity as a component unit.

B. Component Units

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB's Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Charter School management. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School. Based on the aforementioned criteria, the Charter School has no component units.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation-Continued

The financial statements of the Charter School have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Charter School also applies Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund unless they conflict with or contradict GASB pronouncements. The most significant of the Charter School's accounting policies are described below:

In June 1999, the Governmental Accounting Standards Boards unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* Certain significant changes in the financial statements include the following:

The financial statements include:

i) A Management Discussion and Analysis (MD&A) section providing an analysis of the Charter School's overall financial position and results of operations.
ii) Financial statements prepared using full accrual accounting for all of the Charter School's activities.
iii) A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

D. Basic Financial Statements

The Charter School's basic financial statements consist of the charter school-wide statement including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Charter School-wide Financial Statements

The statement of net assets and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the Charter School, except for fiduciary funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Basic Financial Statements - continued

The statement of net assets presents the financial condition of the governmental and business-type activities of the Charter School at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental and business-type activities. The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the Charter School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Charter School.

The Charter School segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Charter School at a more detailed level.

E. Governmental Funds

General Fund –The General Fund is the primary operating fund of the Charter School and is always classified as a major fund. It is used to account for all financial resources except those that are legally or administratively required to be accounted for in another fund. Included are certain expenditures for movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

1. As required by the New Jersey Department of Education, the Charter School included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that the General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Governmental Funds– Continued

2. Resources for budgeted capital outlay purposes are normally derived from the State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of ground, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major Capital Projects, Debt Service or the Enterprise Funds) and local appropriations that legally restricted to expenditures for specified purposes

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separated question on the ballot either during the annual election or at a special election. As of June 30, 2011 there was no debt service fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on, bonds issued to finance major property acquisitions, construction, and improvement programs. As of June 30, 2011, there was no Debt Service Fund.

F. Proprietary Funds

Enterprise Funds - The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Charter School is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods and services to the student on a continuing basis be financed or recovered primarily through user charges; or where the Charter School has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

Internal Service (Self-Insurance) Fund – The self-insurance fund is used to cover the self-insured limits of the various insurance policies for all funds. The Charter School does not use self insurance fund.

G. Fiduciary Funds

Fiduciary or Trust and Agency Fund are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. This fund category includes:

Expendable Trust Funds – Expendable trust funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

Nonexpendable Trust Funds – Nonexpendable trust funds are used to account for assets held under the terms of a formal trust agreement, whereby the Charter School is under obligations to maintain the trust principal.

Agency Funds – Agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

H. Measurement Focus and Basis of Accounting

Measurement Focus – Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. On the charter school-wide statement of net assets and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Measurement Focus and Basis of Accounting – Continued

and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statement of these funds present increases (i.e. revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available expendable financial resources at the end of the period.

All proprietary funds are accounted for on a flow economic resources measurement focus. With this measurement focus, the accounting adjectives are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flow. All assets and all liabilities, whether current or noncurrent, associated with their activities are included on the balance sheet. Fund equity (i.e. net total assets) is classified as net assets.

Basis of Accounting

In the charter school-wide statement of net assets and statement of activities, both governmental and business like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability, resulting from exchange and exchange like transactions, is incurred (i.e. the exchange takes place).

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means that amount of the transaction can be determine and "available" means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental funds revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

I. Budgets/Budgetary Control

Annual appropriated budgets are prepared prior to July 1, for the General Fund. The budget is prepared using the modified accrual basis of accounting. 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. 6:20-2A. 2(m)1. All budget amendments must be approved by the State Department of Education. 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, with the exception of the Special Revenue Fund as noted below.

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 with the exception of the special revenue fund as noted below. 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 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 recognized encumbrances as expenditures and also recognized the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow of the presentation of GAAP basis financial report. As presented in the Statement of Revenues, Expenditures and Changes in Fund Balances –Budget and Actual – General, Special Revenue Fund and Debt Service Funds to the GAAP basis of accounting as presented in the Statements of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.

J. Deposits, Investments and Risk Disclosure

Cash and equivalents include petty cash, funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Deposits, Investments and Risk Disclosure-Continued

New Jersey Charter Schools are limited as to the types of the investments and types of financial institution they may invest in, New Jersey statute 18A:20-37 provides a list of permissible investment that may be purchased by New Jersey Charter Schools. These investments are to be recorded at fair value and will be subject to risk categorization.

Additionally, the Charter School has adopted a cash management plan that requires it to deposit public fund 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 loss funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. established 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, bank (both state and national banks) and saving bank 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 deposit 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.

Custodial credit risk is the risk that in the event of a bank failure, the Charter School's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Charter School's name. The Charter School's aggregate bank balances were not exposed to custodial credit risk at June 30, 2011.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. Receivable and Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

L. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business- type activities columns in the district-wide financial statements. Capital assets are defined by the Charter School as assets with an initial, individual cost of $2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building Improvements	15-20
Vehicles	10
Office Equipment	5-10
Computer Equipment	5

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. Fund Balance and Equity

Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).
Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the entity's governing board.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. Fund Balance and Equity - Continued

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Charter School's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Charter School's policy to use fund balance in the following order: committed, assigned, and unassigned.

N. Net Assets

Net Assets on the *Statement of Net Assets* include the following:

Investments in Capital Assets, net of Related Debt - the component of net asset there reports the differences between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributed to the acquisition, construction or improvement of those assets.

Restricted for Specific Purposes – the component of net assets that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on their use by either external parties and /or enabling legislation.

Restricted for Debt Service – the component of net assets that reports the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by creditors.

Unrestricted - the difference between the assets and liabilities that is not reported in Net Assets Invested in Capital Assets, net of Related Debt, Net Assets Restricted for Specific Purposes or Net Assets Restricted for Debt Services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

O. Interfund Transactions

Interfund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as "Due from/to Other Funds" on the accompanying financial statements. All other interfund transfers are reported as operating transfers.

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. On-Behalf Payments

Revenues and expenditures of the General Fund include payments made by the State of New Jersey for Pension, social security contributions, and post retirement medical benefits for certified teacher members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the Charter School's annual budget.

R. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 23, 2011.

NOTE 2 ACCOUNTING STANDARDS

In 2011, the Charter School adopted GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The requirements of GASB Statement No. 54 are effective for financial statements for periods ending June 30, 2011; therefore they are introduced in this report for the first time. GASB No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned.

NOTE 3 Cash and Cash Equivalents

As of June 30, 2011, cash and cash equivalents consisted of the following:

	General Fund	Enterprise Fund	Payroll Fund	Student Activity Fund	Total
Operating Account	$ 273,725	$ 82,679	$ 439,047	$ 62,276	$ 857,727

NOTE 4 Receivables

Receivables as of year-end for the government's individual major funds and non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Special Revenue	Food Service	Student Activity Fund	Total
Intergovernmental:					
Federal	$ -	$ 550,662	$ 54,114	$ -	$ 604,777
State	193,877	-	961	-	194,838
Total Receivables	$ 193,877	$ 550,662	$ 55,075	$ -	$ 799,615

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, there were no deferred revenue reported in the governmental funds.

