PLEASANTECH ACADEMY CHARTER SCHOOL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011

PLEASANTECH ACADEMY

CHARTER SCHOOL

PleasanTech Academy Charter School
Board of Trustees
Pleasantville, New Jersey

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2011

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

OF THE

PLEASANTECH ACADEMY CHARTER SCHOOL

PLEASANTVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by

PleasanTech Academy Charter School
Finance Department

And

Barre & Company, CPAs

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INTRODUCTORY SECTION

PLEASANTECH ACADEMY CHARTER SCHOOL
700 BLACK HORSE PIKE
PLEASANTVILLE, NEW JERSEY 08232
609-383-1717

April 9, 2012

Honorable President and
Members of the Board of Trustees
PleasanTech Academy Charter School
County of Atlantic
Pleasantville, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the PleasanTech Academy Charter School (Charter School) for the fiscal year ended June 30, 2011. This CAFR includes the Charter School's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34.

The Charter School has elected to adopt this new financial reporting model which we believe will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board).

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Charter School. This report will provide the taxpayers of the PleasanTech Academy Charter School with comprehensive financial data in a format enabling them to gain an understanding of the Charter School's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;

- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;

- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget (OMB) Circular A-133, "*Audits of States, Local Governments and Non-Profit Organizations*", and the New Jersey State Office of Management and Budget (OMB) Circular 04-04, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

An elected eight-member Board of Trustees (the "Board") serves as the policy maker for the Charter School. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of Charter School tax money.

The Chief School Administrator is the chief executive officer of the Charter School, responsible to the Board for total educational and support operations. The Business Administrator is the chief financial officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

1. REPORTING ENTITY AND ITS SERVICES: PleasanTech Academy Charter School is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the school are included in this report. PleasanTech Academy Charter School, Board of Trustees, constitutes the Charter School's reporting entity.

The focus of education at PleasanTech Academy Charter School has always been what is best for the success of the children. With this in mind, the school provides a full range of services appropriate to meeting the needs of all students in Kindergarten through Grade Eight (8). Such instructional services include regular education, special education, and a basic skills program.

PleasanTech Academy Charter School ended the 2010-2011 school year with an enrollment of 572 students. The following details the student enrollment of the Charter School over the last five years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Attendance Rate
2010-2011	572.0	100.00%
2009-2010	521.0	100.00%
2008-2009	503.0	100.00%
2007-2008	561.0	95.58%
2006-2007	561.0	100.00%

2. ECONOMIC CONDITION AND OUTLOOK: Based on the release of preliminary AYP Status results at time of this writing, in Spring 2010, PleasanTech Academy made AYP (via Safe Harbor) in the Elementary grade span (grades 3-5) but did not make AYP in the Middle School grade span (grades 6-8), the net result of which was a present rating of 3 years as a School in Need of Improvement. December 2006 marked the second time in its history that PleasanTech Academy had its charter renewed for five years by the New Jersey Department of Education. The most recent charter renewal came at mid-year, during the second year after our school had more than doubled its enrollment by absorbing the student population of a neighboring charter school. Since that time, we have seen encouraging signs of progress in student achievement from our efforts, by completely revising our curriculum now-aligned with the progressive direction of the New Jersey Core Curriculum Content Standards and by implementation of measures of accountability in all departments, guided by the New Jersey Quality Single Accountability Continuum (QSAC).

The following table details student assessment results at PleasanTech Academy Charter School in grades 3, 4, 5, 6, 7, and 8 on the Language Arts Literacy, Mathematics and Science sections of the NJASK state tests.

Languge Arts Literacy

Grade Eight Proficiency Assessment (NJASK8) Proficient or Advanced Proficient		**Grade Seven Proficiency Assessment (NJASK7)** Proficient or Advanced Proficient		**Grade Six Proficiency Assessment (NJASK6)** Proficient or Advanced Proficient	
Year	**Score**	**Year**	**Score**	**Year**	**Score**
2010	46.30%	2010	22.70%	2010	20.60%
2009	56.50%	2009	22.10%	2009	37.10%
2008	49.30%	2008	29.30%	2008	9.10%
2007	47.80%	2007	52.10%	2007	39.40%
2006	46.50%	2006	69.50%	2006	45.10%
2005	71.90%	2005	0.00%	2005	0.00%
2004	68.80%	2004	0.00%	2004	0.00%
2003	79.30%	2003	0.00%	2003	0.00%
2002	61.30%	2002	0.00%	2002	0.00%
2001	33.30%	2001	0.00%	2001	0.00%
Grade Five Proficiency Assessment (NJASK5) Proficient or Advanced Proficient		**Grade Four Proficiency Assessment (NJASK4)** Proficient or Advanced Proficient		**Grade Three Proficiency Assessment (NJASK3)** Proficient or Advanced Proficient	
Year	**Score**	**Year**	**Score**	**Year**	**Score**
2010	30.80%	2010	15.30%	2010	36.00%
2009	30.90%	2009	13.60%	2009	30.80%
2008	17.60%	2008	43.00%	2008	53.70%
2007	56.90%	2007	37.90%	2007	56.20%
2006	59.40%	2006	31.70%	2006	35.60%
2005	0.00%	2005	62.50%	2005	61.50%
2004	0.00%	2004	83.90%	2004	84.60%
2003	0.00%	2003	76.00%	2003	0.00%
2002	0.00%	2002	65.50%	2002	0.00%
2001	0.00%	2001	62.10%	2001	0.00%

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

Mathematics

Grade Eight Proficiency Assessment (NJASK8) Proficient or Advanced Proficient		Grade Seven Proficiency Assessment (NJASK7) Proficient or Advanced Proficient		Grade Six Proficiency Assessment (NJASK6) Proficient or Advanced Proficient	
Year	**Score**	**Year**	**Score**	**Year**	**Score**
2010	19.40%	2010	12.10%	2010	19.10%
2009	30.60%	2009	20.60%	2009	32.20%
2008	11.80%	2008	27.70%	2008	13.40%
2007	34.70%	2007	16.90%	2007	57.70%
2006	22.50%	2006	34.70%	2006	35.40%
2005	59.40%	2005	0.00%	2005	0.00%
2004	59.40%	2004	0.00%	2004	0.00%
2003	24.10%	2003	0.00%	2003	0.00%
2002	22.60%	2002	0.00%	2002	0.00%
2001	25.90%	2001	0.00%	2001	0.00%

Grade Five Proficiency Assessment (NJASK5) Proficient or Advanced Proficient		Grade Four Proficiency Assessment (NJASK4) Proficient or Advanced Proficient		Grade Three Proficiency Assessment (NJASK3) Proficient or Advanced Proficient	
Year	**Score**	**Year**	**Score**	**Year**	**Score**
2010	40.60%	2010	47.20%	2010	43.70%
2009	36.30%	2009	18.60%	2009	56.60%
2008	35.30%	2008	50.10%	2008	59.00%
2007	52.30%	2007	56.10%	2007	55.40%
2006	50.70%	2006	45.00%	2006	49.20%
2005	0.00%	2005	59.40%	2005	57.70%
2004	0.00%	2004	83.90%	2004	80.80%
2003	0.00%	2003	96.00%	2003	0.00%
2002	0.00%	2002	75.80%	2002	0.00%
2001	0.00%	2001	58.60%	2001	0.00%

Science

Grade Eight Proficiency Assessment (NJASK8) Proficient or Advanced Proficient		Grade Four Proficiency Assessment (NJASK4) Proficient or Advanced Proficient	
Year	**Score**	**Year**	**Score**
2010	49.30%	2010	71.70%
2009	53.30%	2009	N/A
2008	41.20%	2008	N/A
2007	61.80%	2007	N/A
2006	64.80%	2006	N/A
2005	87.50%	2005	N/A
2004	59.40%	2004	N/A
2003	48.30%	2003	N/A
2002	35.50%	2002	N/A
2001	25.90%	2001	N/A

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

In Spring 2007, PleasanTech Academy Charter School made AYP in the Elementary grade span (grades 3-5) but did not make AYP in the Middle School grade span (grades 6-8), the net result of which was holding steady at two years as a School in Need of Improvement. In Spring 2008, with NCLB raising the bar on Adequate Yearly Progress standards and with the NJDOE raising the percentage of questions needed to be answered correctly in order to achieve a passing score of "200," AYP in neither grade span was met. Along with concentration addressing the total student, academically, socially and emotionally and student attendance, we have added achievement as our central area of focus this year.

PleasanTech Academy Charter School offers a safe learning environment for students, causing them to look forward to coming to school each day to learn. Staff continues to build relationships with students and parents consistent with our ongoing theme of community. In turn, parents believe in the school and trust that our staff is committed to developing their children to be productive citizens in the 21st century.

In fiscal performance we continue to maintain a healthy surplus while expanding educational programs, extracurricular activities for students, providing various professional development training for staff and making improvements to the school building.

We realize parents have the right to choose to send their children to other districts or private schools. However, more than 90% of our parents are pleased with the progress their children are making here at PleasanTech Academy Charter School. Parents appreciate the progress that has been made in just ten years of operation. The parents are team players and understand it is not the total responsibility of the teacher to provide a thorough and efficient education. Most state that they would recommend the school to friends.

It is our goal to move PleasanTech Academy Charter School to an even higher level, understanding that this move will be a continuing process. A big step was made in September 2005 with the school expanding from 264 students to 570 students, occupying two buildings. We now face the challenge of maintaining past gains and moving closer to the 2014 goal of 100% proficiency. We are confident that PleasanTech Academy Charter School will soon be recognized by the state as a star school.

3. INTERNAL ACCOUNTING CONTROLS: Management of the Charter School is responsible for establishing and maintaining an internal control designed to ensure that 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;
(2) the valuation of costs and benefits requires estimates and judgments by management.

INTERNAL ACCOUNTING CONTROLS (CONTINUED)

As a recipient of federal and state financial assistance, the Board of Trustees also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the Charter School's management.

As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of the internal control structure, 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.

4. 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 voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

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

6. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, directors and officers insurance and workmen's compensation.

