PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2012

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES

Paul Robeson Charter School for the Humanities
Board of Trustees
Trenton, New Jersey

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2012

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

OF THE

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES

TRENTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

Paul Robeson Charter School for the Humanities
Finance Department

And

Barre & Company, CPAs

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INTRODUCTORY SECTION

August 25, 2012

Honorable President and
Members of the Board of Trustees
Paul Robeson Charter School for the Humanities
643 Indiana Avenue
Trenton, New Jersey 08638

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Paul Robeson Charter School for the Humanities (Charter School) for the fiscal year ended June 30, 2012. This CAFR includes the Charter School's Basic Financial Statements 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 Paul Robeson Charter School for the Humanities 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 Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;

- 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

The Board of Trustees is comprised of nine members: five are voting members and are elected to oversee that the charter school operates in compliance with statute and administrative code. Voting members of the Board serve as the official governing body of the school charged with policy making, fiscal oversight, and accountability for student academic achievement results of the charter school. Voting members adopt the annual budget and directly approve all expenditures which serve as the basis for control for the authorization of all expenditures of charter school tax money which in turn support the school's business to promote academic achievement. Non-voting members include the school's Lead Executive Officer, School Business Administrator/Board Secretary, Treasurer of School Monies, and a Teaching Staff Representative. The charter school's principal also attends all board meetings.

The Lead Executive Officer is the chief executive officer of the charter school and is responsible to the board for the implementation and administration of all educational and support operations. The School Business Administrator/Board Secretary is the chief financial officer of the charter school and is 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. The Treasurer of School Monies is responsible for providing the board with a monthly detailed account of all receipts, the amounts of warrants issued by the charter school and on which account they were drawn, and the reconciled balance of each account held by the charter school. The Teaching Staff Representative serves as a liaison to the Board on staff or student issues and provides additional input or reporting on instructional program initiatives and outcomes.

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

REPORTING ENTITY AND ITS SERVICES (CONTINUED):

The Paul Robeson Charter School for the Humanities provides a full range of educational services appropriate to grade levels Grade 4 through Grade 8. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2011-2012 school year with an enrollment of 270.4 students. The following details the student enrollment of the Charter School:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2011-2012	290.6	6.95%
2010-2011	270.4	N/A

2. MAJOR INITIATIVES: Major initiatives for the 2011-2012 school year centered around activities associated with the continued implementation of the charter school's program and the challenges of the school's growth expansion for year three of operation. Specifically, the following were areas of focus for operational activity:

- fiscal controls/compliance and financial stability
- increasing student enrollment
- expanding staff to accommodate program growth and student needs
- building competency in staff to perform required deliverables
- providing systemic professional development for staff
- institutionalizing the school's discipline and academic culture
- promoting student achievement outcomes/improving program design
- increasing the staff size, reducing staff turnover, and improving instructional capacity was another area of focus for the 2011-2012 school year.
- another area of focus was the board of trustee's focus on its own capacity to govern in compliance with New Jersey statutes and administrative code.

3. INTERNAL ACCOUNTING CONTROLS: Management of the Board of Trustees is responsible for establishing and maintaining an internal control structure 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). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

INTERNAL ACCOUNTING CONTROLS (CONTINUED):

As a recipient of Federal and State financial assistance, the Charter School is also 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 subject to periodic evaluation by the Charter School 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, regulations, contracts, and grants.

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 canceled 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, 2012.

5. CASH MANAGEMENT: The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Financial Statement" Note 3. 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 Charter School carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive collision, hazard and theft insurance on property and contents.

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, CPA's, was appointed by the Board. 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-Profits Organizations"* and New Jersey Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." The auditor's report on the basic financial statements and 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. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Paul Robeson Charter School for the Humanities Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