NOTE 5 Capital Assets

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

	July 1, 2010	Increases	Decreases	June 30, 2011
Governmental Activities:				
Leasehold Improvements	$ 264,837	$ -	$ -	$ 264,837
Building Imrovements	-	473,718	-	473,718
Machinery and Equipment	599,793	42,118	-	641,911
Total Depreciable Cost	864,630	515,836	-	1,380,466
Accumulated Depreciation	(247,926)	(114,169)	-	(362,095)
Net Book Value	$ 616,704	$ 401,667	$ -	$ 1,018,371

NOTE 6 Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2011 is as follows:

	General Fund	Special Revenue	Enterprise Fund	Agency Fund	Student Activity Fund	Total
Receivables	$ 1,178,993	$ -	$ 9,230	$ -	$ -	$ 1,188,223
(Payables)	(9,230)	(549,474)	(138,932)	(409,803)	(80,784)	(1,188,223)
Net	$ 1,169,763	$ (549,474)	$ (129,702)	$ (409,803)	$ (80,784)	$ -

The above interfund accounts either funded cash overdrafts or originated from expenditures paid by one fund on behalf of another fund.

NOTE 7 Due to State Government

As of June 30, 2011, $187,010 is payable to the New Jersey Department of Education due to adjustments in the average daily enrollment and other reimbursements to be made.

NOTE 8 Lease Commitment

On February 9, 2005, the Charter School entered into a lease agreement with Virtua-West Jersey Health System, Inc. ("Virtua") to obtain office spaces in the building, consisting of approximately 21,838 sq. ft., located at 1000 Atlantic Avenue, Camden, New Jersey.

Under the terms of the Second Amendment to the lease agreement entered on September 10, 2007, the lease shall be for a period of three years commencing September 1, 2007 and ending August 31, 2011. The lease required an annual rental payment of $905,852 for the first year, and thereafter, to be adjusted by additional rent and the "CPI". Total rental payments amounted to $772,837 for the year.

On May 1, 2011, the Charter School entered into the third amendment to the lease agreement to obtain additional office spaces in the building. The term of the agreement extended the lease for a period of five (5) years commencing on September 1, 2011 and ending on August 31, 2015. The total base rent will be at the rate of $13.41 for each square foot leased, which was computed at $775,756.19 annually, payable on a monthly basis in the amount of $64,646.35 on the first day of each calendar month during the term of the lease.

NOTE 9 Compensated Absences

Charter School employees do not accumulate sick leave, therefore no liability is reflected in the general-purpose financial statements.

NOTE 10 Pension Plans

A. Description of Plans

All eligible employees of the Charter School are covered by either the Public Employee's Retirement System (PERS) or the Teacher's Pension and Annuity Fund (TPAF) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefit (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 PERS and the TPAF. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

NOTE 10 Pension Plans - Continued

i. **Teachers Pension and Annuity Fund (TPAF)**
The Teachers' Pension and Annuity Fund was established in January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. The Teacher's 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 Charter School and the systems 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.

ii. **Public Employees' Retirement System (PERS)**
The Public Employees' Retirement Systems (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county municipality, Charter School, or public agency provided the employee is not a member of another state-administered retirement system. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State of New Jersey or any county, municipality, Charter School, 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.

B. Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A 43:15a and 4303B and N.J.S.A. 18A: for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determine to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 10 Pension Plans - Continued

B. Vesting and Benefit Provisions - continued

The TPAF and PERS provides for specified medical benefits for member who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the member's accounts.

C. Significant Legislation

Two pieces of legislation passed during fiscal year 2001 having significant impact on the benefit provisions under PERS and TPAF. Chapter 133, P.L.2001, increases retirement benefits for service, deferred and early retirements by changing the formula from 1/60 to 1/55 of final compensation for each year of service. The legislation also increases the retirement benefit for veteran member with 35 years or more of service and reduces age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements are effective with the November 1, 2001 benefit checks. Chapter 120, P.L 2001, established an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the death of the retiree) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

Chapter 4, P.L 2001 provides increased benefit to certain members of PERS who retired prior to December 29, 1989 with at least 25 years of creditable service.

The maximum amount of the increase is 5 percent the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65 to 71 percent of final compensation.

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2001, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

NOTE 10 Pension Plans – Continued

D. Contribution Requirement

The contribution policy is set by laws of the State of New Jersey 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 4.5 % and 3%, respectively of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustment, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a non-contributing employer of the TPAF.

In accordance with N.J.S.A 18A:66-66 the State of New Jersey reimbursed the Charter School $219,831 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The State also made on-behalf payments for post-retirement medical benefits of $187,614. These amounts have been included in the basic financial statements.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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.

NOTE 11 Post – Retirement Benefits

As of June 30, 2010, there were 87,288 retirees eligible for post retirement medical benefits. The cost of these benefits is funded through contribution by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to chapter 126, P.L. 1992, 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 year of service. In fiscal year 2010, the State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

NOTE 12 Risk Management

The Charter School is exposed to various risks of loss relates to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

A. Property and Liability Insurance

The Charter School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Unaudited) of this Comprehensive Annual Financial Report.

B. New Jersey Unemployment Compensation

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Charter 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 Charter School is billed quarterly for amounts due to the State.

The following is a summary of Charter School contributions, employee contributions, reimbursements to the State for benefits employees and charged to its account with the state.

NOTE 13 LITIGATIONS AND CONTINGENCIES

State and Federal Aid Receipts

State and Federal awards are generally subject to review by the responsible governmental agencies for compliance with the agencies regulations governing the aid. In the opinion of the Charter School's management and legal counsel, any potential adjustments to the Federal or State aid recorded by the Charter School through June 30, 2011, resulting from a review by a responsible government agency will not have a material effect on the Charter School financial statements at June 30, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULES

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT C-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local Sources:					
Local tax levy	$ 388,809	$ -	$ 388,809	$ 374,068	$ (14,741)
Miscellaneous	15,529	-	15,529	17,331	1,802
Total revenues -local sources	404,338	-	404,338	391,399	(12,939)
State sources	6,250,379	-	6,250,379	6,067,158	(183,221)
TPAF-Social security			-	219,831	219,831
On-behalf TPAF-Post retirements benefits	-	-	-	187,614	187,614
Total revenues	6,654,717	-	6,654,717	6,866,002	211,285
Expenditures					
Current expense:					
Instruction					
Salaries	2,761,984	15,801	2,777,785	2,701,374	76,411
Professional /Technical service	13,747	-	13,747	10,329	3,418
Other purchased services	41,670	-	41,670	14,587	27,083
General educational supplies	185,239	-	185,239	116,470	68,769
Instructional text and books	120,000	-	120,000	78,834	41,166
Total current expense	3,122,640	15,801	3,138,441	2,921,594	216,847
Administrative cost:					
Salaries	729,951	49,783	779,734	779,734	-
Total benefit costs	1,300,579	(226,705)	1,073,874	865,273	208,601
Professional /technical service	70,600	-	70,600	63,157	7,443
Other purchased services	104,500	3,512	108,012	108,012	-
Communications and Telephones	21,900	-	21,900	16,750	5,150
Supplies and materials	59,815	21	59,836	59,836	-
Judgments against charter school	-	-	-	-	-
Interest on current loans	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total administrative cost	2,287,345	(173,389)	2,113,956	1,892,762	221,194
Support services:					
Salaries	531,320	15,142	546,462	513,862	32,600
Purchased professional /technical service	60,000	-	60,000	9,781	50,219
Other purchased services	128,500	35,533	164,033	164,033	-
Rent on land and buildings	834,789	-	834,789	772,837	61,952
Insurance-fidelity, liability property	95,724	-	95,724	67,687	28,037
Supplies and materials	29,049	106,913	135,962	135,962	-
Transportation-other than to/from school	30,000	-	30,000	22,218	7,782
Utilities	-	-	-	-	-
Miscellaneous	6,000	-	6,000	-	6,000
Total support services	1,715,382	157,588	1,872,970	1,686,380	186,590