7. OTHER INFORMATION:

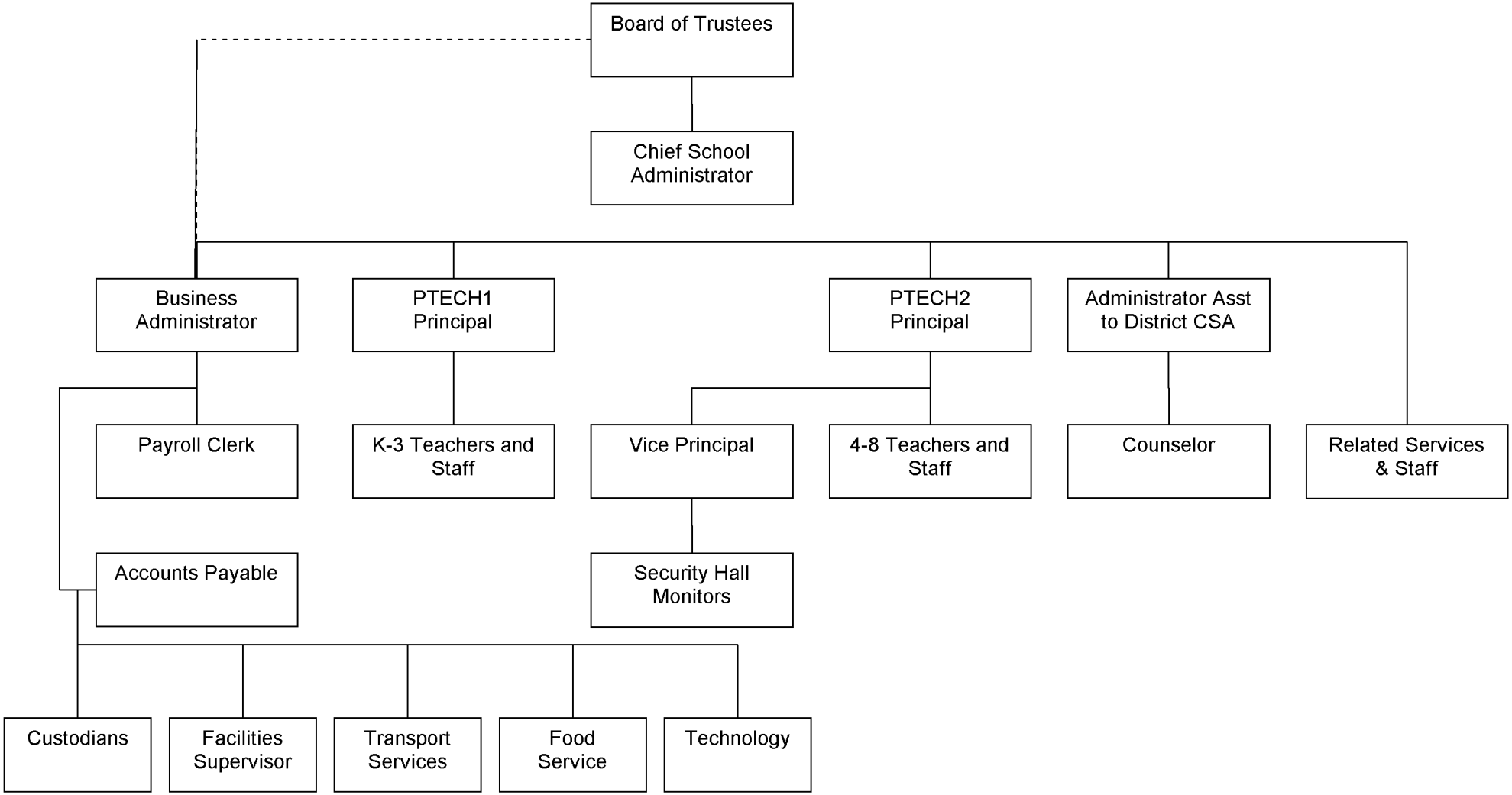
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, was selected by the Board of Trustees. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendment of 1996 and the related OMB Circular A-133, *"Audits of State, Local Governments and Non-Profit Organization*" and State Treasury Circular Letter 04-04 OMB, *"Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid."* The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports, related specifically to the single audit, are included in the single audit section of this report.

8. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of PleasanTech Academy Charter School Board of Trustees for their concerns in providing fiscal accountability to the citizens and taxpayers of the participating school district 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 business office staff.

Respectfully submitted,

Charmette Long-Vernon
Business Administrator

PleasanTech Academy Organization Chart
Approved for 2008-2009



PLEASANTECH ACADEMY CHARTER SCHOOL
PLEASANTVILLE, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2011

MEMBERS OF THE BOARD OF TRUSTEES	TERM EXPIRES
Keith B. Mills, Chairman	9/2011
Larry D. Fraiser, Finance Representative	4/2011
Valerie Stone, Business Representative	12/2011
Virginia DeThy, Education Representative	7/2011
Melvin Gregory, Education Representative	7/2011
Mona Tally, Parent Representative	2/2011
Shelby Morgan, Parent Representative	12/2010
Kennard Weever, Parent Representative	10/2011
Kate Mohr, Teacher Representative	4/2011
Alan Goldberg, Teacher Representative	4/2011
Dr. James Coaxum III	10/2011

PLEASANTECH ACADEMY CHARTER SCHOOL
PLEASANTVILLE, NEW JERSEY

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company
Certified Public Accountants
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Attorney

Schwartz Simon Edelstein & Celso LLC
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Morristown, New Jersey 07962

Hill Wallack LLP
Attorneys at Law
202 Carnegie Center
Princeton, New Jersey 08543

Official Depository

Sun National Bank
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Vineland, New Jersey 08360

FINANCIAL SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
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Independent Auditor's Report

Honorable President
Members of the Board of Trustees
PleasanTech Academy Charter School
County of Atlantic
Pleasantville, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented components units, each major fund and the aggregate remaining fund information of the Board of Trustees of the PleasanTech Academy Charter School in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise of the Charter School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the PleasanTech Academy Charter School Board of Trustees' management. Our responsibility is to express an opinion on these basic 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 basic 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the PleasanTech Academy Charter School Board of Trustees, in the County of Atlantic, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued a report dated April 9, 2012 on our consideration of the

PleasanTech Academy Charter School Board of Trustees' internal control over financial reporting and 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.

The Management's Discussion and Analysis and the Budgetary Comparison Information starting on pages 16 and 64, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the PleasanTech Academy Charter School Board of Trustees' basic financial statements. The accompanying introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations,"* and New Jersey OMB's Circular 04-04, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,"* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relations to the basic financial statements taken as a whole.

Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

April 9, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

PLEASANTECH ACADEMY CHARTER SCHOOL
PLEASANTVILLE, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED

The discussion and analysis of PleasanTech Academy Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2011 are as follows:

- General revenues accounted for $7,457,380 or 97% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $230,305 or 3% of total revenues of $7,687,685.

- The Charter School had $7,861,094 in expenses; only $230,305 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $7,457,380 were not adequate to provide for these programs.

- Among governmental funds, the General Fund had $6,739,884 in revenues and $6,962,595 in expenditures. The General Fund's fund balance decreased $222,711 over 2010. This decrease was anticipated by the Board of Trustees.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand PleasanTech Academy Charter School as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Using this Comprehensive Annual Financial Report (CAFR) (Continued)

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole Charter School, presenting both an aggregate view of the Charter School's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in one column. In the case of PleasanTech Academy Charter School, the General Fund is by far the most significant fund.

Reporting the Charter School as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of 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 ask the question, "How did we do financially during 2011?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is 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 tells the reader that, for the Charter School as a whole, the financial position of the Charter School has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the *Statement of Net Assets* and the *Statement of Activities*, the Charter School is divided into two kinds of activities:

- Governmental activities — All of the Charter School's programs and services are reported here including instruction, administration, support services, and capital outlay.

Statement of Net Assets and the Statement of Activities (Continued)

- Business-Type Activity — This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Before and After School Program proprietary funds are reported as a business-type activities.

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Charter School's funds. The Charter School uses many funds to account for a multitude of financial transactions. The Charter School's governmental funds are the General Fund and the Special Revenue Fund.

Governmental Funds

The Charter School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. 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 statements provide a detailed short-term view of the Charter School's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer 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 governmental funds is reconciled in the financial statements.

Proprietary Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 39 of this report.

The Charter School as a Whole

Recall that the *Statement of Net Assets* provides the perspective of the Charter School as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The Charter School's financial position is the product of several financial transactions including the net results of activities.

The Charter School's combined Net Assets were $1,156,792 for 2011 and $1,330,201 for 2010.

Governmental Activities

The Charter School's total revenues were $7,361,975 for 2011 and $7,784,669 for 2010, this includes $399,356 for 2011 and $387,710 for 2010 of state reimbursed TPAF social security and pension contributions.

The total cost of all program and services were $7,563,307 for 2011 and $7,416,712 for 2010. Instruction comprises 51% of Charter School expenses for 2011 and 55% for 2010.

Business-Type Activities

Revenues for the Charter School's business-type activities (Food Service and Before and After School Care) were comprised of charges for services and federal and state reimbursements.

FOOD SERVICE

- Revenues exceeded expenses by $14,661 for 2011 and expenses exceeded revenues by $6,811 for 2010.

- Charges for services represent $12,439 for 2011 and $12,512 for 2010 of revenue. This represents amounts paid by patrons for daily food.

- Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, and state snack program were $204,694 for 2011 and $185,686 for 2010.

Business-Type Activities (Continued)

BEFORE AND AFTER SCHOOL PROGRAM

- Revenues exceeded expenses by $13,262 for 2011 and expenses exceeded revenues by $24,186 for 2010.

- Charges for services represent $13,172 for 2011 and $18,035 for 2010 of revenue. This represents amounts paid by parents for the before and after school hours care program.

Governmental Activities

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. The net cost shows the financial burden that was placed on the Charter School's taxpayers by each of these functions.

Administration includes expenses associated with administrative and financial supervision of the Charter School.

Support services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development and the costs associated with operating the facility.

Capital Outlay represents school equipment purchased under the $2,000 threshold.

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $7,361,975 for 2011 and $7,784,669 for 2010 and expenditures were $7,584,686 for 2011 and $7,433,856 for 2010. The net change in fund balance was most significant in the general fund, a decrease of $222,711 in 2011 and an increase of $350,813 for 2010.