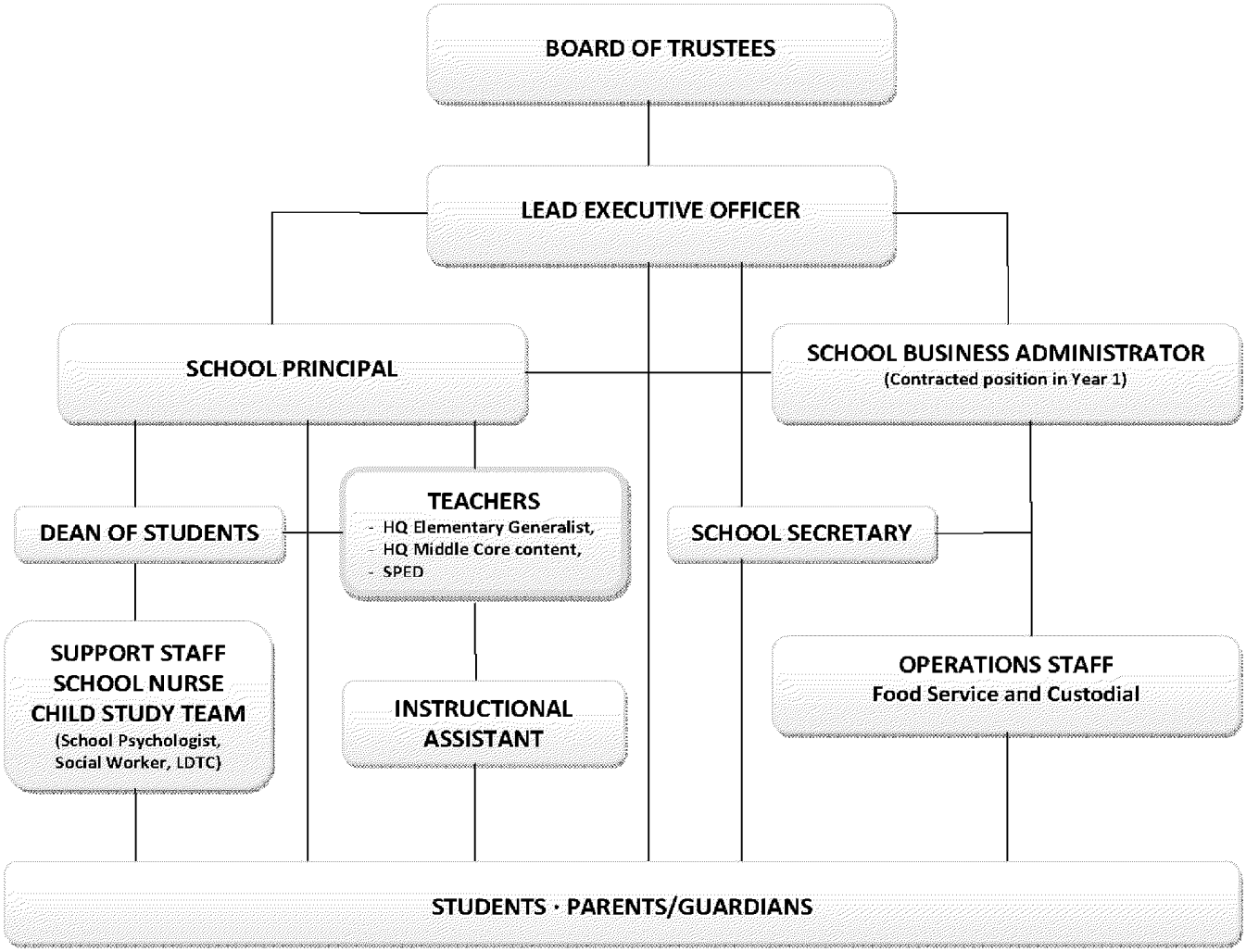
Respectfully submitted,

Barbara M. Gaeta

Barbara Gaeta
Lead Executive Officer

PAUL ROBESON CHARTER SCHOOL
FOR THE HUMANITIES

ORGANIZATIONAL CHART



PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
TRENTON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2012

OFFICIO MEMBERS	TITLE
Monique Bonnier	President
Mary Alice Cameron	Vice-resident
Cynthia DiLeo	Trustee-Community Rep
Vern Hoffman	Trustee-Parent Rep
Shanique Talia Ferro	Trustee-Parent Rep

EX-OFFICIO MEMBERS	
Barbara Gaeta	Lead Executive Officer
Gerald Truehart, QPA	Business Administrator/Board Secretary
Cynthia Taylor	Lead Teacher
Holly Winiesky	Treasurer

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
TRENTON, NEW JERSEY

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company
Certified Public Accountants
2204 Morris Avenue
Union, New Jersey 07083

Attorney

Parker McCay P.A.
Paul C. Kalac, Esq.
1009 Lenox Drive
Lawrenceville, New Jersey 08648

Official Depository

PNC Bank
PO Box 609
Pittsburgh, Pennsylvania 15230

FINANCIAL SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
2204 Morris Avenue, Suite 206
Union, New Jersey 07083
(908) 686-3484
FAX – (908) 686-6055

Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Paul Robeson Charter School for the Humanities
County of Mercer
Trenton, New Jersey

We have audited the accompanying financial statements 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 Paul Robeson Charter School for the Humanities (Charter School), in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Charter School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

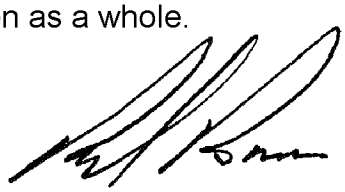
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Paul Robeson Charter School for the Humanities, in the County of Mercer, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2012 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Information on pages 14 and 60 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 Charter School's 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 presented 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 relation to the basic financial statements taken as a whole.



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

August 25, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
TRENTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

The discussion and analysis of Paul Robeson Charter School for the Humanities's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2012. 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 a new 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 (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2012 are as follows:

- General revenues accounted for 4,702,576 in revenue or 95% percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $261,361 or 5% percent of total revenues of $4,963,937.

- The Charter School had $4,782,678 in expenses; only $261,361 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $4,702,576 were not adequate to provide for these programs.

- Among governmental funds, the General Fund had $4,559,661 in revenues and $4,376,742 in expenditures. The General Fund's fund balance increased $182,919 over 2011. This increase 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 Paul Robeson Charter School for the Humanities as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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 Paul Robeson Charter School for the Humanities, 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 2012?" 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.

Statement of Net Assets and the Statement of Activities

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 have 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.

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

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.

- Business-Type Activities — These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

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 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 are reconciled in the financial statements.

Enterprise Fund

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

Notes to the Basic 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 basic financial statements can be found starting on page 36 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 $1,706,598 for 2012 and $1,523,517 for 2011.

Governmental Activities

The Charter School's total revenues were $4,799,679 for 2012 and $4,336,324 for 2011, this includes $131,681 for 2012 and $100,131 for 2011 of state reimbursed TPAF social security contributions.

The total cost of all program and services was $4,618,420 for 2012 and $3,474,986 for 2011. Instruction comprises 51% for 2012 and 57% for 2011 of Charter School expenditures.

Business-Type Activities

Revenues for the Charter School's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service revenues equaled expenses for 2012 and 2011.
- Charges for services represent $5,381 for 2012 and $6,360 for 2011 of revenue. This represents amounts paid by patrons for daily food.
- Federal and state reimbursements for meals, including payments for free and reduced lunches were $135,670 for 2012 and $103,387 for 2011.

Governmental Activities

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

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 $4,799,679 for 2012 and $4,338,146 for 2011 and expenditures were $4,616,760 for 2012 and $3,473,326 for 2011. The net change in fund balance for fiscal years 2012 and 2011 was most significant in the general fund, an increase of $182,919 for 2012 and an increase of $864,820 in 2011.

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, 2012.

Revenues	Amount	Percent of Total
Local Sources	$ 398,709	8.31%
State Sources	4,160,952	86.69%
Federal Sources	240,018	5.00%
Total	$ 4,799,679	100.00%

The Charter School's Funds (Continued)

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2012.