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT C-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay:					
Instructional equipment	60,000	-	60,000	23,658	36,342
Non-instructional equipment	35,000	-	35,000	18,460	16,540
Purchase of Land/Improvements	615,000	-	615,000	473,718	141,282
Total capital outlay	710,000	-	710,000	515,836	194,164
On-behalf payments:					
TPAF- Social security	-	-	-	219,831	(219,831)
TPAF- Post retirement medical benefits	-	-	-	187,614	(187,614)
	-	-	-	407,445	(407,445)
Total expenditures	7,835,367	-	7,835,367	7,424,017	411,350
Excess (deficiency) of revenues over expenditures	(1,180,650)	-	(1,180,650)	(558,015)	622,635
Fund balances, beginning	1,990,960	-	1,990,960	1,990,960	-
Fund balances, ending	$ 810,310	$ -	# $ 810,310	$ 1,432,945	$ 622,635

See independent auditors' report.

EXHIBIT C-2

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources	$ 4,075	$ -	$ 4,075	$ 4,040	$ 35
Federal sources	1,791,255	32	1,791,287	1,343,000	448,287
Total revenues -all sources	1,795,330	32	1,795,362	1,347,040	448,322
Expenditures					
Current Expenditures:					
Instruction:					
Salaries of teachers	592,212	-	592,212	484,340	107,872
Other salaries for instruction	-	-	-	-	-
Purchased Professional/technical services	129,135	-	129,135	89,297	39,838
Other purchased services	7,769	-	7,769	-	7,769
Instructional supplies	212,201	32	212,233	189,537	22,696
Miscellaneous expenditures	15,475	-	15,475	5,696	9,779
Total instruction	956,792	32	956,824	768,870	187,954
Support services					
Salaries of supervisors of instruction	197,282	-	197,282	167,609	29,673
Employee benefits	154,560	-	154,560	118,002	36,558
Purchased professional educational services	341,375	-	341,375	218,306	123,069
Travel	11,112	-	11,112	3,756	7,356
Rent	-	-	-	-	-
Other purchase services	113,305	-	113,305	58,879	54,426
Supplies	12,704	-	12,704	11,618	1,086
Miscellaneous expenditures	700	-	700	-	700
Total support services	831,038	-	831,038	578,170	252,868
Capital Outlay:					
Instructional equipment	7,500	-	7,500	-	7,500
Total facilities acquisition and construction services	7,500	-	7,500	-	7,500
Total expenditures	1,795,330	32	1,795,362	1,347,040	448,322
Excess(Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

See independent auditors' report.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY GAAP RECONCILIATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2011

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule:	[C-1]	$ 6,866,002	[C-2]	$ 1,347,040
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
Last State aid payment recognized for budgetary purposes only.		-		-
General Fund contribution to Early Childhood Program Aid.		-		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	6,866,002	[B-2]	1,347,040
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	7,424,017	[C-2]	1,347,040
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.		-		-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfer (outflows) to general fund		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	$ 7,424,017	[B-2]	$ 1,347,040

Note A -The general fund budget basis of the use/outflow of resources is GAAP, therefore no reconciliation is required.

See independent auditors' report.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS

YEAR ENDED JUNE 30, 2011

	Title I	Title I Carryover	Title I ARRA	Title I SIA	ARRA Title I SIA	Title II Part A	Title II Part D	Title V	21st Century	IDEA	IDEA ARRA	NJSBAIG 2010 Safety Grant	Total
Revenues													
State sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,040	$ 4,040
Federal sources	492,185	74,242	162,174	47,276	11,853	1,702	1,199	283,438	92,596	103,700	72,635	-	1,343,000
Total revenues -all sources	492,185	74,242	162,174	47,276	11,853	1,702	1,199	283,438	92,596	103,700	72,635	4,040	1,347,040
Expenditures													
Current Expenditures:													
Instruction:													
Salaries of teachers	265,602	-	91,896	-	9,880	-	-	65,230	11,243	6,198	34,291	-	484,340
Purchased Prof. and technical services	-	74,242	1,683	-	-	-	-	13,372	-	-	-	-	89,297
Other purchased services	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and materials	36,862	-	-	43,276	-	-	899	79,000	5,908	-	23,592	-	189,537
Miscellaneous expenditures	-	-	-	-	-	-	-	4,210	1,486	-	-	-	5,696
Total instruction	302,464	74,242	93,579	43,276	9,880	-	899	161,812	18,637	6,198	57,883	-	768,870
Support services													
Salaries of supervisors of instruction	34,132	-	-	-	-	-	-	89,250	44,227	-	-	-	167,609
Employee benefits	62,119	-	18,733	-	1,973	-	-	19,059	7,953	1,270	6,895	-	118,002
Purchased professional educational services	75,084	-	17,775	-	-	-	300	6,104	17,905	96,232	4,906	-	218,306
Travel	-	-	-	-	-	-	-	1,618	2,138	-	-	-	3,756
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Other purchase services	13,201	-	32,087	4,000	-	1,702	-	3,095	754	-	-	4,040	58,879
Supplies	5,185	-	-	-	-	-	-	2,500	982	-	2,951	-	11,618
Total support services	189,721	-	68,595	4,000	1,973	1,702	300	121,626	73,959	97,502	14,752	4,040	578,170
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	$ 492,185	$ 74,242	$ 162,174	$ 47,276	$ 11,853	$ 1,702	$ 1,199	$ 283,438	$ 92,596	$ 103,700	$ 72,635	$ 4,040	$ 1,347,040
Excess(Deficiency) of Revenues Over Expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditors' report.

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by propriety funds.

At June 30, 2011, there was no capital project fund.

PROPRIETARY FUNDS

ENTERPRISE FUND

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Charter School is that the costs of providing goods and services be financed through user charges. Food Service Fund - provides for the operation of food services for the Charter School.