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 schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage of increases in relation to prior year revenues.

The Charter School's Funds (Continued)

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2010	Percent of Increase/ (Decrease)
Local Sources	$ 2,262,193	30.73%	$ 21,590	0.96%
State Sources	4,477,691	60.82%	(166,436)	-3.58%
Federal Sources	622,091	8.45%	(277,848)	-30.87%
Total	$ 7,361,975	100.00%	$ (422,694)	

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2010	Percent of Increase/ (Decrease)
Instruction	$ 2,742,218	36.15%	$ (254,609)	-8.50%
Administration	2,922,720	38.54%	120,888	4.31%
Support Services	1,733,576	22.86%	170,015	10.87%
Capital Outlay	186,172	2.45%	114,536	159.89%
Total	$ 7,584,686	100.00%	$ 150,830	

Changes in expenditures were the results of varying factors. Current expense increased due to salary increases, additional staff and students, and increased health benefits and utility costs.

General Fund Budgeting Highlights

The Charter School's budget is prepared according to New Jersey law, 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.

Over the course of the year, the Charter School revised the annual operating budget in accordance with state regulations. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

Capital Assets (Net of Depreciation)

The Charter School had $1,363,876 invested in land, building, and building improvements at the end of the fiscal year 2011.

Debt Administration

On June 29, 2004, the Charter School purchased the building it was leasing for $1,400,000. The school borrowed $878,000 from Sun National Bank and $382,000 from the New Jersey Economic Development Authority. The outstanding debt of the school amounted to $977,134 at June 30, 2011 and $1,020,758 at June 30, 2010.

For the Future

The PleasanTech Academy Charter School is in good financial condition presently. The Charter School is proud of its community support. A major concern is the continued enrollment growth of the Charter School with the increased reliance on federal and state funding.

In conclusion, the PleasanTech Academy Charter School has committed itself to financial excellence for many years. In addition, the Charter School's system for financial planning, budgeting, and internal financial controls are well regarded. The Charter School plans to continue its sound fiscal management to meet the challenge of the future.

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 show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Verna Dennis-Foreman, Chief School Administrator at PleasanTech Academy Charter School, 700 Black Horse Pike, Pleasantville, New Jersey 08232.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL–WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the Charter School. These statements include the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Charter School.

PLEASANTECH ACADEMY CHARTER SCHOOL
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents:			
Unrestricted	$ 128,950	$ 44,229	$ 173,179
Restricted	30,910		30,910
Interfund Receivables	592,829		592,829
Receivables	669,142	17,282	686,424
Prepaid Expenses	49,685		49,685
Capital Assets, Net	1,363,876		1,363,876
Total Assets	2,835,392	61,511	2,896,903
LIABILITIES:			
Interfund Payable	515,410	79,241	594,651
Payable to State Government	73,071		73,071
Accounts Payable	14,881		14,881
Deferred Revenue	85,583		85,583
Noncurrent Liabilities:			
Due Within One Year	51,568		51,568
Due Beyond One Year	920,357		920,357
Total Liabilities	1,660,870	79,241	1,740,111
NET ASSETS (DEFICIT):			
Invested in Capital Assets, Net of Related Debt	391,951		391,951
Restricted for:			
Other Purposes	30,910		30,910
Unrestricted (Deficit)	751,661	(17,730)	733,931
Total Net Assets (Deficit)	$ 1,174,522	$ (17,730)	$ 1,156,792

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PLEASANTECH ACADEMY CHARTER SCHOOL
Statement of Activities
For The Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes In Net Assets: Governmental Activities	Net (Expense) Revenue and Changes In Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes In Net Assets: Total
GOVERNMENTAL ACTIVITIES:								
Instruction	$ 2,742,218	$ 1,110,908	$ -	$ -	$ -	$ (3,853,126)	$ -	$ (3,853,126)
Administration	1,231,221	384,026				(1,615,247)		(1,615,247)
Support Services	1,624,638	196,565				(1,821,203)		(1,821,203)
Capital Outlay	186,172					(186,172)		(186,172)
Interest on Long-Term Debt	60,105					(60,105)		(60,105)
Unallocated Depreciation	27,454					(27,454)		(27,454)
Total Governmental Activities	5,871,808	$ 1,691,499	-	-	-	(7,563,307)	-	(7,563,307)
BUSINESS-TYPE ACTIVITIES:								
Food Service and Before & After School Care	297,787		25,611	204,694			(67,482)	(67,482)
Total Business-Type Activities	297,787		25,611	204,694	-	-	(67,482)	(67,482)
Total Primary Government	$ 6,169,595		$ 25,611	$ 204,694	$ -	$ (7,563,307)	$ (67,482)	$ (7,630,789)
GENERAL REVENUES								
General Purposes						$ 2,248,241	$ 95,222	$ 2,343,463
Federal and State Aid Not Restricted						5,099,782		5,099,782
Investment Earnings						873	183	1,056
Miscellaneous Income						13,079		13,079
Total General Revenues						7,361,975	95,405	7,457,380
Change in Net Assets						(201,332)	27,923	(173,409)
Net Assets (Deficit) - Beginning						1,375,854	(45,653)	1,330,201
Net Assets (Deficit) - Ending						$ 1,174,522	$ (17,730)	$ 1,156,792

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

SECTION B – FUND FINANCIAL STATEMENTS

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

GOVERNMENTAL FUNDS

PLEASANTECH ACADEMY CHARTER SCHOOL
Governmental Funds
Combining Balance Sheet
June 30, 2011

	General Fund	Special Revenue Fund	Total
ASSETS:			
Cash and Cash Equivalents	$ 117,343	$ 42,517	$ 159,860
Interfund Receivables	592,829		592,829
Receivables From Other Governments	110,666	558,476	669,142
Prepaid Expenses	14,667		14,667
Other Current Assets	35,018		35,018
Total Assets	$ 870,523	$ 600,993	$ 1,471,516
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Interfund Payables	$ -	$ 515,410	$ 515,410
Payable to State Government	73,071		73,071
Accounts Payable	14,881		14,881
Deferred Revenue		85,583	85,583
Total Liabilities	87,952	600,993	688,945
Fund Balances:			
Reserved For:			
Capital Reserve Account	30,910		30,910
Unreserved:			
General Fund	751,661		751,661
Total Fund Balances	782,571	-	782,571
Total Liabilities and Fund Balances	$ 870,523	$ 600,993	

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 governmental funds. The cost of the assets is $1,569,781 and the accumulated depreciation is $205,905.	1,363,876
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(977,134)
Net Assets of Governmental Activities	$ 1,169,313

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PLEASANTECH ACADEMY CHARTER SCHOOL
Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	$ 2,248,241	$ -	$ 2,248,241
Interest on Investments	873		873
Miscellaneous	13,079		13,079
Total Local Sources	2,262,193	-	2,262,193
State Sources	4,477,691		4,477,691
Federal Sources		622,091	622,091
Total Revenues	6,739,884	622,091	7,361,975
EXPENDITURES:			
Instruction	2,458,024	284,194	2,742,218
Administration	2,922,720		2,922,720
Support Services	1,395,679	337,897	1,733,576
Capital Outlay	186,172		186,172
Total Expenditures	6,962,595	622,091	7,584,686
NET CHANGE IN FUND BALANCES	(222,711)	-	(222,711)
FUND BALANCES, JULY 1	1,005,282	-	1,005,282
FUND BALANCES, JUNE 30	$ 782,571	$ -	$ 782,571

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PLEASANTECH ACADEMY CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

Total net change in fund balances - governmental funds (B-2)	$ (222,711)
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, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.	
Depreciation Expense	(27,454)
Repayment of mortgage principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	43,624
Change in net assets of governmental activities	$ (206,541)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

PLEASANTECH ACADEMY CHARTER SCHOOL
Proprietary Fund
Statement of Net Assets
June 30, 2011

	Business-Type Activities - Enterprise Funds		
	Food Service	Before & After School Care	Total
ASSETS:			
Cash and Cash Equivalents	$ 13,135	$ 31,094	$ 44,229
Intergovernmental Accounts Receivable:			
Federal	16,790		16,790
State	492		492
Total Assets	$ 30,417	$ 31,094	$ 61,511
LIABILITIES AND NET ASSETS:			
Liabilities:			
Interfund Accounts Payable	$ 29,182	$ 50,059	$ 79,241
Total Liabilities	29,182	50,059	79,241
Net Assets (Deficit):			
Unrestricted (Deficit)	1,235	(18,965)	(17,730)
Total Net Assets (Deficit)	1,235	(18,965)	(17,730)
Total Liabilities and Net Assets (Deficit)	$ 30,417	$ 31,094	$ 61,511

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PLEASANTECH ACADEMY CHARTER SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds		
	Food Service	Before & After School Care	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales Reimbursable Program	$ 12,439	$ -	$ 12,439
Program Fees		13,172	13,172
Total Operating Revenues	12,439	13,172	25,611
OPERATING EXPENSES:			
Salaries	47,222		47,222
Supplies and Materials	3,649		3,649
Cost of Sales	246,916		246,916
Total Operating Expenses	297,787	-	297,787
OPERATING INCOME (LOSS)	(285,348)	13,172	(272,176)
NONOPERATING REVENUES:			
Interest Earned	93	90	183
State Source:			
State School Breakfast/Lunch Program	5,815		5,815
Federal Source:			
National School Breakfast/Lunch Program	198,879		198,879
Total Nonoperating Revenues	204,787	90	204,877
CHANGE IN NET ASSETS BEFORE OTHER FINANCING SOURCES	(80,561)	13,262	(67,299)
OTHER FINANCING SOURCES:			
Transfers In	95,222		95,222
Total Other Financing Sources	95,222	-	95,222
CHANGE IN NET ASSETS	14,661	13,262	27,923
TOTAL NET ASSETS (DEFICIT), JULY 1	(13,426)	(32,227)	(45,653)
TOTAL NET ASSETS (DEFICIT), JUNE 30	$ 1,235	$ (18,965)	$ (17,730)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PLEASANTECH ACADEMY CHARTER SCHOOL
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds		
	Food Service	Before & After School Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ 13,386	$ 13,172	$ 26,558
Cash Payments to Suppliers and Employees	(327,340)	517	(326,823)
Net Cash Provided By (Used In) Operating Activities	(313,954)	13,689	(300,265)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash Received From State And Federal Reimbursements	204,694		204,694
Transfers In	95,222		95,222
Net Cash Provided By Noncapital Financing Activities	299,916	-	299,916
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on Deposits and Investments	93	90	183
Net Cash Provided By Investing Activities	93	90	183
Net Increase (Decrease) In Cash And Cash Equivalents	(13,945)	13,779	(166)
Cash And Cash Equivalents, Beginning Of Year	27,080	17,315	44,395
Cash And Cash Equivalents, End Of Year	$ 13,135	$ 31,094	$ 44,229
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:			
Operating Income (Loss) Provided By (Used In) for Operating Activities	$ (285,348)	$ 13,172	$ (272,176)
Change In Assets And Liabilities:			
Decrease In Receivables From Other Governments	947		947
Decrease In Interfund Payable	22,494	517	23,011
Increase In Accounts Payable	(52,047)		(52,047)
Net Cash Provided By (Used In) Operating Activities	$ (313,954)	$ 13,689	$ (300,265)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

