

**CAMDEN ACADEMY
CHARTER HIGH SCHOOL, INC.
Camden, New Jersey**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2012

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Camden Academy Charter High School, Inc.
Board of Trustees**

Camden, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

Camden Academy Charter High School Board of Trustees

Finance Department

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OF THE CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
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INTRODUCTORY SECTION

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
879 BEIDEMAN AVE.
CAMDEN, NJ 08105**

Dr. Joseph V. Conway
Chief School Administrator
856-365-1000 x 101

Richelle H. Baughn
Board Secretary
856-365-1000 x 103

October 4, 2012

Members of the Board of Trustees
Camden Academy Charter High School
County of Camden
Camden, New Jersey

Dear Board Members,

The comprehensive annual financial report of the Camden Academy Charter High School for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the final position and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes the first fiscal year of unaudited data.
- The charter school is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management Budget Circular A-133, "Audits of States, Local Governments and Non-profit Organizations", and the New Jersey OMB circular letter 04-04 OMB, "Single Audit Policy for recipients of federal grants, State grants and state aid payments". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Camden Academy Charter High School, Inc. is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No.14. All funds of the Charter school are included in this report. The Camden Academy Charter High School, Inc. Board of Trustees and its school constitute the Charter School's reporting entity.

The Charter School is responsible for providing a thorough and efficient educational system for students in grades taught at the one school maintained. The Charter School completed the 2011-2012 fiscal year with an enrollment of 404 high school students.

2. ECONOMIC CONDITION AND OUTLOOK:

The City of Camden area is a large urban community in Camden County and is presently considered to possess a stagnant economy.

Initiatives

The Charter School has developed a comprehensive strategic plan to support its mission and vision and serve as a blueprint for the achievement of its goals. The plan includes objectives such as pupil achievement, staff development and technology in the classroom.

3. INTERNAL ACCOUNTING CONTROLS:

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

As a recipient of federal awards and state financial assistance, the Charter School also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School management.

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

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. 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. ACCOUNTING SYSTEM AND REPORTS:

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

6. RISK MANAGEMENT:

The Board 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, and fidelity bonds.

7. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm of Nightlinger, Colavita and Volpa, PA, was selected by the Board's Audit Committee. 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 amendment of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

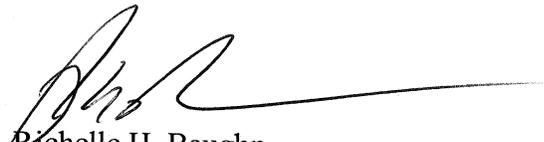
8. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Camden Academy Charter High School, Inc. Board of Trustees for their concern in providing fiscal accountability to the community and 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 financial and accounting staff.