EXHIBIT G-1

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

ENTERPRISE FUND

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2011

	AFTER CARE	FOOD SERVICE	TOTAL
Assets			
Current assets:			
Cash	$ 31,448	$ 51,231	$ 82,679
Accounts receivable:			
Federal	-	54,114	54,114
State	-	961	961
	-	55,075	55,075
Interfund receivable - General Fund	9,230	-	9,230
Total Assets	$ 40,678	$ 106,306	$ 146,984
Liabilities			
Current liabilities			
Interfund payable - General Fund	16,521	$ 122,411	$ 138,932
Net assets			
Unrestricted	24,157	(16,105)	8,052
Total Liabilities and Net Assets	$ 40,678	$ 106,306	$ 146,984

See independent auditors' report.

EXHIBIT G-2

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

ENTERPRISE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2011

	AFTER CARE	FOOD SERVICE	TOTAL
Operating revenues:			
Charges for services:			
Daily sales - nonreimbursable programs	$ -	$ 6,116	$ 6,116
Miscellaneous revenue	20,523	2,442	22,965
Total Operating revenues	20,523	8,558	29,081
Operating expenses:			
Cost of sales	-	200,029	200,029
Salaries	32,600	-	32,600
Professional /technical service	1,140	-	1,140
Supplies and materials	-	1,687	1,687
Total operating expenses	33,740	201,716	235,456
Operating income (loss)	(13,217)	(193,158)	(206,375)
Nonoperating revenues:			
State sources:			
State School Breakfast Program	-	-	-
State School Lunch Program	-	3,394	3,394
Federal sources:			
National School Lunch Program	-	168,358	168,358
National School Breakfast Program	-	17,235	17,235
Total nonoperating revenues	-	188,987	188,987
Changes in net assets	(13,217)	(4,171)	(17,388)
Total net assets, beginning of year	37,374	(11,934)	25,440
Total net assets, end of year	$ 24,157	$ (16,105)	$ 8,052

See independent auditors' report.

EXHIBIT G-3

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

ENTERPRISE FUND

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

	AFTER CARE	FOOD SERVICE	TOTAL
Cash flows from operating activities			
Operating loss	$ (13,217)	$ (193,158)	$ (206,375)
Adjustment to reconcile operating loss to net cash from operating activities			
Changes in assets and liabilities:			
Increase in accounts receivable	-	3,737	3,737
Increase in interfund receivable	17,487	-	17,487
Increase in interfund payable	16,521	(4,501)	12,020
Net cash from operating activities	20,791	(193,922)	(173,131)
Cash flows from noncapital financing activities			
Cash received from state and federal reimbursements	-	188,987	188,987
Net increase (decrease) in cash and cash equivalents	20,791	(4,935)	15,856
Cash, beginning	10,657	56,166	66,823
Cash, ending	$ 31,448	$ 51,231	$ 82,679

See independent auditors' report.

FIDUCIARY FUNDS

Trust funds are used to account for gifts and bequests to the Charter School for specific purposes.

Unemployment Compensation Insurance Trust Fund is an expendable trust fund used to account for unemployment transactions of the Charter School.

At June 30, 2011 there was no non-expandable trust fund utilized by the Charter School.

Agency funds are used to account for assets held by the Charter School as an agent for individuals, private organizations, governmental and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the Charter School.

EXHIBIT H-1

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2011

	New Jersey Unemployment Benefits	Agency Fund Payroll	Student Activity Fund	Total
Assets				
Cash and cash equivalents	$ -	$ 439,047	$ 62,276	$ 501,323
Accounts receivables-others	-	-	-	-
Total assets	$ -	$ 439,047	$ 62,276	$ 501,323
Liabilities and fund balances				
Liabilities:				
Accounts payable	$ -	$ 29,244	$ 3,780	$ 33,024
Interfund payables	-	409,803	58,496	468,299
Total liabilities	-	439,047	62,276	501,323
Net Assets				
Restricted				
Unemployment compensation	-	-	-	-
Total net assets	-	-	-	-
Total liabilities and net assets	$ -	$ 439,047	$ 62,276	$ 501,323

See independent auditors' report.

EXHIBIT H-2

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

FIDUCIARY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
(TRUST FUND)

YEAR ENDED JUNE 30, 2011

	New Jersey Unemployment Benefits
Revenues:	
General fund appropriation	$ -
Employees' contributions	-
Total revenues	-
Expenditures:	
Payments to NJ Unemployment Compensation Fund	-
Total expenditures	-
Excess(deficiency) of revenue over expenditures	-
Fund balance, beginning	-
Fund balance, ending	$ -

See independent auditors' report.

EXHIBIT H-3

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

STUDENT ACTIVITY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Assets				
Cash	$ 38,332	$ 37,877	$ 13,933	$ 62,276
Accounts receivables-others	15,098	5,650	20,748	-
Total Assets	$ 53,430	$ 43,527	$ 34,681	$ 62,276
Liabilities and Fund Balance				
Accounts payable	$ 984	$ 28,049	$ 30,845	$ 3,780
Interfund accounts payable	52,446	-	6,050	58,496
Total Liabilities	$ 53,430	$ 28,049	$ 36,895	$ 62,276

See independent auditors' report.

EXHIBIT H-4

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

PAYROLL AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

YEAR ENDED JUNE 30, 2011

	Balance June 30, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Assets				
Cash and cash equivalents	$ 160,683	$ 5,494,933	$ 5,216,569	$ 439,047
Interfund receivable	-	-	-	-
Total Assets	$ 160,683	$ 5,494,933	$ 5,216,569	$ 439,047
Liabilities				
Payroll deductions and withholdings	$ 149,622	$ 2,123,774	$ 2,244,152	$ 29,244
Interfund accounts payable	11,061	3,371,159	2,972,417	409,803
Total Liabilities	$ 160,683	$ 5,494,933	$ 5,216,569	$ 439,047

See independent auditors' report.

LONG-TERM DEBT

The long-term debt is used to record the outstanding principal balances of the long term liabilities of the charter school. This includes the outstanding principal balance on capital lease, the accrued liability for insurance claims and the liability for compensated absences and the outstanding principal balance on certificates of participation outstanding or mortgage note payable. The Charter School has no long-term debts.

STATISTICAL SECTION
(Unaudited)

GASB requires that ten years of statistical data be presented. State law usually grants charters for less than 10 years. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included up to ten years.

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

INTRODUCTION TO THE STATISTICAL SECTION

Contents **Page**

Financial Trends 74

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. N/A

Debt Capacity N/A

These schedules present information to help the reader assess the affordability of the district' s current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information 80

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information 82

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The charter school implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting charter-wide information include information beginning in*

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT J-1

NET ASSETS BY COMPONENT
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2011	2010	2009	2008	2007	2006
Governmental activities						
Invested in capital assets, net of related debt	$ 1,018,371	$ 616,704	$ 595,592	$ 250,143	$ 198,598	$ 122,601
Restricted for food service	16,105	-	-	-	-	-
Unrestricted	1,416,840	2,974,339	877,622	395,460	117,335	51,359
Total governmental activities net assets	$ 2,451,316	$ 3,591,043	$ 1,473,214	$ 645,603	$ 315,933	$ 173,960
Business-type activities						
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	8,052	29,089	21,791	34,213	36,003	22,543
Total business-type activities net assets	$ 8,052	$ 29,089	$ 21,791	$ 34,213	$ 36,003	$ 22,543
School-wide						
Invested in capital assets, net of related debt	$ 1,018,371	$ 616,704	$ 595,592	$ 250,143	$ 198,598	$ 122,601
Unrestricted	1,424,892	3,003,428	899,413	429,673	153,338	73,902
Total charter school net assets	$ 2,443,263	$ 3,620,132	$ 1,495,005	$ 679,816	$ 351,936	$ 196,503

Notes

The Exhibit J-1 should contain information for the last 10 years. The Charter School is not required by GASB to report years prior to the implementation date of GASB 44. However, the Charter School opted to retroactively implement the requirement of GASB 44 to fiscal year 2004, the year GASB 34 was implemented.