PLEASANTECH ACADEMY CHARTER SCHOOL
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2011

	Unemployment Compensation Insurance	Fundraising Account	Agency Funds
ASSETS:			
Cash and Cash Equivalents	$ 13,646	$ 8,406	$ 11,286
Interfund Accounts Receivable			18,343
Total Assets	13,646	8,406	$ 29,629
LIABILITIES:			
Interfund Accounts Payable	321	16,200	
Accounts Payable	48,670		
Accrued Salaries and Benefits			$ 1,164
Payroll Deductions and Withholdings			25,294
Due to Student Groups			3,171
Total Liabilities	48,991	16,200	$ 29,629
NET ASSETS (DEFICIT):			
Reserved for Unemployment Compensation Claims	(35,345)		
Unreserved (Deficit)		(7,794)	
Total Net Assets (Deficit)	$ (35,345)	$ (7,794)	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PLEASANTECH ACADEMY CHARTER SCHOOL
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Insurance	Fundraising Account
ADDITIONS:		
Interest	$ 44	$ 49
Sales		28,526
Contributions:		
Employee	7,814	
Board	166,400	
Total Additions	174,258	28,575
DEDUCTIONS:		
Cost of Sales		26,731
Payment of Claims	212,682	
Miscellaneous Expense	213	
Total Deductions	212,895	26,731
CHANGE IN NET ASSETS	(38,637)	1,844
NET ASSETS (DEFICIT), JULY 1	3,292	(9,638)
NET ASSETS (DEFICIT), JUNE 30	$ (35,345)	$ (7,794)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

PLEASANTECH ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of PleasanTech Academy Charter School have been prepared in conformity with generally accepted accounting principles generally (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body responsible for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Charter School are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement No. 34). This Statement provides for the most significant change in financial reporting in over twenty years and was implemented for the fiscal year ending June 30, 2004. In addition, the Charter School has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*.

A. Reporting Entity

The Charter School is a non-profit corporation organized under the laws of the State of New Jersey, established in 1998 to operate and maintained a public school under a charter granted by the State of New Jersey. The Charter School consists of nine members and must comply with the Charter School Program Act of 1995 and regulations promulgated thereunder.

The primary criterion for including activities within the Charter School's reporting entity are set forth in Statement No. 14 of the Governmental Accounting Standards Board entitled "The Financial Reporting Entity" (GASB 14) as codified in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Under GASB Statement No. 14, the financial reporting entity is determined by the degree of oversight responsibility maintained by the Charter School. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School over which it exercises operating control. The operations of the PleasanTech Academy Charter School include a Kindergarten through Grade 8 school located in the City of Pleasantville.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

There are no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

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

Charter School-wide 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 overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the Charter School. Governmental activities generally are financed through intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the Charter School at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Charter School and for each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Charter School.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the Charter School's funds, including its fiduciary funds. Separate statements for each fund category — *governmental*, *proprietary*, and *fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting models.

The Charter School reports the following *governmental* funds:

General Fund: The general fund is the general operating fund of the Charter School and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay subfund.

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that 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. Resources for budgeted capital outlay purposes are normally derived from 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 grounds, 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 School Board resolution.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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 are legally restricted to expenditures for specified purposes.

Proprietary Fund Types: These funds account for operations that are organized to be self-supporting through user charges and are similar to those often found in private business enterprises.

The Charter School reports the following *proprietary* fund:

Enterprise (Food Services) Fund: The enterprise fund accounts for all revenues and expenses pertaining to the Charter School's Food Service operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Enterprise (Before and After School Program) Fund: This enterprise fund accounts for all revenues and expenses pertaining to the before and after school care operations. The before and after school program fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including salaries and indirect costs) of providing care to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Funds: The funds are used to account for assets held by the Charter School on behalf of others.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The Charter School reports the following *fiduciary* funds:

Agency Funds: The agency funds are used to account for assets held by the Charter School on behalf of outside parties, including other governments, or on behalf of other funds within the Charter School. The agency funds included are as follows:

Payroll and Student Activities Funds: These are agency funds 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.

Unemployment Insurance Trust Fund: An expendable trust fund used to account for deductions from employees' salaries which are utilized to pay unemployment compensation claims as they arise.

C. Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Charter School-wide, Proprietary, and Fiduciary Fund Financial Statements: The Charter School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting while the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus (Continued)

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the Charter School follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. They are submitted to the county office. Budgets are 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 and transfers must be approved by School Board resolution.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) 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 the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting:

Total Revenues & Expenditures (Budgetary Basis)	$ 622,091
Adjustments:	
Less Encumbrances at June 30, 2011	-
Plus Encumbrances at June 30, 2010	-
Total Revenues and Expenditures (GAAP Basis)	$ 622,091

E. Encumbrances Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenues fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances Accounting (Continued)

Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Assets, Liabilities, and Equity

Interfund Transactions:

Transfers between governmental and business-type activities on the Charter School-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund Transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Prepaid Expenses:

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Capital Assets:

The Charter School has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Charter School does not possess any infrastructure. The capitalization threshold used by Charter Schools in the State of New Jersey is $2,000. All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

Asset Class	Estimated Useful Lives
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Office & computer equipment	5-10

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the Charter School-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

timely manner and in full from current financial resources are reported as obligations of the funds.

Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through restrictions adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves:

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances in accordance with N.J.S.A. 18:F7.

Revenues — Exchange and Nonexchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Charter School, available means within sixty days of the fiscal year end.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Nonexchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Charter School, these revenues are sales in the Enterprise Fund. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses:

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accrued Salaries and Wages:

Certain Charter School employees who provide services to the Charter School over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

Deposits

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Charter Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

> The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

a. Bonds or other obligations of the United States or obligations guaranteed by the United States.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase
c. Bonds or other obligations of the Charter School.

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

	General Fund	Special Revenue	Proprietary Fund	Fiduciary Funds	Total
Operating Account	$ 117,343	$ 42,517	$ 44,229	$ 33,338	$237,427

The investments recorded in the Charter School-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the Charter School-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2011 was $237,427 and the bank balance was $758,437. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Risk Category (Continued)

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2011, the Board had funds invested and on deposit in checking accounts. These funds constitute deposits with financial institutions" as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2011, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 3: RECEIVABLES

Receivables at June 30, 2011, consisted of accounts (tuition), intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

NOTE 3: RECEIVABLES (CONTINUED)

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	$ 669,142	$ 669,634
Federal Aid	-	16,790
Other	-	-
Gross Receivables	669,142	686,424
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	$ 669,142	$ 686,424

NOTE 4: INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 592,829	$ -
Special Revenue Fund		515,410
Proprietary Funds		79,241
Fiduciary Funds	18,343	16,521
Total	$ 611,172	$ 611,172

NOTE 5: CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	$ 355,171	$ -	$ -	$ 355,171
Total Capital Assets Not Being Depreciated	355,171	-	-	355,171
Capital Assets Being Depreciated:				
Building and Building Improvements	1,214,610	-	-	1,214,610
Totals at Historical Cost	1,214,610	-	-	1,214,610
Less Accumulated Depreciation For:				
Building and Building Improvements	178,451	27,454	-	205,905
Total Accumulated Depreciation	178,451	27,454	-	205,905
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	1,036,159	(27,454)	-	1,008,705
Government Activity Capital Assets, Net	$ 1,391,330	$ (27,454)	$ -	$ 1,363,876

In January 11, 2001, the New Jersey State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Charter Schools in the State of New Jersey is increased to $2,000. The previous threshold was $500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the Charter School has removed from their records assets with a historical cost greater than $500 but not greater than $2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense of $27,454 was charged to an unallocated function.

NOTE 6: LONG-TERM OBLIGATION

Notes Payable

On June 29, 2004, the school purchased a building with classrooms in the amount of $1,400,000. The school borrowed $878,000 from Sun National Bank at a fixed rate of 6% per annum requiring monthly payments of principal and interest in the amount of $6,335. The loan is a ten (10) year loan with a twenty (20) year amortization and a five (5) year interest rate adjustment. The school also borrowed $382,000 from the New Jersey Economic Development Authority at a fixed rate of 4.97% per annum requiring monthly payments of principal and interest in the amount of $2,530. The loan is a ten (10) year loan with a twenty (20) year amortization and a five (5) year interest rate adjustment.

Year	Principal	Interest	Total
2012	$ 35,509	$ 40,506	$ 76,015

NOTE 7: RENTAL LEASE

The school increased their enrollment for students who were transferred from another Charter School that was closed at June 30, 2005. As a result of this, the school entered into a three (3) year lease for additional facilities. The lease commenced September 1, 2005 and expires August 31, 2008 and was renewed for an additional three (3) years. Rent expense amounted to $471,425 for the year ended June 30, 2011. Minimum annual rental is as follows:

Year	Amount
2011	$ 272,000

NOTE 8: PENSION PLANS

Description of Plans

All required employees of the Charter School are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all

NOTE 8: PENSION PLANS (CONTINUED)

obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A. 43:1 5A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 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 60 and are generally determined to be 1/60 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

NOTE 8: PENSION PLANS (CONTINUED)

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. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability two percent of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

Legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of one percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Charter Schools' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of five percent of employees' annual compensation, as defined.