Expenditures	Amount	Percent of Total
Instruction	$ 1,966,623	42.60%
Administration	1,635,168	35.42%
Support Services	1,014,969	21.98%
Total	$ 4,616,760	100.00%

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

At the end of the fiscal year 2012, the Charter School had $2,524 (net of depreciation) invested in equipment.

For the Future

The Paul Robeson Charter School for the Humanities 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 Paul Robeson Charter School for the Humanities 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 the Lead Executive Officer at Paul Robeson Charter School for the Humanities, 643 Indiana Avenue, Trenton, New Jersey 08638.

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.

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$ 1,623,343	$ 11,946	$ 1,635,289
Interfund Receivables	69,922	3,468	73,390
Receivables	31,989	20,313	52,302
Security Deposit	24,135		24,135
Prepaid Expenses	64,264		64,264
Capital Assets, Net	2,524		2,524
Total Assets	1,816,177	35,727	1,851,904
LIABILITIES:			
Interfund Payable	20,520	35,249	55,769
Payable to Local Governments	63,553		63,553
Accounts Payable	25,181		25,181
Deferred Revenue	803		803
Total Liabilities	110,057	35,249	145,306
NET ASSETS:			
Invested in Capital Assets	2,524		2,524
Unrestricted	1,703,596	478	1,704,074
Total Net Assets	$ 1,706,120	$ 478	$ 1,706,598

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Statement of Activities
For The Fiscal Year Ended June 30, 2012

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	$ 1,966,623	$ 379,660	$ -	$ 120,310	$ -	$ (2,225,973)	$ -	$ (2,225,973)
Administration	1,046,108	125,389				(1,171,497)		(1,171,497)
Support Services	1,014,969	84,011				(1,098,980)		(1,098,980)
Unallocated Depreciation	1,660					(1,660)		(1,660)
Total Governmental Activities	4,029,360	$ 589,060	-	120,310	-	(4,498,110)	-	(4,498,110)
BUSINESS-TYPE ACTIVITIES:								
Food Service	164,258		5,381	135,670			(23,207)	(23,207)
Total Business-Type Activities	164,258		5,381	135,670	-	-	(23,207)	(23,207)
Total Primary Government	$ 4,193,618		$ 5,381	$ 255,980	$ -	$ (4,498,110)	$ (23,207)	$ (4,521,317)
			GENERAL REVENUES					
			General Purposes			$ 396,076	$ -	$ 396,076
			Federal and State Aid Not Restricted			4,280,660		4,280,660
			Board Contributions				23,190	23,190
			Investment Income			1,654		1,654
			Miscellaneous Income			979	17	996
			Total General Revenues			4,679,369	23,207	4,702,576
			Change in Net Assets			181,259	-	181,259
			Net Assets - Beginning			1,524,861	478	1,525,339
			Net Assets - Ending			$ 1,706,120	$ 478	$ 1,706,598

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Governmental Funds
Combining Balance Sheet
June 30, 2012

	General Fund	Special Revenue Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	1,623,343	$ -	$ 1,623,343
Interfund Receivables	69,922		69,922
Receivables From Other Governments	10,829	17,855	28,684
Prepaid Expenses	24,135		24,135
Accounts Receivable	3,305		3,305
Security Deposit	64,264		64,264
Total Current Assets	1,795,798	17,855	1,813,653
Total Assets	$ 1,795,798	$ 17,855	$ 1,813,653
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Current Liabilities:			
Interfund Accounts Payable	$ 3,468	$ 17,052	$ 20,520
Payable to Local Governments	63,553		63,553
Accounts Payable	25,181		25,181
Deferred Revenue		803	803
Total Liabilities	92,202	17,855	110,057
Fund Balances:			
Unreserved:			
General Fund	1,703,596		1,703,596
Total Fund Balances	1,703,596	-	1,703,596
Total Liabilities and Fund Balances	$ 1,795,798	$ 17,855	
Amounts reported for *governmental activities* in the statement of net assets are different:			
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 $7,504 and the accumulated depreciation is $4,980.			2,524
Net Assets of Governmental Activities			$ 1,706,120

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For The Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	396,076	$ -	$ 396,076
Interest on Investments	1,654		1,654
Miscellaneous	979		979
Total Local Sources	398,709	-	398,709
State Sources	4,160,952		4,160,952
Federal Sources		240,018	240,018
Total Revenues	4,559,661	240,018	4,799,679
EXPENDITURES:			
Instruction	1,817,633	148,990	1,966,623
Administration	1,635,168		1,635,168
Support Services	923,941	91,028	1,014,969
Total Expenditures	4,376,742	240,018	4,616,760
NET CHANGE IN FUND BALANCES	182,919	-	182,919
FUND BALANCE, JULY 1	1,520,677	-	1,520,677
FUND BALANCE, JUNE 30	$ 1,703,596	$ -	$ 1,703,596

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
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, 2012

Total net change in fund balances - governmental fund (from B-2)		$ 182,919
Amounts reported for governmental activities in the statement of activities (A-2)		
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current fiscal year.		
Depreciation Expense	$ (1,660)	(1,660)
Change in net assets of governmental activities		$ 181,259

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

PROPRIETARY FUNDS

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Proprietary Fund
Statement of Fund Net Assets
June 30, 2012

	Food Service
ASSETS:	
Cash and Cash Equivalents	$ 11,946
Interfund Accounts Receivable	3,468
Intergovernmental Accounts Receivable:	
Federal	20,210
State	103
Total Assets	35,727
LIABILITIES:	
Interfund Accounts Payable	35,249
Total Liabilities	35,249
NET ASSETS:	
Unrestricted	478
Total Net Assets	$ 478

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Proprietary Fund
Statement of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year Ended June 30, 2012

	Food Service
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Non-reimbursable Program	5,381
Total Operating Revenues	5,381
OPERATING EXPENSES:	
Salaries	24,607
Cost of Sales	139,651
Total Operating Expenses	164,258
OPERATING LOSS	(158,877)
NONOPERATING REVENUES:	
Interest Earned	17
State Source:	
State School Lunch Program	2,224
Federal Source:	
National School Breakfast Program	20,478
National School Lunch Program	109,880
National School Snack Program	3,088
Board Contributions	23,190
Total Nonoperating Revenues	158,877
CHANGE IN NET ASSETS	-
TOTAL NET ASSETS, JULY 1	478
TOTAL NET ASSETS, JUNE 30	$ 478