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

CHANGES IN NET ASSETS
Last Six Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2011	2010	2009	2008	2007	2006
Expenses						
Governmental activities						
Instruction						
Regular	$ 4,643,878	$ 3,357,480	2,516,260	$ 2,403,558	$ 1,871,475	$ 1,153,641
Support Services:						
Tuition	-	-		-	-	-
Student & instruction related services	2,350,497	1,752,211	1,550,517	1,818,047	1,289,262	957,761
General administration	1,260,846	1,120,201	1,742,958	679,773	634,583	348,937
Unallocated depreciation	114,169	97,437	59,715	49,885	27,192	13,697
Total governmental activities expenses	8,369,390	6,327,329	5,869,450	4,951,263	3,822,512	2,474,036
Business-type activities:						
Food service	201,716	203,987	229,919	216,647	128,589	48,243
Child Care	33,740	1,417	-	-	-	-
Total business-type activities expense	235,456	205,404	229,919	216,647	128,589	48,243
Total charter school expenses	$ 8,604,846	$ 6,532,733	$ 6,099,369	$ 5,167,910	$ 3,951,101	$ 2,522,279
Program Revenues						
Governmental activities:						
Charges for services:						
Instruction (tuition)	$ -	$ -	$ -	$ -	$ -	$ -
Pupil transportation	-	-		-	-	-
Central and other support services	-	-		-	-	-
Operating grants and contributions	1,754,485	1,100,221	-	168,471	78,128	75,459
Capital grants and contributions	-	-		-	-	-
Total governmental activities program revenues	1,754,485	1,100,221	-	168,471	78,128	75,459
Business-type activities:						
Charges for services						
Food service	6,116	22,623	39,793	23,944	458	-
Child care	22,965	89	-	-	-	-
Operating grants and contributions	188,987	186,341	185,285	169,043	116,190	70,786
Capital grants and contributions	-	-	-	-	-	-
Total business type activities program revenues	218,068	209,053	225,078	192,987	116,648	70,786
Total charter school program revenues	$ 1,972,553	$ 1,309,274	$ 225,078	$ 361,458	$ 194,776	$ 146,245
Net (Expense)/Revenue						
Governmental activities	$ (6,614,905)	$ (5,227,108)	(5,742,799)	$ (4,782,792)	$ (3,744,384)	$ (2,398,577)
Business-type activities	(17,388)	3,649	(4,841)	(23,660)	(11,941)	22,543
Total charter school-wide net expense	$ (6,632,293)	$ (5,223,459)	$ (5,747,640)	$ (4,806,452)	$ (3,756,325)	$ (2,376,034)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	$ 374,068	$ 305,970	252,130	$ 655,270	$ 435,618	$ 228,519
Taxes levied for debt service	-	-	-	-	-	-
Grants and contributions	6,067,158	5,914,496	6,574,890	4,492,413	3,414,692	2,321,630
Miscellaneous income	17,331	11,133	-	27,003	36,047	22,388
Transfers	-	-	-	-	-	-
Total governmental activities	6,458,557	6,231,599	6,827,020	5,174,686	3,886,357	2,572,537
Business-type activities:						
Miscellaneous income	-	-	(7,582)	21,870	25,401	-
Transfers	-	-		-	-	-
Total business-type activities	-	-	(7,582)	21,870	25,401	-
Total charter school-wide	$ 6,458,557	$ 6,231,599	$ 6,819,438	$ 5,196,556	$ 3,911,758	$ 2,572,537

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

CHANGES IN NET ASSETS
Last Six Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2011	2010	2009	2008	2007	2006
Change in Net Assets						
Governmental activities	$ (156,348)	$ 1,004,491	552,406	$ 391,894	$ 141,973	$ 173,960
Business-type activities	(17,388)	3,649	(12,423)	(1,790)	13,460	22,543
Total charter school-wide	$ (173,736)	$ 1,008,140	539,983	$ 390,104	$ 155,433	$ 196,503

Notes

The Exhibit J-2 should contain information for the last 10 years. The Charter School is not required by GASB to report years prior to the implementation date of GASB 44. However, the Charter School opted to retroactively implement the requirement of GASB 44 to fiscal year 2004, the year GASB 34 was implemented.

EXHIBIT J-3

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

FUND BALANCES - GOVERNMENTAL FUNDS
Last Six Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2011	2010	2009	2008	2007	2006
General Fund						
Assigned for capital projects	$ 26,282	$ -	$ -	$ -	$ -	$ -
Unassigned	1,406,663	2,474,339	1,007,581	395,460	55,110	51,359
Total general fund	$1,432,945	$2,474,339	$ 192,782	$ 192,782	$ 55,110	$ 51,359
All Other Governmental Funds						
Assigned	$ -	$ -	$ -	$ -	$ -	$ -
Unassigned, reported in:						
Special revenue fund	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ -

Notes

The Exhibit J-3 should contain information for the last 10 years. The Charter School is not required by GASB to report years prior to the implementation date of GASB 44. However, the Charter School opted to retroactively implement the requirement of GASB 44 to fiscal year 2004, the year GASB 34 was implemented.

EXHIBIT J-4

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Six Fiscal Years
(Unaudited)

Function	2011	2010	2009	2008	2007	2006
Revenues						
Local Sources:						
Local tax levy	$ 374,068	$ 305,970	$ 252,130	$ 655,270	$ 435,618	$ 228,519
Miscellaneous	21,371	22,100	109,626	26,340	36,047	22,388
State sources	6,474,603	6,123,120	6,030,989	4,266,467	3,284,875	2,201,311
Federal sources	1,343,000	880,630	434,275	395,080	207,945	195,778
Total Revenues	8,213,042	7,331,820	6,827,020	5,343,157	3,964,485	2,647,996
Expenditures:						
Instruction	4,643,878	2,871,680	2,516,260	2,039,952	1,496,316	1,004,198
Administration	1,260,846	1,703,239	1,742,958	1,129,340	1,108,690	525,511
Support Services	2,350,497	1,654,973	1,550,517	1,745,353	1,243,193	930,630
Capital Outlay	515,836	118,549	405,164	88,163	112,534	136,298
Total Expenditures	8,771,057	6,348,441	6,214,899	5,002,808	3,960,733	2,596,637
Excess (Deficiency) of Revenues Over Expenditures	(558,015)	983,379	612,121	340,349	3,752	51,359
Net change in fund balances	$ (558,015)	$ 983,379	$ 612,121	$ 340,349	$ 3,752	$ 51,359

Source: Charter school's records.