NOTE 8: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

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 adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a noncontributing employer of TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/11	$75,347	100%	$75,347
06/30/10	$86,954	100%	$86,954
06/30/09	$87,160	100%	$87,160

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/11	None	100%	None
06/30/10	None	100%	None
06/30/09	None	100%	None

NOTE 9: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62.

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2010.

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursed Method". Under this plan, the charter school in 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 table is a summary of charter school contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the charter school's expendable trust fund for the current year and previous three years:

NOTE 10: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance (Continued)

Fiscal Year	Charter School Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010-2011	$ 166,400	$ 7,814	$ 212,682	$ (35,345)
2009-2010	179,692	8,246	186,282	3,292
2008-2009	75,116	8,520	78,116	1,568
2007-2008	209,037	8,382	219,035	(4,077)

NOTE 11: FUND BALANCE APPROPRIATED

General Fund

Of the $782,571 General Fund fund balance in the fund financial statements at June 30, 2011, $30,910 is reserved for capital reserve and $751,661 is unreserved and undesignated.

NOTE 12: SUBSEQUENT EVENT

On March 2, 2012, the Commissioner of Education has notified the Board of Trustees of the School that the School's charter will expire on June 29, 2012 and will not be renewed. The School is directed to cease operations on that date. The School is currently appealing the decision and has filed a notice of appeal to the New Jersey Superior Court – Appellate Division on April 16, 2012.

Sun Bank, the lender holding the mortgage on a building owned by the School, has contacted the School that a balloon payment is due of the loan and the bank will roll over the loan if the charter is ultimately renewed.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

PLEASANTECH ACADEMY CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2011

C-1
Sheet 1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Levy Budget:					
"Local Levy" Local Share-Charter School Aid	$ -	$ 2,248,241	$ 2,248,241	$ 2,248,241	$ -
Total Local Levy Budget	-	2,248,241	2,248,241	2,248,241	-
Categorical Aid:					
"Local Levy" State Share-Charter School Aid		3,761,657	3,761,657	3,761,657	-
Special Education		155,755	155,755	155,755	-
Security Aid		160,923	160,923	160,923	-
Total Categorical Aid	-	4,078,335	4,078,335	4,078,335	-
Revenues From Other Sources:					
Interest Income				873	873
Miscellaneous Revenue				13,079	13,079
On-Behalf TPAF Pension Contributions (Non-Budgeted)				193,161	193,161
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				206,195	206,195
Total Revenues From Other Sources	-	-	-	413,308	413,308
Total Revenues	-	6,326,576	6,326,576	6,739,884	413,308
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,220,250	(145,100)	2,075,150	2,075,150	-
Other Salaries for Instruction	194,848	(5,000)	189,848	189,236	612
Purchased Prof/Tech Services	20,000	(14,000)	6,000	12,742	(6,742)
Other Purchased Services	22,905	(6,000)	16,905	11,985	4,920
General Supplies	100,000	25,000	125,000	137,659	(12,659)
Textbooks	50,000	(24,000)	26,000	21,598	4,402
Miscellaneous	10,000		10,000	9,654	346
Total Instruction	2,618,003	(169,100)	2,448,903	2,458,024	(9,121)
Administration:					
Salaries - General Administration	563,603	15,267	578,870	578,869	1
Salaries of Secretarial/Clerical Assistants	205,069		205,069	203,899	1,170
Total Benefits Cost	1,461,328	21,280	1,482,608	1,292,143	190,465
Purchases Prof/Tech Services	107,720	167,500	275,220	237,109	38,111
Other Purchased Services	61,000	(5,500)	55,500	16,903	38,597
Communications/Telephone	79,981	(10,000)	69,981	21,447	48,534
Supplies and Materials	31,500	15,500	47,000	36,529	10,471
Interest on Current Loans	36,801		36,801	27,739	9,062
Interest for Lease Purchase Agreements	69,957		69,957	66,774	3,183
Miscellaneous Expenses	65,446		65,446	41,952	23,494
Total Administration	2,682,405	204,047	2,886,452	2,523,364	363,088

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

PLEASANTECH ACADEMY CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Support Services:					
Salaries	$ 398,108	$ 4,000	$ 402,108	$ 400,663	$ 1,445
Purchased Prof/Tech Services	119,589	(24,100)	95,489	66,435	29,054
Cleaning, Repair, and Maintenance Services	68,600	29,500	98,100	93,611	4,489
Rental of Land and Buildings	455,676	20,000	475,676	471,425	4,251
Other Purchased Services	53,558	42,000	95,558	95,222	336
Transportation-Other Than To/From School	10,000		10,000	9,983	17
Insurance for Property, Liability and Fidelity	118,398	(19,500)	98,898	85,007	13,891
Supplies and Materials	50,830	5,000	55,830	55,427	403
Energy Costs (Heat and Electricity)	140,309	(16,500)	123,809	117,906	5,903
Total Support Services	1,415,068	40,400	1,455,468	1,395,679	59,789
Capital Outlay:					
Instructional Equipment	118,000		118,000	106,430	11,570
Non-Instructional Equipment	67,813	(9,079)	58,734	37,579	21,155
Lease Purchase Agreements-Principal	38,343	9,079	47,422	42,163	5,259
Total Capital Outlay	224,156	-	224,156	186,172	37,984
On-Behalf TPAF Pension Contributions (Non-Budgeted)				193,161	(193,161)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				206,195	(206,195)
Total Expenditures	6,939,632	75,347	7,014,979	6,962,595	52,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,939,632)	6,251,229	(688,403)	(222,711)	465,692
FUND BALANCE, JULY 1	1,005,282	-	1,005,282	1,005,282	-
FUND BALANCE, JUNE 30	$ (5,934,350)	$ 6,251,229	$ 316,879	$ 782,571	$ 465,692
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	$ (5,934,350)	$ 6,251,229	$ 316,879	$ 782,571	$ 465,692
Total	$ (5,934,350)	$ 6,251,229	$ 316,879	$ 782,571	$ 465,692

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

PLEASANTECH ACADEMY CHARTER SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	$ 847,567	$ (139,893)	$ 707,674	$ 622,091	$ (85,583)
Total Revenues	847,567	(139,893)	707,674	622,091	(85,583)
EXPENDITURES:					
Instruction:					
Salaries	272,626	(50,915)	221,711	221,711	-
Purchased Prof/Tech Services	36,015	(5,707)	30,308	10,785	19,523
General Supplies	134,800	(24,723)	110,077	51,698	58,379
Total Instruction	443,441	(81,345)	362,096	284,194	77,902
Support Services:					
Salaries	39,310	(19,566)	19,744	19,744	-
Personal Services - Employee Benefits	99,212	(14,617)	84,595	84,595	-
Other Purchased Prof/Tech Services	254,887	(24,126)	230,761	223,989	6,772
Supplies and Materials	10,717	(239)	10,478	9,569	909
Total Support Services	404,126	(58,548)	345,578	337,897	7,681
Total Expenditures	847,567	(139,893)	707,674	622,091	85,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PLEASANTECH ACADEMY CHARTER SCHOOL
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
Fiscal 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) "revenues" from the budgetary comparison schedules	**[C-1]**	$ 6,739,884	**[C-2]**	$ 622,091
Difference - Budget to GAAP				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				-
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	**[B-2]**	$ 6,739,884	**[B-2]**	$ 622,091
Uses/Outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	**[C-1]**	$ 6,962,595	**[C-2]**	$ 622,091
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 accounting purposes.				-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	**[B-2]**	$ 6,962,595	**[B-2]**	$ 622,091

OTHER SUPPLEMENTARY INFORMATION

SECTION E – SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

PLEASANTECH ACADEMY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	NCLB Title I	NCLB Title I Carryover	NCLB Title I SIA	NCLB Title I SIA Carryover	I.D.E.A. Part B
REVENUE SOURCES:					
Federal	$ 286,520	$ 33,640	$ 17,424	$ 197	$ 116,440
Total Revenues	286,520	33,640	17,424	197	116,440
EXPENDITURES:					
Instruction:					
Salaries	124,761	290	7,600		29,300
Purchased Prof/Tech Services					
General Supplies	29,865		9,824	197	5,099
Total Instruction	154,626	290	17,424	197	34,399
Support Services:					
Salaries		1,433			
Personal Services - Employee Benefits	28,785	30,316			2,041
Other Purchased Prof/Tech Services	96,763				80,000
Supplies and Materials	6,346	1,601			
Total Support Services	131,894	33,350	-	-	82,041
Total Expenditures	286,520	33,640	17,424	197	116,440
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

PLEASANTECH ACADEMY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	I.DE.A. Part B Carryover	NCLB Title II Part A	NCLB Title II Part A Carryover	NCLB Title II Part D	NCLB Title II Part D Carryover
REVENUE SOURCES:					
Federal	$ 43,433	$ 19,075	$ 17,012	$ 194	$ 1,579
Total Revenues	43,433	19,075	17,012	194	1,579
EXPENDITURES:					
Instruction:					
Salaries	10,489				
Purchased Prof/Tech Services					
General Supplies					1,579
Total Instruction	10,489	-	-	-	1,579
Support Services:					
Salaries	18,311				
Personal Services - Employee Benefits	14,633				
Other Purchased Prof/Tech Services		19,075	17,012	194	
Supplies and Materials					
Total Support Services	32,944	19,075	17,012	194	-
Total Expenditures	43,433	19,075	17,012	194	1,579
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

PLEASANTECH ACADEMY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	NCLB Title IV Carryover	ARRA I.D.E.A.	ARRA Title I	ARRA Title I SIA	Grand Total
REVENUE SOURCES:					
Federal	$ 3,722	$ 336	$ 79,807	$ 2,712	$ 622,091
Total Revenues	3,722	336	79,807	2,712	622,091
EXPENDITURES:					
Instruction:					
Salaries			49,271		221,711
Purchased Prof/Tech Services			10,785		10,785
General Supplies	2,422			2,712	51,698
Total Instruction	2,422	-	60,056	2,712	284,194
Support Services:					
Salaries					19,744
Personal Services - Employee Benefits			8,820		84,595
Other Purchased Prof/Tech Services	1,300	336	9,309		223,989
Supplies and Materials			1,622		9,569
Total Support Services	1,300	336	19,751	-	337,897
Total Expenditures	3,722	336	79,807	2,712	622,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

SECTION G – PROPRIETARY FUND DETAIL STATEMENTS

Proprietary 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's board is that the costs of providing goods and services be financed through user charges.