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	$ 5,381
Cash Payments to Suppliers and Employees	(155,940)
Net Cash Used In Operating Activities	(150,559)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	135,670
Board Contributions	23,190
Net Cash Provided By Noncapital Financing Activities	158,860
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on Deposits	17
Net Cash Provided By Investing Activities	17
Net Increase In Cash And Cash Equivalents	8,318
Cash And Cash Equivalents, Beginning Of Year	3,628
Cash And Cash Equivalents, End Of Year	$ 11,946
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating Loss Used In Operating Activities	$ (158,877)
Change In Assets And Liabilities:	
Increase In Receivables From Other Governments	(14,166)
Increase in Interfund Accounts Payable	22,484
Net Cash Used In Operating Activities	$ (150,559)

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

FIDUCIARY FUNDS

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2012

	Agency Fund
ASSETS:	
Cash and Cash Equivalents	$ 53,735
Total Assets	$ 53,735
LIABILITIES:	
Liabilities:	
Interfund Accounts Payable	$ 17,621
Payroll Deductions and Withholdings	31,545
Due to Student Groups	4,569
Total Liabilities	$ 53,735

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Paul Robeson Charter School for the Humanities have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accounting 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 is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal year ending 2002 (for larger governments). 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*. The implementation of these statements had no effect on equity balances as previously reported for the fiscal year ended June 30, 2004.

A. Reporting Entity

The Charter School is an instrument of the State of New Jersey, established to function as an educational institution. Its mission is to establish a charter school to serve as a neighborhood resource and as a model for other similar schools. The Paul Robeson Charter School for the Humanities is committed to achieving the New Jersey Core Curriculum Content Standards and producing high academic achievement by all students. The Charter School will integrate a holistic curriculum, utilize learner center techniques, family and care giver centered approaches, comprehensive community involvement, cutting edge technology and an intimate nurturing environment that will enhance positive self-images.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the Charter School management. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation, Basis of Accounting

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.

Basis of Presentation

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 non-exchange 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 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, Basis of Accounting (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. Generally accepted accounting principles 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 Board resolution.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (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.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: Not applicable.

The Charter School reports the following proprietary fund:

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to the cafeteria operations. The food service 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 depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the Charter School reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the Charter School on behalf of others and includes Student Activities Fund, Payroll and Payroll Agency Funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Basis of Accounting

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 financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; 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 is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 transaction 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. Budgets are prepared using the modified accrual basis of accounting except for special revenue funds. 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/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).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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)	$ 240,018
Adjustments:	
Less Encumbrances at June 30, 2012	-
Plus Encumbrances at June 30, 2011	-
Total Revenues and Expenditures (GAAP Basis)	$ 240,018

C. 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.

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.

D. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

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.

Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

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 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 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

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.

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 non-exchange 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 for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

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.

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 generally accepted accounting principles 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

Cash and cash equivalents includes 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.

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".

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%.

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

Deposits (Continued)

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.
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, 2012, 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	$ 1,623,343	$ -	$ 11,946	$53,735	$ 1,689,024

The investments recorded in the 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, 2012 was $1,689,024 and the bank balance was $1,915,591. 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.

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

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:

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, 2012, 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, 2012, the Charter school had no funds on deposit with the New Jersey Cash Management Fund.

Receivables at June 30, 2012 consisted of accounts, intergovernmental, grants, and miscellaneous.

NOTE 3: RECEIVABLES

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

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	$ 24,061	$ 24,164
Federal Aid	-	20,210
Other	7,928	7,928
Gross Receivables	31,989	52,302
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	$ 31,989	$ 52,302

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

The following interfund balances remained on the fund financial statements at June 30, 2012:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 69,922	$ 3,468
Special Revenue Fund		17,052
Proprietary Fund	3,468	35,249
Fiduciary Fund		17,621
Total	$ 73,390	$ 73,390

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets Being Depreciated:				
Machinery and Equipment	$ 7,504	$ -	$ -	$ 7,504
Totals at Historical Cost	7,504	-	-	7,504
Less Accumulated Depreciation For:				
Machinery and Equipment	3,320	1,660	-	4,980
Total Accumulated Depreciation	3,320	1,660	-	4,980
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	4,184	(1,660)	-	2,524
Government Activity Capital Assets, Net	$ 4,184	$ (1,660)	$ -	$ 2,524

NOTE 5: CAPITAL ASSETS

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to $2,000. The previous threshold was $500.

Depreciation expense of $1,660 was charged to an unallocated function.

NOTE 6: RENTAL LEASES

The school leased space at 643 Indiana Avenue, Trenton, New Jersey under a lease agreement for four (4) years commencing July 1, 2008 and ending June 30, 2012. The lease requires annual rental payments of $257,056 for the first year and thereafter shall be adjusted by the percentage difference between the Base Index and the Price Index. The lease can be renewed for two (2) occasions for five (5) years. Rent expense amounted to $374,656 for the year. The base rent for 2012-2013 increased to $381,400 per year.

The minimum annual rental payments are as follows:

Year	Amount
2012	$ 381,400

NOTE 7: OBLIGATIONS UNDER EQUIPMENT LEASES

The Charter School is leasing a copier under a three (3) year lease commencing September, 2008 with monthly payments in the amount of $147. The following is a schedule of the future minimum lease payments under the capital lease at June 30, 2012:

Year	Amount
2012	$ 294

NOTE 8: PENSION PLANS

Description of Plans

All required employees of the 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 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 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.

NOTE 8: PENSION PLANS (CONTINUED)

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 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 provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 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 Schools' normal contributions to the Fund may be reduced based on the revaluation of assets.