Notes

The Exhibit J-4 should contain information for the last 10 years. The Charter School is not required by GASB to report years prior to the implementation date of GASB 44. However, the Charter School opted to retroactively implement the requirement of GASB 44 to fiscal year 2004, the year GASB 34 was implemented.

EXHIBIT J-5

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

GENERAL FUND-OTHER LOCAL REVENUE BY SOURCE
Last Six Fiscal Years
(accrual basis of accounting)

Fiscal Year Ending June 30,	Donations	Miscellaneous Revenue	Annual Total
2011	$ -	$ 17,331	$ 17,331
2010	-	11,133	11,133
2009	-	-	-
2008	-	26,340	26,340
2007	-	36,047	36,047
2006	-	22,388	22,388

Source: Charter School Records and Prior Audit Reports

EXHIBIT J-14

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

DEMOGRAPHICS AND ECONOMIC STATISTICS
Last Six Fiscal Years

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Average Unemployment Rate [d]
2006	80,010	$ 2,754,104,220	$ 34,422	10.1%
2007	80,010	$ 2,754,104,220	34,422	10.1%
2008	80,010	$ 2,754,104,220	34,422	10.1%
2009	78,790	$ 1,761,271,660	22,354	10.1%
2010	79,904	$ 1,786,174,016	22,354	10.1%
2011	79,904	$ 1,786,174,016	22,354	10.1%

Source: (Camden City Information)

[a] Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

[c] Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

EXHIBIT J-15

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

PRINCIPAL EMPLOYERS
Current Year

		2011		
Employer (By Industry Type, Camden City)	**No. of Establishments**	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**
Administrative, Support, Waste Management and Remediation Services: Solid Waste Collection	1	100-249:1	1	N/A
Health Care and Social Assistance: Specialty Hospitals	1	100-249:1	2	N/A
Other Services: Industrial Launderers	1	100-249:1	3	N/A
Other Services: Linen Supply	1	100-249:1	4	N/A
Wholesale Trade: Recyclable Material Merchant Wholesalers	4	50 to 99:1, 20-49:1,5-9:1,1-4:1	5	N/A
Health Care and Social Assistance: Child Day Care Services	5	20-49:2, 10-19:2,5-9:1	6	N/A
Wholesale Trade: Lumber, Plywood, Millwork and Wood Panel Merchant Wholesalers	2	50-99:1,1-4:1	7	N/A

Source: Web Site: http://www.city-data.com/us-cities/The-Northeast/Jersey-City-Economy.html

N/A - Not Available

EXHIBIT J-16

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

FULL-TIME EQUIVALENT CHARTER SCHOOL EMPLOYEES BY FUNCTION/PROGRAM
Last Five Fiscal Years

Function/Program	2011	2010	2009	2008	2007
Instruction	66	66	58	54	35
Administrative	8	8	15	12	7
Support Services	32	32	12	15	8
Food Services	3	3	4	4	1
Total	109	109	89	85	51

Source: Charter School's personnel records

EXHIBIT J-17

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

OPERATING STATISTICS

Last Six Fiscal Years
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	509	$ 8,771,057	17,232	38.98%	66	473	450	0.00%	95.00%
2010	512	$ 6,348,441	12,399	12.88%	66	473	450	-3.80%	95.08%
2009	492	5,404,571	10,985	-1.22%	58	492	459	13.36%	93.29%
2008	434	4,826,482	11,121	-2.36%	54	434	417	32.32%	96.08%
2007	328	3,735,665	11,389	-34.45%	35	328	311	52.56%	94.82%
2006	215	3,735,665	17,375	0.00%	22	215	199	0.00%	92.56%

Source: Charter School's Records

Note: Enrollment based on annual October Charter School count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
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).

EXHIBIT J-18

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

SCHOOL BUILDING INFORMATION
Last Six Fiscal Years

	2011	2010	2009	2008	2007	2006
Elementary						
Backman Elementary (1982)						
Square Feet	51,693	51,693	51,686	51,686	34,428	21,838
Capacity (students)	618	618	618	618	330	220
Enrollment	509	512	492	434	328	215

Source: Charter School's Records

EXHIBIT J-20

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

INSURANCE SCHEDULE

JUNE 30, 2010

COVERAGE		LIMITS	
Property Insurance			
Blanket Real and Personal Property		$300,000,000	per occurrence
Blanket Extra Expense		$50,000,000	
Blanket Valuable Papers and Records		$10,000,000	
Demolition and Increased Cost of Construction		$10,000,000	per occurrence
Fire Department Service Charge		$10,000	
Arson Reward		$10,000	
Pollutant Cleanup and Removal		$250,000	
Sublimits: Flood Zones Prefix A&V		$10,000,000	per occurrence
		$10,000,000	NJSBAIG annual aggregate
All Other Flood Zones		$50,000,000	per occurrence/NJSBAIG annual aggregate
Earthquake		$50,000,000	per occurrence
		$50,000,000	NJSBAIG annual aggregate
Terrorism		$ 1,000,000	per occurrence
		$ 1,000,000	NJSBAIG annual aggregate
Deductibles:			
Real & Personal		$1,000	per occurrence
Extra Expense		$1,000	per occurrence
Valuable Papers		$1,000	per occurrence
Flood Deductibles:		$500,000	per building
		$500,000	per building contents
		$10,000	per member/per occurrence subject to a maximum retained deductible of $1,000,000 to NJSBAIG
Electronic Data Processing			
Blanket Hardware/Software		$150,000	per occurrence
Coverage Extensions:	Transit	$25,000	
	Loss of Income	$10,000	
	Terrorism	Included in property	
Deductible		$1,000	per occurrence
Flood		$1,000,000	per occurrence
Flood Deductibles		$500,000	per building contents
		$10,000	per member/per occurrence subject to a maximum retained deductible of $1,000,000 to NJSBAIG
Boiler & Machinery			
Combined Single Limit per Accident for PD & Business		$ 100,000,000	
Sublimits:			
Property damage		Included	
Off Premises Property Damage		$ 100,000	
Business Income		Included	
Extra Expenses		$ 10,000,000	
Service Interruptions		$ 10,000,000	
Perishable Goods		$ 500,000	
Data Restoration		$ 100,000	
Contingent Business Income		$ 100,000	
Demolition		$ 1,000,000	
Ordinance or Law		$ 1,000,000	
Expediting Expenses		$ 500,000	