Food Service Fund - This fund provides for the operation of food services for the Charter School.

Child Care Program – This fund provides for the operation of a before and after school child care program within the school.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.

SECTION H – FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the Charter School for a specific purpose.

Unemployment Insurance Compensation Trust Fund – This expendable trust fund is used to account for deductions from employees' salaries which are utilize to pay unemployment compensation claims as they arise.

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

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

PLEASANTECH ACADEMY CHARTER SCHOOL
Trust and Agency Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011

	Trust			Agency			
	Unemployment Compensation Insurance	Fundraising Account	Total Trust Funds	Payroll Agency	Net Payroll	Student Activities	Total Agency Funds
ASSETS:							
Cash and Cash Equivalents	$ 13,646	$ 8,406	$ 22,052	$ 7,952	$ 163	$ 3,171	$ 11,286
Interfund Accounts Receivable			-	17,342	1,001		18,343
Total Assets	13,646	8,406	22,052	$ 25,294	$ 1,164	$ 3,171	$ 29,629
LIABILITIES:							
Interfund Accounts Payable	321	16,200	16,521				
Accounts Payable	48,670		48,670				
Accrued Salaries and Benefits				$ -	$ 1,164	$ -	$ 1,164
Payroll Deductions and Withholdings				25,294			25,294
Due to Student Groups						3,171	3,171
Total Liabilities	48,991	16,200	65,191	$ 25,294	$ 1,164	$ 3,171	$ 29,629
NET ASSETS (DEFICIT):							
Reserved for Unemployment Compensation Claims	(35,345)		(35,345)				
Unreserved (Deficit)		(7,794)	(7,794)				
Total Net Assets (Deficit)	$ (35,345)	$ (7,794)	$ (43,139)				

PLEASANTECH ACADEMY CHARTER SCHOOL
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
Trust Funds
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Insurance	Fundraising Account	Total Trusts
ADDITIONS:			
Interest	$ 44	$ 49	$ 93
Sales		28,526	28,526
Contributions:			
Employee	7,814		7,814
Board	166,400		166,400
Total Additions	174,258	28,575	202,833
DEDUCTIONS:			
Cost of Sales		26,731	26,731
Payment of Claims	212,682		212,682
Miscellaneous Expense	213		213
Total Deductions	212,895	26,731	239,626
CHANGE IN NET ASSETS	(38,637)	1,844	(36,793)
NET ASSETS (DEFICIT), JULY 1	3,292	(9,638)	(6,346)
NET ASSETS (DEFICIT), JUNE 30	$ (35,345)	$ (7,794)	$ (43,139)

PLEASANTECH ACADEMY CHARTER SCHOOL
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Building Generations	$ 3,158	$ 13	$ -	$ 3,171
Total	$ 3,158	$ 13	$ -	$ 3,171

PLEASANTECH ACADEMY CHARTER SCHOOL
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and Cash Equivalents	$ -	$ 1,596,885	$ 1,588,933	$ 7,952
Interfund Accounts Receivable	17,423	7,344	7,425	17,342
Total Assets	$ 17,423	$ 1,604,229	$ 1,596,358	$ 25,294
LIABILITIES:				
Cash Overdraft	$ 8,112	$ -	$ 8,112	$ -
Payroll Deductions and Withholdings	9,311	1,604,229	1,588,246	25,294
Total Liabilities	$ 17,423	$ 1,604,229	$ 1,596,358	$ 25,294

SECTION I – LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedule is used to reflect the outstanding principal balances of the general long-term liabilities of the Charter School. This includes notes payable outstanding.

PLEASANTECH ACADEMY CHARTER SCHOOL
Schedule of Notes Payable
June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2010	Issued	Retired	Balance June 30, 2011
Note	6/29/04	$ 878,000	6/29/04-09	Var	6.00%	$ 715,679	$ -	$ 29,170	$ 686,509
Note	6/29/04	382,000	6/29/04-09	Var	4.97%	305,079	-	14,454	290,625
						$ 1,020,758	$ -	$ 43,624	$ 977,134

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity (Not Applicable To Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the charter school'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, 2004; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

PLEASANTECH ACADEMY CHARTER SCHOOL
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities								
Invested in capital assets, net of related debt	$ 391,951	$ 370,572	$ 353,428	$ 287,774	$ 274,290	$ 259,888	$ 253,705	$ 246,483
Restricted	30,910	30,775	30,622	80,227	78,832	75,733	-	-
Unrestricted	751,661	974,507	623,847	493,228	335,813	790,792	372,822	358,426
Total Governmental Activities Net Assets	$ 1,174,522	$ 1,375,854	$ 1,007,897	$ 861,229	$ 688,935	$ 1,126,413	$ 626,527	$ 604,909
Business-Type Activities								
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-	-	-
Unrestricted	(17,730)	(45,653)	(14,656)	692	20,188	27,464	11,348	11,798
Total Business-Type Activities Net Assets	$ (17,730)	$ (45,653)	$ (14,656)	$ 692	$ 20,188	$ 27,464	$ 11,348	$ 11,798
Charter School-wide								
Invested in capital assets, net of related debt	$ 391,951	$ 370,572	$ 353,428	$ 287,774	$ 274,290	$ 259,888	$ 253,705	$ 246,483
Restricted	30,910	30,775	30,622	80,227	78,832	75,733	-	-
Unrestricted	733,931	928,854	609,191	493,920	356,001	818,256	384,170	370,224
Total Charter School-wide Net Assets	$ 1,156,792	$ 1,330,201	$ 993,241	$ 861,921	$ 709,123	$ 1,153,877	$ 637,875	$ 616,707

PLEASANTECH ACADEMY CHARTER SCHOOL
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Expenses								
Governmental Activities:								
Instruction	$ 3,853,126	$ 4,070,853	$ 3,551,809	$ 3,646,670	$ 3,886,525	$ 3,592,569	$ 1,807,083	$ 2,104,511
Administration	1,615,247	1,524,511	1,441,459	1,358,382	1,275,776	1,066,737	577,517	590,585
Support Services	1,821,203	1,658,133	1,461,773	1,499,008	1,597,611	963,180	425,000	567,852
Capital Outlay	186,172	71,636	67,702	93,882	97,128	85,520	3,929	32,117
Interest on Long-Term Debt	60,105	64,125	62,837	65,436	64,518	72,737	71,698	-
Unallocated	27,454	27,454	27,454	27,454	27,454	27,454	27,454	13,727
Total Governmental Activites Expenses	7,563,307	7,416,712	6,613,034	6,690,832	6,949,012	5,808,197	2,912,681	3,308,792
Business-Type Activities:								
Food Service and Before & After School Care	297,787	301,676	277,606	258,366	234,223	221,425	108,124	93,711
Total Business-Type Activites Expenses	297,787	301,676	277,606	258,366	234,223	221,425	108,124	93,711
Total Charter School Expenses	$ 7,861,094	$ 7,718,388	$ 6,890,640	$ 6,949,198	$ 7,183,235	$ 6,029,622	$ 3,020,805	$ 3,402,503
Program Revenues								
Governmental Activities:								
Charges for Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Grants and Contributions	-	-	85,533	151,266	171,189	212,699	89,260	73,345
Capital Grants and Contributions	-	-	-	-	-	-	-	-
Total Governmental Activites Expenses	-	-	85,533	151,266	171,189	212,699	89,260	73,345
Business-Type Activities:								
Charges for Services	25,611	30,547	27,076	28,873	28,113	42,801	24,229	27,795
Operating Grants and Contributions	204,694	185,686	185,048	156,786	146,721	142,551	64,500	50,823
Capital Grants and Contributions	-	-	-	-	-	-	-	-
Total Business-Type Activites Expenses	230,305	216,233	212,124	185,659	174,834	185,352	88,729	78,618
Total Charter School Program Revenues	$ 230,305	$ 216,233	$ 297,657	$ 336,925	$ 346,023	$ 398,051	$ 177,989	$ 151,963
Net (Expense)/Revenue								
Governmental Activities	$ (7,563,307)	$ (7,416,712)	$ (6,527,501)	$ (6,539,566)	$ (6,777,823)	$ (5,595,498)	$ (2,823,421)	$ (3,235,447)
Business-Type Activities	(67,482)	(85,443)	(65,482)	(72,707)	(59,389)	(36,073)	(19,395)	(15,093)
Total Charter School-wide Net Expense	$ (7,630,789)	$ (7,502,155)	$ (6,592,983)	$ (6,612,273)	$ (6,837,212)	$ (5,631,571)	$ (2,842,816)	$ (3,250,540)

PLEASANTECH ACADEMY CHARTER SCHOOL
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
General Purposes	$ 2,248,241	$ 2,155,796	$ 1,997,528	$ 1,998,473	$ 1,649,922	$ 1,729,354	$ 623,167	$ 754,623
Federal and State Aid Not Restricted	5,099,782	5,544,066	4,663,130	4,656,385	4,640,754	4,338,140	2,214,829	2,412,543
Investment Earnings	873	846	1,712	9,347	28,060	15,659	3,654	4,010
Miscellaneous Income	13,079	83,961	11,799	47,655	21,609	12,231	3,389	18,055
Total Governmental Activities	7,361,975	7,784,669	6,674,169	6,711,860	6,340,345	6,095,384	2,845,039	3,189,231
Business-Type Activities:								
General Purposes	95,222	54,288	49,870	52,563	50,804	51,312	18,613	21,474
Investment Earnings	183	158	264	648	1,309	877	332	224
Total Business-Type Activities	95,405	54,446	50,134	53,211	52,113	52,189	18,945	21,698
Total Charter School-wide	$ 7,457,380	$ 7,839,115	$ 6,724,303	$ 6,765,071	$ 6,392,458	$ 6,147,573	$ 2,863,984	$ 3,210,929
Change in Net Assets								
Governmental Activities	$ (201,332)	$ 367,957	$ 146,668	$ 172,294	$ (437,478)	$ 499,886	$ 21,618	$ (46,216)
Business-Type Activities	27,923	(30,997)	(15,348)	(19,496)	(7,276)	16,116	(450)	6,605
Total Charter School	$ (173,409)	$ 336,960	$ 131,320	$ 152,798	$ (444,754)	$ 516,002	$ 21,168	$ (39,611)