NOTE 8: PENSION PLANS (CONTINUED)

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. 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 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
06/30/12	None	100%	None
06/30/11	None	100%	None
06/30/10	N/A	N/A	N/A

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
06/30/12	None	100%	None
06/30/11	None	100%	None
06/30/10	N/A	N/A	N/A

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, 2011, there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to 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 $144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

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.

NOTE 11: FUND BALANCE APPROPRIATED

General Fund

The General Fund fund balance at June 30, 2012 is $1,703,596, which is unreserved and undesignated.

NOTE 12: SUBSEQUENT EVENT

On July 1, 2012, a management company took over the operation of the school. We were unable to obtain a copy of the management agreement and therefore we are unable to disclose the contents of such agreement.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULES

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
"Local Levy" Local Share-Charter School Aid	$ 410,282	$ (14,206)	$ 396,076	$ 396,076	$ -
Total Local Sources	410,282	(14,206)	396,076	396,076	-
Categorical Aid:					
"Local Levy" State Share-Charter School Aid	3,715,658	(52,091)	3,663,567	3,663,567	-
Special Education	124,652	(4,342)	120,310	120,310	-
Security Aid	132,468	(3,379)	129,089	129,089	-
Total Categorical Aid	3,972,778	(59,812)	3,912,966	3,912,966	-
Other Sources:					
Interest Income				1,654	1,654
Miscellaneous Revenue				979	979
On-Behalf TPAF Pension Contributions (Non-Budgeted)				116,305	116,305
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				131,681	131,681
Total Other Sources	-	-	-	250,619	250,619
Total Revenues	4,383,060	(74,018)	4,309,042	4,559,661	250,619
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,518,952		1,518,952	1,390,910	128,042
Other Salaries for Instruction	126,858		126,858	102,036	24,822
Purchased Prof/Tech Services	15,000	32,000	47,000	41,973	5,027
Other Purchased Services	79,200	(7,000)	72,200	40,373	31,827
General Supplies	168,191	(31,000)	137,191	105,930	31,261
Textbooks	90,000	6,000	96,000	93,333	2,667
Miscellaneous	54,000		54,000	43,078	10,922
Total Instruction	2,052,201	-	2,052,201	1,817,633	234,568
Administration:					
Salaries of Principals	167,986		167,986	167,986	-
Salaries of Other Professional Staff	178,500	47,250	225,750	225,750	-
Salaries of Secretarial/Clerical Assistants	108,219	(8,887)	99,332	99,332	-
Total Benefits Cost	475,824	(18,445)	457,379	457,379	-
Purchases Prof/Tech Services	159,000	(11,640)	147,360	147,360	-
Other Purchased Professional Services	98,200	46,030	144,230	144,230	-
Other Purchased Services	25,000	49,625	74,625	72,334	2,291
Communications/Telephone	26,706	(3,256)	23,450	23,450	-
Supplies and Materials	9,400	3,752	13,152	13,152	-
Interest on Current Loans	4,200	(4,000)	200	31	169
Miscellaneous Expenses	64,900	(28,722)	36,178	36,178	-
Total Administration	1,317,935	71,707	1,389,642	1,387,182	2,460

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued From Prior Page)					
Support Services:					
Salaries	409,668	(58,825)	350,843	330,358	20,485
Cleaning, Repair, and Maintenance Services	16,844	40,330	57,174	57,174	-
Rental of Land and Buildings	396,000	(19,684)	376,316	374,656	1,660
Transportation-Other Than To/From School	24,000		24,000	20,861	3,139
Insurance for Property, Liability and Fidelty	78,000	(9,046)	68,954	68,606	348
Supplies and Materials	37,412	(6,146)	31,266	30,892	374
Energy Costs (Heat and Electricity)	51,000	(9,606)	41,394	41,394	-
Total Support Services	1,012,924	(62,977)	949,947	923,941	26,006
Reimbursed TPAF Pension Contributions (Non-Budgeted)				116,305	(116,305)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				131,681	(131,681)
Total Expenditures	4,383,060	8,730	4,391,790	4,376,742	15,048
Excess (Deficiency) of Revenues Over (Under) Expenditures		(82,748)	(82,748)	182,919	265,667
FUND BALANCE, JULY 1	1,520,677	-	1,520,677	1,520,677	-
FUND BALANCE, JUNE 30	$ 1,520,677	$ (82,748)	$ 1,437,929	$ 1,703,596	$ 265,667
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	$ 1,520,677	$ (82,748)	$ 1,437,929	$ 1,703,596	$ 265,667
Total	$ 1,520,677	$ (82,748)	$ 1,437,929	$ 1,703,596	$ 265,667

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	$ 94,004	$ 146,014	$ 240,018	$ 240,018	$ -
Total Revenues	94,004	146,014	240,018	240,018	-
EXPENDITURES:					
Instruction:					
Salaries	53,313	24,080	77,393	77,393	-
Salaries of Teachers	12,276	(12,276)	-		-
Purchased Prof/Tech Services		65,386	65,386	65,386	-
General Supplies	15,171	(8,960)	6,211	6,211	-
Total Instruction	80,760	68,230	148,990	148,990	-
Support Services:					
Personal Services - Employee Benefits	7,908	3,701	11,609	11,609	-
Purchased Technical Services	350	18,410	18,760	18,760	-
Purchased Property Services	1,281	57,737	59,018	59,018	-
Other Purchased Services	3,410	(1,769)	1,641	1,641	-
Supplies and Materials	295	(295)	-		-
Total Support Services	13,244	77,784	91,028	91,028	-
Total Expenditures	94,004	146,014	240,018	240,018	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -	$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
Fiscal Year Ended June 30, 2012

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]**	$ 4,559,661	**[C-2]**	$ 240,018
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]**	$ 4,559,661	**[B-2]**	$ 240,018
Uses/Outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	**[C-1]**	$ 4,376,742	**[C-2]**	$ 240,018
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]**	$ 4,376,742	**[B-2]**	$ 240,018