EXHIBIT J-20

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

INSURANCE SCHEDULE

JUNE 30, 2010

COVERAGE	LIMITS	
Hazardous Substances	$ 500,000	
Newly Acquired Locations (60 days notice)	$ 250,000	
Terrorism	$ 1,000,000	per occurrence
	$ 1,000,000	NJSBAIG annual aggregate
Deductibles:	$1,000	per accident for PD
	12 hours per accident for Business Interruption/Extra Expense	
	Interruption of Service Waiting Period 24 Hours	
Crime		
Public Employee Dishonesty with Faithful Performance	$50,000	$500 deductible
Theft, Disappearance and Destruction - Loss of Money Securities On or Off Premises	$25,000	$500 deductible
Theft, Disappearance and Destruction - Loss of Money Counterfeit Paper Currency	$25,000	$500 deductible
Forgery or Alteration	$25,000	$500 deductible
Computer Fraud	$25,000	$500 deductible
Public Officials Bond:		
Board Treasurer	$131,000	$1,000 deductible
Board Secretary/Business Administrator	$131,000	$1,000 deductible
Comprehensive General Liability		
Bodily Injury and Property Damage	$6,000,000	Combined Single Limit for BI & PD
Bodily Injury from Products and Completed Operations	$6,000,000	annual aggregate
Sexual Abuse	$6,000,000	per occurrence
	$17,000,000	annual pool aggregate
Personal Injury and Advertising Injury	$6,000,000	per occurrence/annual aggregate
Employee Benefits Liability	$6,000,000	per claim/annual aggregate
Premises Medical Payments	$10,000	each accident
Terrorism	$1,000,000	per occurrence/annual NJSBAIG aggregate
Automobile		
Any Auto - Combined Single Limit for BI & PD	$6,000,000	per accident
School Leaders Errors & Omissions Liability		
Coverage A - Limit	$6,000,000	each policy period
Coverage B - Limit	$100,000	each claim
	$300,000	each policy period

Source: Charter school's record.

SINGLE AUDIT SECTION

GALLEROS · KOH LLP
Accountants and Consultants

EXHIBIT K-1

INDEPENDENT AUDITORS' 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
D.U.E Season Charter School
County of Camden, New Jersey

We have audited the financial statements of Board of Trustees of the D.U.E Season Charter School (the "Charter School"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon, dated December 4, 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 as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Charter School Board of Trustees internal control over financial reporting as a basis for designing 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 Charter School Board of Trustee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charter School Board of Trustee'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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* – CONTINUED

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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. However, we noted certain matters involving internal control that we have reported to the Board of Trustees of the Charter School in a separate *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 23, 2011.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School Board of Trustee'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* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

However, we noted certain matters that we have reported to the Board of Trustees of the D.U.E. Season Charter School in the separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance,* dated November 23, 2011.

This report is intended for the information of the management, Charter School Board of Trustees, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Leonora Galleros

Leonora Galleros, CPA
Licensed Public School Accountant
No. 20CS00239400

November 23, 2011

GALLEROS · KOH LLP
Accountants and Consultants

EXHIBIT K-2

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of the Board of Trustees
D.U.E Season Charter School
Camden County, New Jersey

Compliance

We have audited the compliance of the Board of Trustees of the D.U.E Season Charter School (the "Charter School") in the County of Camden, State of New Jersey, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement and New Jersey State Aid Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011. The Charter School Board of Trustees major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Charter School Board of Trustees management. Our responsibility is to express an opinion on the Charter School Board of Trustees compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133, and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Charter School Board of Trustee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Charter School's compliance with those requirements.

In our opinion, the Board of Trustees of the Charter School, in the County of Camden, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011.

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04 – CONTINUED

Internal Control Over Compliance

The management of the Board of Trustees of the Charter School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Charter School Board of Trustees internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey Circular 04-04 OMB. Accordingly, we do not express an opinion on the effectiveness of Charter School Board of Trustee's internal control over compliance.

A *deficiency in internal control over compliance* 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, noncompliance with a type of compliance requirement of a federal or state program on the timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Management's response to the finding identified in our audit as described in the accompanying schedule of findings and questioned costs has not been subjected to the auditing procedures applied in the audit of the Charter School Board of Trustees' financial statements and, accordingly, we express no opinion on them.

This report is intended for the information of the audit committee, management, the Charter School Board of Trustees, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Leonora Galleros

Leonora Galleros, CPA
Licensed Public School Accountant
No. 20CS00239400

November 23, 2011

EXHIBIT K-3
Schedule A

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2011

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant No.	Grant Period	Award Amount	Balance at June 30, 2010 Deferred Revenue (Accounts Receivable)	Balance at June 30, 2010 Due to Grantor	Adjustments	Carryover Walkover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2011	Deferred Revenue at June 30, 2011	Due to Grantor at June 30, 2011
U.S. Department of Education:														
Passed-through New Jersey State Department Education														
No Child Left Behind:														
Title I - FY 2010-2011	84.010		9/1/10-8/31/11	$ 518,454	$ -	$ -	$ -	$ -	$ 219,789	$ (492,185)	$ -	$ (272,396)	$ -	$ -
Title I - FY 2009-2010 Carryover	84.010		9/1/09-8/31/10	75,430	-	-	-	-	75,430	(74,242)	-	-	1,188	-
Title I - SIA PART A	84.377A		9/1/10-8/31/11	47,276	-	-	-	-	-	(47,276)		(47,276)		
Title I, Part A	84.010		9/1/10-8/31/11	215,002	-	-	-	-	99,739	(162,178)		(62,439)		
Title II, Part A	84.367		9/1/10-8/31/11	7,495	-	-	-	-		(1,702)		(1,702)		
Title II, Part D	84.318X		9/1/10-8/31/11	1,199	-	-	-	-		(1,199)		(1,199)		
Title I - ARRA	84.389		9/1/10-8/31/11	11,849	-	-	-	-		(11,849)		(11,849)		
IDEA ARRA	84.391		9/1/10-8/31/11	76,821	-	-	-	-	40,531	(72,635)		(32,104)		
IDEA GRANT	84.027		9/1/10-8/31/11	103,852	-	-	-	-	76,902	(103,700)		(26,798)		
21st Century Community Learning Centers	84.287C		9/1/10-8/31/11	421,997	-	-	-	-	217,585	(283,438)		(65,853)		
Even Start Compensation	84.213C		9/1/10-8/31/11	311,879	-	-	-	-	71,529	(92,596)		(21,067)		
Title I - FY 2009-2010	84.010		9/1/09-8/31/10	689,942	543,329	-	-	-	543,329	-	-	-	-	-
Title I - ARRA FY 2009-2010	84.389		7/1/09-8/31/11	166,517	118,032	-	-	-	118,032	-	-	-	-	-
Title I - ARRA SIA	84.389		7/1/09-8/31/11	11,849	11,849	-	-	-	11,849	-	-	-	-	-
Title II, Part D - FY 2009-2010	84.318		9/1/09-8/31/10	6,388	4,600	-	-	-	-	-	-	(4,600)	-	-
Title IV - FY 2009-2010	84.186		9/1/09-8/31/10	8,379	3,379	-	-	-	-	-	-	(3,379)	-	-
IDEA - FY 2009-2010	84.027		9/1/09-8/31/10	102,778	102,778	-	-	-	102,778	-	-	-	-	-
IDEA - ARRA FY 2009-2010	84.391		7/1/09-8/31/11	76,821	76,821	-	-	-	76,821	-	-	-	-	-
Total U.S. Department of Education				2,853,928	860,788	-	-	-	1,654,314	(1,343,000)	-	(550,662)	1,188	-
U.S. Department of Agriculture														
Passed-through New Jersey State Department of Agriculture														
National School Lunch Program	10.555		7/1/10-6/30/11	168,358	-	-	-	-	119,573	(168,358)	-	(48,785)	-	-
National School Lunch Program	10.555		7/1/09-6/30/10	160,877	51,172	-	-	-	51,172	-	-	-	-	-
National School Breakfast Program	10.553		7/1/10-6/30/11	17,235					11,906	(17,235)		(5,329)		
National School Breakfast Program	10.553		7/1/09-6/30/10	18,143	5,358	-	-	-	5,358	-	-	-	-	-
Total U.S. Department of Agriculture				$ 364,613	56,530	-	-	-	188,009	(185,593)	-	(54,114)	-	-
Total Expenditures of Federal Awards					$ 917,318	$ -	$ -	$ -	$ 1,842,323	$ (1,528,593)	$ -	$ (604,776)	$ 1,188	$ -

See notes to schedules of expenditures of federal awards and state financial assistance.