PLEASANTECH ACADEMY CHARTER SCHOOL
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Reserved	$ 30,910	$ 30,775	$ 30,622	$ 80,227	$ 78,832	$ 75,733	$ -	$ -	$ -	$ 127,495
Unreserved	751,661	974,507	623,847	493,228	335,813	790,792	372,822	358,426	390,915	170,290
Total General Fund	$ 782,571	$ 1,005,282	$ 654,469	$ 573,455	$ 414,645	$ 866,525	$ 372,822	$ 358,426	$ 390,915	$ 297,785
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved:										
Capital Projects Fund	-	-	-	-	-	-	-	-	80,060	-
Total All Other Governmental Funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 80,060	$ -

PLEASANTECH ACADEMY CHARTER SCHOOL
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Local Sources:										
Local Tax Levy	$ 2,248,241	$ 2,155,796	$ 1,997,528	$ 1,998,473	$ 1,649,922	$ 1,729,354	$ 623,167	$ 754,623	$ 572,744	$ 545,936
Interest In Investments	873	846	1,712	9,347	28,060	15,659	3,654	4,010	4,922	2,881
Miscellaneous	13,079	83,961	11,799	47,655	21,609	12,231	3,389	18,055	17,348	111,452
State Sources	4,477,691	4,644,127	4,297,726	4,258,163	4,226,271	4,224,908	2,068,261	2,237,038	2,015,498	1,778,111
Federal Sources	622,091	899,939	450,937	549,488	585,672	325,931	235,828	248,850	193,931	215,678
Total Revenues	7,361,975	7,784,669	6,759,702	6,863,126	6,511,534	6,308,083	2,934,299	3,262,576	2,804,443	2,654,058
Expenditures:										
Instruction	2,742,218	2,996,827	2,649,401	2,787,146	3,125,180	2,933,691	1,405,037	1,747,004	1,324,006	1,285,784
Administration	2,922,720	2,801,832	2,528,442	2,396,255	2,197,416	1,819,681	1,017,041	975,634	774,807	694,198
Support Services	1,733,576	1,563,561	1,383,572	1,427,033	1,543,690	975,488	387,522	540,310	497,407	408,070
Capital Outlay	186,172	71,636	67,702	93,882	97,128	85,520	110,303	112,177	35,033	163,709
Total Expenditures	7,584,686	7,433,856	6,629,117	6,704,316	6,963,414	5,814,380	2,919,903	3,375,125	2,631,253	2,551,761
Excess (Deficiency) of Revenues Over (Under) Expenditures	(222,711)	350,813	130,585	158,810	(451,880)	493,703	14,396	(112,549)	173,190	102,297
Other Financing Sources (Uses):										
Transfers Out	-	-	(49,571)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(49,571)	-	-	-	-	-	-	-
Net Change in Fund Balance	$ (222,711)	$ 350,813	$ 81,014	$ 158,810	$ (451,880)	$ 493,703	$ 14,396	$ (112,549)	$ 173,190	$ 102,297

Source: Charter School records

PLEASANTECH ACADEMY CHARTER SCHOOL
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Donations	Miscellaneous Revenue	Annual Total
2011	$ -	$ 13,079	$ 13,079
2010	-	83,961	83,961
2009	-	11,799	11,799
2008	-	47,655	47,655
2007	-	21,609	21,609
2006	-	12,231	12,231
2005	-	3,389	3,389
2004	-	18,055	18,055
2003	-	17,348	17,348
2002	438	111,014	111,452

Source: Charter School records

OPERATING INFORMATION

PLEASANTECH ACADEMY CHARTER SCHOOL
Full-Time Equivalent Charter School Employees by Function
Last Eight Fiscal Years

Function	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	52	55	50	33	49	27	24	24
Administrative	7	7	7	7	6	3	3	3
Support Services	24	32	32	52	43	15	15	15
Food Service	5	6	6	6	6	6	3	3
Total	88	100	95	98	104	51	45	45

Source: Charter School Personnel Records

PLEASANTECH ACADEMY CHARTER SCHOOL
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Elementary	Pupil/Teacher Ratio Middle School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2011	572.0	$ 7,398,514	$ 12,934	-8.47%	N/A	N/A	N/A	572.0	572.0	8.92%	100.00%
2010	521.0	7,362,220	14,131	8.33%	N/A	N/A	N/A	521.0	521.0	3.45%	100.00%
2009	503.0	6,561,415	13,045	10.70%	N/A	N/A	N/A	503.0	503.0	-11.53%	100.00%
2008	561.0	6,610,434	11,783	-3.73%	N/A	N/A	N/A	561.0	536.2	0.00%	95.58%
2007	561.0	6,866,286	12,239	21.78%	N/A	N/A	N/A	561.0	561.0	-1.60%	100.00%
2006	570.0	5,728,860	10,051	-2.70%	N/A	N/A	N/A	570.0	543.9	52.28%	95.42%
2005	272.0	2,809,600	10,329	-16.77%	N/A	N/A	N/A	272.0	245.5	3.35%	90.26%
2004	262.9	3,262,948	12,411	25.73%	N/A	N/A	N/A	262.9	252.2	-0.04%	95.93%
2003	263.0	2,596,220	9,872	8.72%	N/A	N/A	N/A	263.0	253.0	0.00%	96.20%
2002	263.0	2,388,052	9,080	-2.56%	N/A	N/A	N/A	263.0	254.0	-0.38%	96.58%

Sources: Charter School records

Note: Enrollment based on annual final Charter School count.

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

PLEASANTECH ACADEMY CHARTER SCHOOL
School Building Information
Last Ten Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Charter School Building										
Elementary - (K - 3)										
Name of School (Year)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Middle School - (4 - 8)										
Name of School (Year)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other										
Name of Building (Year)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Number of Schools at June 30, 2011
Elementary = _____
Middle School = _____
Other = _____

Source: Charter School Facilities Office
Note: Increases in square footage and capacity are the result of and additions.
Enrollment is based on the annual October Charter School count.

PLEASANTECH ACADEMY CHARTER SCHOOL
Insurance Schedule
June 30, 2011

	Coverage	Deductible
PACKAGE POLICY DECLARATION		
New Jersey School Boards Association Insurance Group		
Article I - Property		
Blanket Real and Personal Property	$10,490,606,031 per occurrence	$1,000 per occurrence
Blanket Extra Expense	$25,000,000	$1,000 per occurrence
Blanket Valuable Papers and Records	$10,000,000	$1,000 per occurrence
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	$500,000 per building $500,000 per building contents
All Other Flood Zones	$50,000,000 per occurrence/NJSBAIG annual aggregate	$10,000 per member/per occurrence subject to maximum retained deductible of $1,000,000 to NJSBAIG
Earthquake	$50,000,000 per occurrence $50,000,000 NJSBAIG annual aggregate	
Terrorism	$1,000,000 per occurrence $1,000,000 NJSBAIG annual aggregate	
Article II - Electronic Data Processing		$1,000 per occurrence
Blanket Hardware/Software	$263,000 per occurrence	
Blanket Extra Expense	Included	
Coverage Extensions: Transit	$25,000	
Loss of Income	$10,000	
Terrorism	Included in Property	
Flood	$1,000,000 per occurrence	
Flood Deductibles: Zones A & V		$500,000 per building contents
All Other Flood Zones		$10,000 per member/per occurrence subject to maximum retained deductible of $1,000,000 to NJSBAIG
Article III - Equipment Breakdown		
Combined Single Limit per Accident for Property Damage and Business Income	$100,000,000	$1,000 per Accident for Property Damage 12 Hours per Accident for Business Interruption/Extra Expense Newly Acquired Locations Waiting Period 60 Days
Sublimits: Property Damage	Included	
Off Premises Property Damage	$100,000	
Business Income	Included	
Extra Expense	$10,000,000	
Service Interruption	$10,000,000	
Perishable Goods	$500,000	
Data Restoration	$100,000	
Contingent Business Income	$100,000	
Demolition	$1,000,000	
Ordinance of Law	$1,000,000	
Expediting Expenses	$500,000	
Hazardous Substances	$500,000	
Newly Acquired Locations (60 days notice)	$250,000	
Terrorism	Included	
Interruption of Service Waiting Period 24 Hours		
Article IV - Crime		
Public Employee Dishonesty with Faithful Performance	$25,000	$500
Theft, Disappearance and Destruction		
- Loss of Money & Securities On or Off Premises	$10,000	$500
Public Officials Bond: Board Secretary/Business Administrator	$135,000	$1,000
Board Treasurer	$135,000	$1,000
Article V - Comprehensive General Liability		
Bodily Injury and Property Damage	$16,000,000 Combined Single Limit for Bodily Injury & Property Damage	
Bodily Injury from Products and Completed Operations	$16,000,000 annual aggregate	
Sexual Abuse	$16,000,000 per occurrence $17,000,000 annual pool aggregate	
Personal Injury and Advertising Injury	$16,000,000 per occurrence/ $16,000,000 annual aggregate	
Employee Benefit Liability	$16,000,000 per occurrence/annual aggregate	$1,000 each claim
Premises Medical Payments	$10,000 each accident	$100 per person $1,000 limit per person
Terrorism	$1,000,000 per occurrence/annual NJSBAIG aggregate	

Source: Charter School's Records

PLEASANTECH ACADEMY CHARTER SCHOOL
Insurance Schedule
June 30, 2011

	Coverage	Deductible
Article VI - Automobile		
Any Auto		
Combined Single Limit for Bodily Injury and Property Damage	$16,000,000 per accident	
Uninsured/Underinsured Motorists - All Other Vehicles	Not Covered - Bodily Injury Per Person	
	$30,000 Bodily Injury Per Accident	
	Not Covered - Property Damage Per Accident	

SCHOOL LEADERS ERRORS & OMISSIONS LIABILITY POLICY DECLARATIONS
New Jersey School Boards Association Insurance Group

Coverage A		
Limit of Liability	$1,000,000 each policy period	$5,000 each claim
Coverage B		
Limit of Liability	$100,000 each claim	$5,000 each claim
	$300,000 each policy period	

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY DECLARATIONS
New Jersey School Boards Association Insurance Group

Limits of Liability under Part II, Employers' Liability Agreement	
Bodily Injury by Accident	$2,000,000 each accident
Bodily Injury by Disease	$2,000,000 each employee
Bodily Injury by Disease	$2,000,000 aggregate limit

Source: Charter School's Records

SINGLE AUDIT SECTION

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

Honorable President and
Members of the Board of Trustees
PleasanTech Academy Charter School
County of Atlantic
Pleasantville, New Jersey

We have audited the financial statements of the Board of Trustees of PleasanTech Academy Charter School, in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2011, and have issued our report thereon dated April 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 PleasanTech Academy 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 PleasanTech Academy Charter School Board of Trustees' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the PleasanTech Academy Charter School Board of Trustees' 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 a

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reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PleasanTech Academy Charter School Board of Trustees' 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.