OTHER SUPPLEMENTARY INFORMATION

SECTION E – SPECIAL REVENUE FUND
DETAIL STATEMENTS

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	NCLB Title I	NCLB Title I Carryover	I.D.E.A. Part B	NCLB Title II Part A	Grand Total
REVENUE SOURCES:					
Federal	$ 146,365	$ 63,638	$ 28,634	$ 1,381	$ 240,018
Total Revenues	146,365	63,638	28,634	1,381	240,018
EXPENDITURES:					
Instruction:					
Salaries		52,720	24,673		77,393
Purchased Prof/Tech Services	65,386				65,386
General Supplies	3,201	3,010			6,211
Total Instruction	68,587	55,730	24,673	-	148,990
Support Services:					
Personal Services - Employee Benefits		7,908	3,701		11,609
Purchased Professional Services	18,760				18,760
Other Purchased Prof/Tech Services	59,018				59,018
Other Purchased Services			260	1,381	1,641
Total Support Services	77,778	7,908	3,961	1,381	91,028
Total Expenditures	146,365	63,638	28,634	1,381	240,018
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 or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

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 school for a specific purpose.

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

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2012

	Agency			
	Payroll Agency	Net Payroll	Student Activities	Total Agency Fund
ASSETS:				
Cash and Cash Equivalents	$ 43,005	$ 6,161	$ 4,569	$ 53,735
Total Assets	$ 43,005	$ 6,161	$ 4,569	$ 53,735
LIABILITIES:				
Interfund Accounts Payable	11,460	$ 6,161	$ -	$ 17,621
Payroll Deductions and Withholdings	31,545			31,545
Due to Student Groups			4,569	4,569
Total Liabilities	$ 43,005	$ 6,161	$ 4,569	$ 53,735

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Fiduciary Fund
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
School Activities	$ 1,969	$ 14,592	$ 11,992	$ 4,569
Total	$ 1,969	$ 14,592	$ 11,992	$ 4,569

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For The Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
Interfund Accounts Payable	20,437	$ -	$ 8,977	$ 11,460
Payroll Deductions and Withholdings	13,183	980,402	962,040	31,545
Total	$ 33,620	$ 980,402	$ 971,017	$ 43,005

STATISTICAL SECTION

(UNAUDITED)

Paul Robeson Charter School for the Humanities has been in operation for four (4) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for four (4) years is available and have been presented. Each year thereafter, an additional year's data will be included until ten years.

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Net Assets by Component
Last Four Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2012	2011	2010	2009
Governmental Activities				
Invested in Capital Assets	$ 2,524	$ 4,184	$ 5,844	$ 3,205
Unrestricted	1,703,596	1,520,677	655,857	5,415
Total Governmental Activities Net Assets	$ 1,706,120	$ 1,524,861	$ 661,701	$ 8,620
Business-Type Activities				
Unrestricted	$ 478	$ 478	478	478
Total Business-Type Activities Net Assets	$ 478	$ 478	$ 478	$ 478
Charter School-wide				
Invested in Capital Assets	$ 2,524	$ 4,184	$ 5,844	$ 3,205
Unrestricted	1,704,074	1,521,155	656,335	5,893
Total Charter School-wide Net Assets	$ 1,706,598	$ 1,525,339	$ 662,179	$ 9,098

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Changes in Net Assets
Last Four Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2012	2011	2010	2009
Expenses				
Governmental Activities:				
Instruction	$ 2,346,283	$ 1,968,623	$ 1,343,129	$ 1,055,612
Administration	1,171,497	946,156	740,808	589,505
Support Services	1,098,980	558,547	527,701	534,103
Capital Outlay		-	4,679	21,113
Unallocated Depreciation	1,660	1,660	860	800
Total Governmental Activites Expenses	4,618,420	3,474,986	2,617,177	2,201,133
Business-Type Activities:				
Food Service	164,258	131,555	118,934	141,386
Total Business-Type Activites Expenses	164,258	131,555	118,934	141,386
Total Charter School Expenses	$ 4,782,678	$ 3,606,541	$ 2,736,111	$ 2,342,519
Program Revenues				
Governmental Activities:				
Operating Grants and Contributions	$ 120,310	$ 128,008	95,817	51,280
Total Governmental Activites Expenses	120,310	128,008	95,817	51,280
Business-Type Activities:				
Charges for Services	5,381	6,360	9,240	13,062
Operating Grants and Contributions	135,670	103,387	78,094	24,680
Total Business-Type Activites Expenses	141,051	109,747	87,334	37,742
Total Charter School Program Revenues	$ 261,361	$ 237,755	$ 183,151	$ 89,022
Net (Expense)/Revenue				
Governmental Activities	$ (4,498,110)	$ (3,346,978)	$ (2,521,360)	$ (2,149,853)
Business-Type Activities	(23,207)	(21,808)	(31,600)	(103,644)
Total Charter School-wide Net Expense	$ (4,521,317)	$ (3,368,786)	$ (2,552,960)	$ (2,253,497)
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
General Purposes	$ 396,076	$ 366,459	$ 300,501	$ 222,879
Federal and State Aid Not Restricted	4,280,660	3,840,925	2,870,799	1,935,594
Investment Income	1,654	1,822		-
Miscellaneous Income	979	932	3,141	-
Total Governmental Activities	4,679,369	4,210,138	3,174,441	2,158,473
Business-Type Activities:				
Board Contributions	23,190	21,808	31,586	104,122
Miscellaneous Income	17	-	14	
Total Business-Type Activities	23,207	21,808	31,600	104,122
Total Charter School-wide	$ 4,702,576	$ 4,231,946	$ 3,206,041	$ 2,262,595
Change in Net Assets				
Governmental Activities	$ 181,259	$ 863,160	$ 653,081	$ 8,620
Business-Type Activities			-	478
Total Charter School	$ 181,259	$ 863,160	$ 653,081	$ 9,098

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES

Fund Balances - Governmental Funds

Last Four Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2012	2011	2010	2009
General Fund				
Unreserved	$ 1,703,596	$ 1,520,677	655,857	5,415
Total General Fund	$ 1,703,596	$ 1,520,677	$ 655,857	$ 5,415