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT K-4
Schedule B

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011 Deferred Revenue (Accounts Receivable)	Balance at June 30, 2011 Due to Grantor	Adjustments	Carryover Walkover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2011	Deferred Revenue at June 30, 2011	Due to Grantor at June 30, 2011
New Jersey State Department of Education													
General Fund:													
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	$ 5,808,522	$ -	$ -	$ -	$ -	$ 5,846,102	$ (5,808,522)	$ -	(151,746)	$ -	$ 187,014
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	5,623,012	69,967	247,482	-	-	69,967	-	-	-	-	-
Equalization Aid	09-495-034-5120-078	7/1/08-6/30/09	5,442,731	104,074	-	-	-	86,830	-	-	(17,244)	-	-
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	60,459	-	-	-	-	60,459	(60,459)	-	-	-	-
TPAF-Social Security	11-495-034-5095-006	7/1/10-6/30/11	219,831	-	-	-	-	203,308	(219,831)		(16,523)		
TPAF-Social Security	10-495-034-5095-006	7/1/09-6/30/10	208,624	79,411	-	-	-	79,411	-	-	-	-	-
TPAF-Social Security	09-495-034-5095-006	7/1/08-6/30/09	158,389	8,364	-	-	-	-		-	(8,364)	-	-
TPAF-Post-retirement medical benefits	11-495-034-5095-001	7/1/10-6/30/11	187,614	-	-	-	-	187,614	(187,614)	-	-	-	-
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	198,178	-	-	-	-	198,178	(198,178)	-	-	-	-
Total General Fund			17,907,360	261,816	247,482	-	-	6,731,869	(6,474,604)	-	(193,877)	-	187,014
Special Revenue Fund:													
None			-	-	-	-	-	-	-	-	-	-	-
Enterprise Fund:													
State School Lunch Program	11-100-010-3350-023	7/1/10-6/30/11	3,394	-	-	-	-	2,433	(3,394)	-	(961)	-	-
State School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10	6,208	1,960	-	-	-	1,960	-	-	-	-	-
State School Breakfast Program	10-100-034-3350-021	7/1/09-6/30/10	1,113	322	-	-	-	322	-	-	-	-	-
Total Enterprise Fund			$ 10,715	2,282	-	-	-	4,715	(3,394)	-	(961)	-	-
Total Expenditures of State Financial Assistance				$ 264,098	$ 247,482	$ -	$ -	$ 6,736,584	$ (6,477,998)	$ -	$ (194,838)	$ -	$ 187,014

See notes to schedules of expenditures of federal awards and state financial assistance.

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT K-5

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

JUNE 30, 2011

NOTE 1. GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the D.U.E Season Charter School. The Charter School is defined in Note 1(A) to the Charter School's basic financial statements. All federal awards received directly from federal agencies, as well as state financial assistance passed through other government agencies is included on the schedule of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of those 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 basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations and* New Jersey OMB Letter Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with the amounts reported in the School's basic financial statements. The basic financial statements present the special revenue fund on both GAAP and budgetary basis. 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. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the Charter School's basic financial statements on a GAAP basis as follows:

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS – Continued

	Federal	State	Total
General Fund	$ -	$6,474,604	$ 6,474,604
Special Revenue Fund	1,343,000	-	1,343,000
Enterprise Fund	185,593	3,394	188,987
Total	$ 1,528,593	$6,477,998	$ 8,006,591

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. ON-BEHALF PAYMENTS

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions and post-retirement medical benefits for TPAF members for the year ended June 30, 2011.

D.U.E. SEASON CHARTER SCHOOL **EXHIBIT K-6**
(COUNTY OF CAMDEN, NEW JERSEY)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED JUNE 30, 2011

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statement Section

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness (es) identified?	___Yes	✔ None reported
Significant deficiency (ies) identified not considered to be material weaknesses?	___Yes	✔ No
Noncompliance material to financial statements noted?	___Yes	✔ No

Federal Awards

Dollar threshold used to determine Type A and B program	$300,000	
Internal control over compliance:		
Material weakness(es) identified?	___Yes	✔ No
Significant deficiency(ies) identified not considered to be material weakness(es)? reported	___Yes	✔ No
Type of auditor's report on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported In accordance with Circular A-133 (Section .510(a))	✔ Yes	___ No
Auditee qualified as low-risk auditee?	___ Yes	✔ No

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT K-6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

SECTION I - SUMMARY OF AUDITOR'S RESULTS - CONTINUED

Federal Awards - continued

CFDA No.	Name of Federal Program
	Title I Cluster:
84.010	Title I Part A, Grants to Local Educational Agencies
84.389	ARRA – Title I Part A, Grants to Local Educational Agencies
	Special Education Cluster:
84.027	Individuals with Disabilities, States Grant
84.391	ARRA – Individuals with Disabilities, States Grant

State Financial Assistance

Dollar threshold used to determine Type A and B programs: $300,000

Type of auditor's report on compliance for major programs: Unqualified

Internal control over compliance:

Material weakness (es) identified? ____Yes ✓ No

Significant deficiency (ies) identified not considered to be material weakness (es)? ____Yes ✓ No

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? ____Yes ✓ No

Identification of Major Programs:

State or Project No.	Name of State Program
11-495-034-5120-078	Equalization Aid

Auditee qualified as low-risk auditee? ____ Yes ✓ No

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT K-6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION II – FINANCIAL STATEMENT FINDINGS

- NONE -

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION III FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- NONE -

D.U.E. SEASON CHARTER SCHOOL
(COUNTY OF CAMDEN, NEW JERSEY)

EXHIBIT K-7

SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT

FISCAL YEAR ENDED JUNE 30, 2011

Finding 10-01 SF-SAC Data Collection Form Submission

Condition

In our review of reports submitted as required under the Single Audit Act and OMB Circular A-133, we noted that the Charter School did not submit its 2009 SF-SAC Data Collection form via on-line to the Federal Clearinghouse. This report was due within 30 days upon report issuance but no later than March 31, 2011.

Current Status:

The SF-SAC for June 30, 2010 was filed.