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

Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

April 9, 2012

BARRE & COMPANY
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Trustees
PleasanTech Academy Charter School
County of Atlantic
Pleasantville, New Jersey

Compliance

We have audited the compliance of the Board of Trustees of PleasanTech Academy Charter School, in the County of Atlantic, State of New Jersey, with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2011. PleasanTech Academy 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 PleasanTech Academy Charter School Board of Trustees' management. Our responsibility is to express an opinion on PleasanTech Academy 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 Non-Profit* Organization; and New Jersey OMB's 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 a major federal or state program occurred. An audit includes examining, on a test basis, evidence about PleasanTech Academy Charter School Board of Trustees' 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 PleasanTech Academy Charter School Board of Trustees' compliance with those requirements.

In our opinion, the Board of Trustees of PleasanTech Academy Charter School, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of PleasanTech Academy Charter School Board of Trustees is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered PleasanTech Academy 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 OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PleasanTech Academy Charter School Board of Trustees' 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 a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all

deficiencies in internal control over compliance that might be deficiencies, 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 PleasanTech Academy Charter School Board of Trustees' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the PleasanTech Academy Charter School Board of Trustees' responses and, accordingly, we express no opinion on the responses.

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

Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

April 9, 2012

PLEASANTECH ACADEMY CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June, 30, 2011

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011 Accounts Receivable	Balance at June 30, 2011 Deferred Revenue	Balance at June 30, 2011 Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I	84.010	NCLB 2011	$ 312,184	9/1/10	8/31/11	$ -	$ -	$ 198,884	$ (286,520)	$ -	$ -	$(113,300)	$ 25,664	$ -
Title I Carryover	84.010	NCLB 2010	364,346	9/1/09	8/31/10	(261,796)		261,796	(33,640)			(35,949)	2,309	
Title I SIA	84.010	NCLB 2011	17,424	9/1/10	8/31/11				(17,424)			(17,424)		
Title I SIA Carryover	84.010	NCLB 2010	4,881	9/1/09	8/31/10				(197)			(4,881)	4,684	
Title II Part A	84.367	NCLB 2011	19,075	9/1/10	8/31/11				(19,075)			(19,075)		
Title II Part A Carryover	84.367	NCLB 2010	39,381	9/1/09	8/31/10	(22,369)		22,369	(17,012)			(17,012)		
Title II Part D	84.318	NCLB 2011	774	9/1/10	8/31/11			580	(194)			(194)	580	
Title II Part D Carryover	84.318	NCLB 2010	6,345	9/1/09	8/31/10	(3,626)		3,626	(1,579)			(2,719)	1,140	
Title IV Carryover	84.186	NCLB 2010	3,722	9/1/09	8/31/10				(3,722)			(3,722)		
I.D.E.A. Part B Basic	84.027	IDEA 2011	116,440	9/1/10	8/31/11				(116,440)			(116,440)		
I.D.E.A. Part B Basic Carryover	84.027	IDEA 2010	117,610	9/1/09	8/31/10	(58,028)		58,028	(43,433)			(43,433)		
ARRA - Title I Part A	84.389	ARRA 2011	186,182	7/1/09	8/31/11	(130,844)		130,844	(79,807)			(99,330)	19,523	
ARRA - Title I SIA Part A	84.389	ARRA 2011	15,153	7/1/09	8/31/11			8,385	(2,712)			(6,768)	12,441	
ARRA - IDEA	84.391	ARRA 2011	19,578	7/1/09	8/31/11				(336)			(19,578)	19,242	
Total Special Revenue Fund						(476,663)	-	684,512	(622,091)	-	-	(499,825)	85,583	-
U.S. Department of Agriculture														
Passed-through State Department of Education														
Enterprise Fund:														
School Breakfast Program	10.553	N/A	21,722	7/1/10	6/30/11			20,186	(21,722)			(1,536)		
School Breakfast Program	10.553	N/A	26,373	7/1/09	6/30/10	(2,241)		2,241						
National School Lunch Program	10.555	N/A	177,157	7/1/10	6/30/11			161,903	(177,157)			(15,254)		
National School Lunch Program	10.555	N/A	148,294	7/1/09	6/30/10	(14,939)		14,939						
Total Enterprise Fund						(17,180)	-	199,269	(198,879)	-	-	(16,790)	-	-
Total Federal Financial Awards						$ (493,843)	$ -	$ 883,781	$ (820,970)	$ -	$ -	$(516,615)	$ 85,583	$ -

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

PLEASANTECH ACADEMY CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June, 30, 2011

State Grantor/Program Title	Grant Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010 Deferred Revenue (Accounts Receivable)	Balance at June 30, 2010 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Interfund Payable/ Deferred Revenue	Balance at June 30, 2011 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:															
General Fund:															
"Local Levy" State Share - Charter School Aid	11-495-034-5120-071	$ 3,761,657	7/1/10	6/30/11	$ -	$ -	$ -	$ 3,761,657	$ (3,761,657)	$ -	$ -	$ -	$ -	$ -	$ 3,761,657
Special Education Aid	11-495-034-5120-089	155,755	7/1/10	6/30/11				155,755	(155,755)						155,755
Security Aid	11-495-034-5120-084	160,923	7/1/10	6/30/11				160,923	(160,923)						160,923
Reimbursed TPAF - Pension	11-495-034-5095-006	193,161	7/1/10	6/30/11				193,161	(193,161)						193,161
Reimbursed TPAF - Social Security	11-495-034-5095-002	206,195	7/1/10	6/30/11				195,751	(206,195)		(10,444)				206,195
Reimbursed TPAF - Social Security	10-495-034-5095-002	216,189	7/1/09	6/30/10	(11,617)			11,617							
Total General Fund					(11,617)			4,478,864	(4,477,691)		(10,444)				4,477,691
State Department of Agriculture															
Enterprise Fund:															
School Breakfast Program	11-100-010-3350-021	2,140	7/1/10	6/30/11				1,972	(2,140)		(168)				2,140
School Breakfast Program	10-100-010-3350-021	5,214	7/1/09	6/30/10	(470)			470							
National School Lunch Program (State Share)	11-100-010-3350-023	3,675	7/1/10	6/30/11				3,351	(3,675)		(324)				3,675
National School Lunch Program (State Share)	10-100-010-3350-023	5,805	7/1/09	6/30/10	(579)			579							
Total Enterprise Fund					(1,049)			6,372	(5,815)		(492)				5,815
Total State Financial Assistance					$ (12,666)	$ -	$ -	$ 4,485,236	$ (4,483,506)	$ -	$ (10,936)	$ -	$ -	$ -	$ 4,483,506

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

PLEASANTECH ACADEMY CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2011

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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

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

The general fund is presented in the accompanying schedules on the modified accrual 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.

PLEASANTECH ACADEMY CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2011

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to GAAP basis is none for the general fund and none for the special revenue fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary to the modified accrual basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Charter School's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$ -	$ 4,477,691	$ 4,477,691
Special Revenue Fund	622,091	-	622,091
Proprietary Fund	198,879	5,815	204,694
Total Awards & Financial Assistance	$ 820,970	$ 4,483,506	$ 5,304,476

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. FEDERAL AND STATE LOAN OUTSTANDING

PleasanTech Academy Charter School has no loan balances outstanding at June 30, 2011.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

PLEASANTECH ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued		Unqualified
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	__X__ No
2) Significant deficiencies that are not considered to be material weaknesses?	_____ Yes	__X__ None Reported
Noncompliance material to basic financial statements noted?	_____ Yes	__X__ No

Federal Awards

Internal Control over major programs:		
1) Material weakness(es) identified?	_____ Yes	__X__ No
2) Significant deficiencies that are not considered to be material weaknesses?	_____ Yes	__X__ None Reported
Type of auditors' report issued on compliance for major programs		Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	_____ Yes	__X__ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I
84.027	I.DE.A. Part B Basic
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs:		$300,000
Auditee qualified as low-risk auditee?	__X__ Yes	_____ No

PLEASANTECH ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:		$300,000
Auditee qualified as low-risk auditee?	__X__ Yes	_____ No
Internal Control over major programs:		
1) Material weakness(es) identified?	_____ Yes	__X__ No
2) Significant deficiencies that are not considered to be material weaknesses?	_____ Yes	__X__ None Reported
Type of auditor's report issued on compliance for major programs		Unqualified
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	_____ Yes	__X__ No

Identification of major state programs:

GMIS Number(s)	Name of State Program
11-495-034-5120-071	Local Levy – State Share
11-495-034-5120-089	Special Education Aid
11-495-034-5120-071	Security Aid

PLEASANTECH ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section II – Financial Statement Findings

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

Finding

There were no matters reported.

PLEASANTECH ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

Findings

There were no matters reported.

STATE AWARDS

Findings

There were no matters reported.

PLEASANTECH ACADEMY CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2011

STATUS OF PRIOR-YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 (.325(a)(b)) and NJOMB's Circular 04-04.

Findings

There were no matters reported.