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Changes in Fund Balances - Governmental Funds
Last Four Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	2012	2011	2010	2009
Revenues:				
Local Sources:				
Local Tax Levy	$ 396,076	$ 366,459	$ 300,501	$ 222,879
Interest In Investments	1,654	1,822	-	-
Miscellaneous	979	932	3,141	7,600
State Sources	4,160,952	3,664,240	2,743,640	1,655,497
Federal Sources	240,018	304,693	222,976	323,777
Total Revenues	4,799,679	4,338,146	3,270,258	2,209,753
Expenditures:				
Instruction	1,966,623	1,712,493	1,140,210	927,874
Administration	1,635,168	1,202,286	943,727	717,243
Support Services	1,014,969	558,547	527,701	534,103
Capital Outlay	-	-	8,178	25,118
Total Expenditures	4,616,760	3,473,326	2,619,816	2,204,338
Excess of Revenues Over Expenditures	182,919	864,820	650,442	5,415
Net Change in Fund Balance	$ 182,919	$ 864,820	$ 650,442	$ 5,415

Source: Charter School records

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES

General Fund - Other Local Revenue by Source

Last Four Fiscal Years

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Investment Income	Donations	Miscellaneous Revenue	Annual Total
2012	$ 1,654	$ -	$ 979	$ 2,633
2011	1,822	-	932	2,754
2010	-	-	3,141	3,141
2009	-	5,000	2,600	7,600

Source: Charter School records

DEMOGRAPHIC AND ECONOMIC INFORMATION

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Principal Employers
This Year and Nine Years Ago
(Unaudited)

	2012			2003	
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
State of New Jersey	21,000	65.3%	State of New Jersey	21,076	64.9%
Capital Health Systems (formerly Helene Fuld & Mercer Medical)	3,000	9.3%	Trenton School System	1,945	6.0%
			City of Trenton	1,700	5.2%
Trenton School System	1,897	5.9%	County of Mercer	1,696	5.2%
City of Trenton	1,700	5.3%	Helene Fuld Center	1,600	4.9%
County of Mercer	1,625	5.1%	St. Francis Medical Center	1,450	4.6%
St. Francis Medical Center	1,250	3.9%	Mercer Medical Center	1,300	4.0%
The Trenton Times	750	2.3%	The Trenton Times	721	2.2%
The Hibbert Company	353	1.1%	Federal Government	526	1.6%
Mercer Street Friends Center	340	1.1%	Carter Wallace	438	1.4%
Water's Edge Convalescent Center	230	0.7%			
	32,145	100%		32,452	100%

Source: City of Trenton

OPERATING INFORMATION

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Full-Time Equivalent Charter School Employees by Function
Last Four Fiscal Years

Function	2012	2011	2010	2009
Instruction	33	30	28	22
Administrative	8	6	4	3
Support Services	9	7	3	4
Food Service	4	5	1	
Total	54	48	36	29

Source: Charter School Personnel Records

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Operating Statistics
Last Four Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Elementary/ Middle School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2012	293	$ 4,616,760	$ 15,757	22.49%	33	8:9	290.6	95.1	6.95%	32.73%
2011	270	3,473,326	12,864	-0.99%	30	9:1	270.4	250.1	25.52%	92.49%
2010	201	2,611,638	12,993	-19.51%	28	7:1	201.4	188.3	32.97%	93.50%
2009	135	2,179,220	16,142	0.00%	22	6:1	135.0	128.0	100.00%	94.81%

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).

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
School Building Information
Last Four Fiscal Years

	2012	2011	2010	2009
Charter School Building				
643 Indiana Avenue				
Square Feet	35,000	35,000	35,000	35,000
Capacity (students)	300	300	300	300
Enrollment	293	270	201	135

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Insurance Schedule
June 30, 2012

	Coverage	Deductible
PACKAGE POLICY DECLARATION		
Stonington Insurance Company		
Article I - Property		
Blanket Real and Personal Property	$1,000,000 per occurrence	$1,000 per occurrence
Rented to You Limit	$100,000 any one premises	
Medical Expense Limit	$5,000 any one person	
Personal & Advertising Injury Limit	$1,000,000 any one person or organization	
General Aggregate Limit	$3,000,000	
Products/Completed Operations Aggregate Limit	$3,000,000	
Article II - Automobile		
Any Auto		
Combined Single Limit for Bodily Injury and Property Damage	$1,000,000 per accident	
Uninsured/Underinsured Motorists - Private Passenger Auto	N/A Combined Single Limit	
Uninsured/Underinsured Motorists - All Other Vehicles	Bodily Injury Per Person	
	Bodily Injury Per Accident	
	Property Damage Per Accident	
Personal Injury Protection (including pedestrians)	N/A	
Medical Payments	N/A private passenger vehicles	
Comprehensive		N/A
Collision		N/A
Hired Car Physical Damage		N/A
SCHOOL LEADERS ERRORS & OMISSIONS LIABILITY POLICY DECLARATIONS		
Philadelphia Indemnity Insurance Company		
Limits of Liability:		
Part 1, D&O Liability	$1,000,000 each policy period	$5,000
Part 2, Employment Practices	$1,000,000 each policy period	$5,000
Part 4, Workplace Violence	$1,000,000 each policy period	$5,000
Aggregate, All Parts	$1,000,000 each policy period	-

Source: Insurance Policies

SINGLE AUDIT SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPIANCE 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
Paul Robeson Charter School for the Humanities
County of Mercer
Trenton, New Jersey

We have audited the financial statements of the Paul Robeson Charter School for the Humanities (Charter School), in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated August 25, 2012. 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 and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

This report is intended for the information and use of management, the audit committee, Paul Robeson Charter School for the Humanities 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

August 25, 2012

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Trustees
Paul Robeson Charter School for the Humanities
County of Mercer
Trenton, New Jersey

Compliance

We have audited the compliance of the Paul Robeson Charter School for the Humanities (Charter School), in the County of Mercer, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major state programs for the fiscal year ended June 30, 2012. The Charter School's major 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 state programs is the responsibility of the Charter School's management. Our responsibility is to express an opinion on the Charter School's 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 and Regulatory Compliance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards 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 state program occurred.

An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Charter School's compliance with those requirements.

In our opinion, the Paul Robeson Charter School for the Humanities, in the County of Mercer, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

The management of the Charter School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Charter School's internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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 Charter School's internal control over compliance.

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

Our consideration of the 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 Charter School's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Charter School's responses and, accordingly, we express no opinion on the responses.

This report is intended for the information and use of management, the audit committee, the Paul Robeson Charter School for the Humanities 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

August 25, 2012

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June, 30, 2012

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	Deferred Revenue (Accounts Receivable) June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012 Accounts Receivable	Balance at June 30, 2012 Deferred Revenue	Balance at June 30, 2012 Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I Part A	84.010	N/A	$ 305,996	9/1/11	8/31/12	$ -	$ -	$ 137,109	$ (146,365)	$ -	$ -	$ (9,256)	$ -	$ -
Title I Carryover	84.010	N/A	185,679	9/1/10	8/31/11	(67,390)		131,028	(63,638)					
ARRA - Title I Carryover	84.389	N/A	-	9/1/10	8/31/11									
Title II Part A	84.281	N/A	1,739	9/1/11	8/31/12			1,381	(1,381)					
Title II Part A Carryover	84.281	N/A	2,938	9/1/10	8/31/11	(778)		778						
Title II Part D Carryover	84.281	N/A	-	9/1/10	8/31/11									
Title IV Carryover	84.186	N/A	-	9/1/10	8/31/11									
I.D.E.A. Basic	84.027	N/A	74,080	9/1/11	8/31/12			20,035	(28,634)			(8,599)		
I.D.E.A. Basic Carryover	84.027	N/A	46,571	9/1/11	8/31/12	(38,748)		38,748						
I.D.E.A. Basic - ARRA Carryover	84.391	IDEA 2011	-	9/1/10	8/31/11									
Total Special Revenue Fund						(106,916)	-	329,079	(240,018)	-	-	(17,855)	-	-
U.S. Department of Agriculture														
Passed-through State Department of Education														
Enterprise Fund:														
School Breakfast Program	10.553	N/A	21,002	7/1/11	6/30/12			19,198	(20,478)			(1,280)		
School Breakfast Program	10.553	N/A	7,866	7/1/10	6/30/11	(524)		524						
School Snack Program	10.554	N/A	3,088	7/1/11	6/30/12			2,976	(3,088)			(112)		
National School Lunch Program	10.555	N/A	115,390	7/1/11	6/30/12			91,062	(109,880)			(18,818)		
National School Lunch Program Carryover	10.555	N/A	96,157	7/1/10	6/30/11	(5,510)		5,510						
Total Enterprise Fund						(6,034)	-	119,270	(133,446)	-	-	(20,210)	-	-
Total Federal Financial Awards						$ (112,950)	$ -	$ 448,349	$ (373,464)	$ -	$ -	$ (38,065)	$ -	$ -

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June, 30, 2012

State Grantor/Program Title	Grant Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2011 Deferred Revenue (Accounts Receivable)	Balance at June 30, 2011 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2012 (Accounts Receivable)	Balance at June 30, 2012 Interfund Payable/ Deferred Revenue	Balance at June 30, 2012 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:															
General Fund:															
"Local Levy" State Share - Charter School Aid	12-495-034-5120-071	$ 3,663,567	7/1/11	6/30/12	$ -	$ -	$ -	$ 3,658,944	$ (3,663,567)	$ -	$ (4,623)	$ -	$ -	$ -	$ 3,663,567
Special Education Aid	12-495-034-5120-089	120,310	7/1/11	6/30/12				120,310	(120,310)						120,310
Security Aid	12-495-034-5120-084	129,089	7/1/11	6/30/12				129,089	(129,089)						129,089
Reimbursed TPAF - Social Security	12-495-034-5095-002	131,681	7/1/11	6/30/12				125,475	(131,681)		(6,206)				131,681
Reimbursed TPAF - Social Security	11-495-034-5095-002	-	7/1/10	6/30/11	(10,993)			10,993							
Reimbursed TPAF - Pension	12-495-034-5095-006	116,305	7/1/11	6/30/12				116,305	(116,305)						116,305
Total General Fund					(10,993)			4,161,116	(4,160,952)		(10,829)				4,160,952
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program	12-100-010-3350-023	2,337	7/1/11	6/30/12				2,121	(2,224)		(103)				2,224
National School Lunch Program Carryover	11-100-010-3360-023	1,944	7/1/10	6/30/11	(113)			113							
Total Enterprise Fund					(113)			2,234	(2,224)		(103)				2,224
Total State Financial Assistance					$ (11,106)	$ -	$ -	$ 4,163,350	$ (4,163,176)	$ -	$ (10,932)	$ -	$ -	$ -	$ 4,163,176

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

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2012

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, Paul Robeson Charter School for the Humanities. 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.

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2012

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 basis 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	$ -	$ 4,160,952	$ 4,160,952
Special Revenue Fund	240,018	-	240,018
Food Service Fund	133,446	2,224	135,670
Total Awards & Financial Assistance	$ 373,464	$ 4,163,176	$ 4,536,640

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 LOANS OUTSTANDING

Paul Robeson Charter School for the Humanities has no loan balances outstanding at June 30, 2012.

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, 2012. 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, 2012.

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section I – Summary of Auditor's Results

Financial Statements

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

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 identified that are not considered to be material weaknesses?	_____ Yes	None __X__ 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 NJOMB Circular Letter 04-04?	_____ Yes	__X__ No

Identification of major state programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-071	"Local Levy" State Share

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

Finding

There were no matters reported.

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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

This section identifies audit findings required to be reported by NJOMB Circular Letter 04-04.

STATE AWARDS

Finding

There were no matters reported.

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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 (.315(a)(b)) and NJOMB's Circular 04-04.

Findings

There were no matters reported.