Respectfully submitted,



Dr. Joseph V. Conway
Chief School Administrator



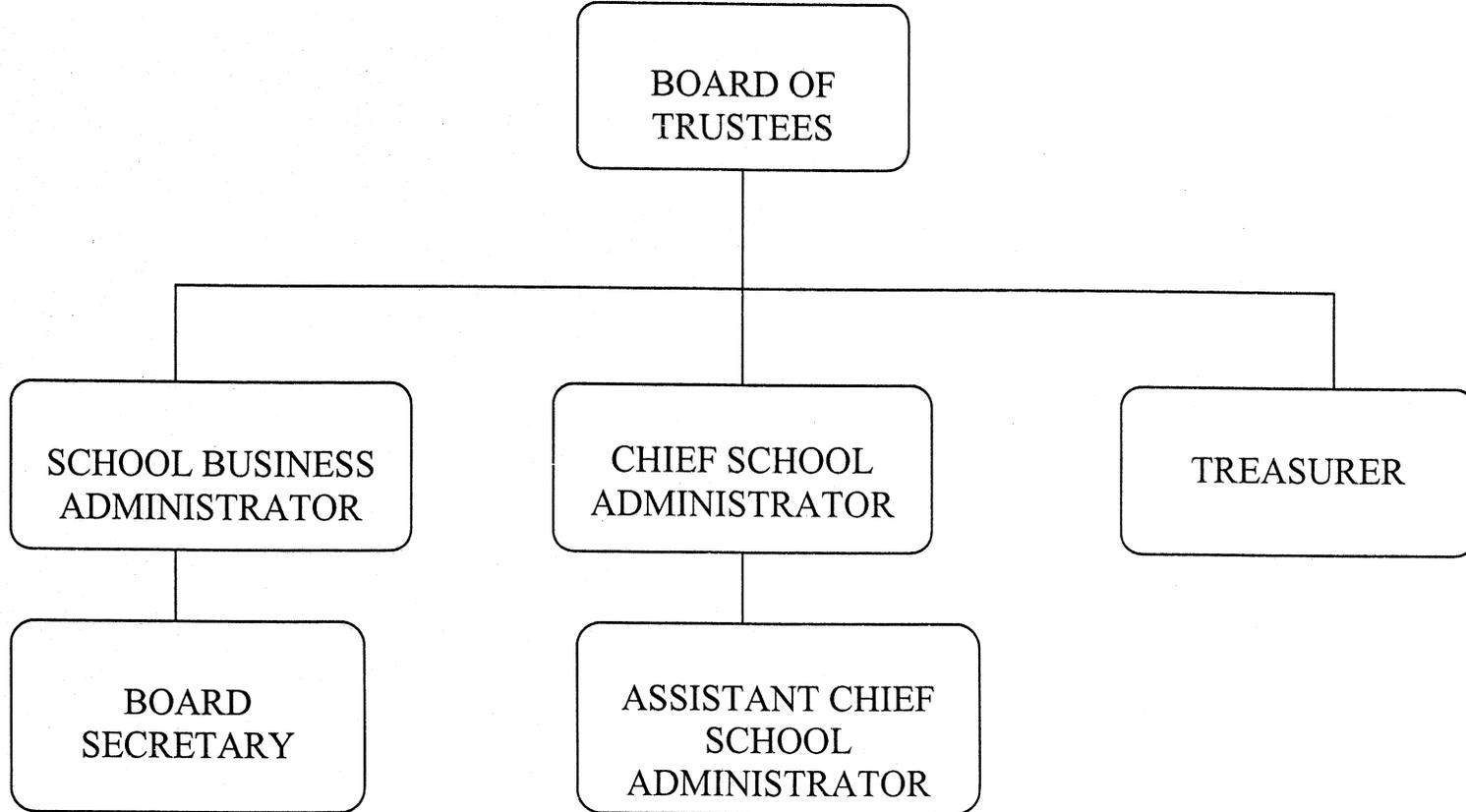
Richelle H. Baughn
Board Secretary

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC

Camden, New Jersey

Camden County

(UNIT CONTROL)



CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
CAMDEN, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>MEMBERS OF THE BOARD OF TRUSTEES</u>	<u>TERM EXPIRES</u>	
Lorraine Johnson, President	2013	
Shelley Daniels-Jones	2013	
Ms. Rebecca Brinkmann	2013	
Corynda Hagamin	2014	
Magda Nieves	2014	
<u>OTHER OFFICIALS</u>		<u>AMOUNT OF BOND</u>
Dr. Joseph V. Conway, Chief School Administrator		
Bill Helmbrecht, Charter School Coordinator		
Richelle Baughn, Business Administrator/Board Secretary		\$ 50,000
Jeannie Scott, Treasurer of School Monies		475,000
Jane B. Capasso, Solicitor		

CAMDEN'S ACADEMY CHARTER HIGH SCHOOL, INC.
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, C.P.A., R.M.A.
Nightlinger, Colavita and Volpa, P.A.
Certified Public Accountants
991 S. Black Horse Pike
Post Office Box 799
Williamstown, NJ 08094

ATTORNEY

Ms. Jane B. Capasso
Attorney-at-Law
Lipman, Antonelli, Batt, Gibson, Malestein, Rothman, & Capasso
110 North Sixth Street/ P. O. Box 729
Vineland, New Jersey 08362-0729

OFFICIAL DEPOSITORY

TD Bank
501 Mickle Blvd.
Camden, New Jersey 08103

INSURANCE AGENT

Conner Strong & Buckelew Companies, Inc.
123 Rosenhayn Avenue
P.O. Box 358
Bridgeton, NJ 08302

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245

October 4, 2012

INDEPENDENT AUDITOR'S REPORT

To the Members of
the Board of Trustees
Camden Academy Charter High School, Inc.
County Of Camden
Camden, New Jersey 08105

Dear Board Members:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Camden Academy Charter High School, Inc. in the County of Camden, State of New Jersey, as of and for the 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 Camden Academy Charter High School, Inc.'s Board of Trustees management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2012 on our consideration of the Camden Academy Charter High School, Inc.'s Board of Trustees internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 18 and 51 through 54 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. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camden Academy Charter High School, Inc., Board of Trustees financial statements as a whole. The accompanying introductory section, other supplementary information including combining individual fund financial statements, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide and assurance on them.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
CITY OF CAMDEN

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

UNAUDITED

The discussion and analysis of Camden Academy Charter High School, Inc.'s financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- ❖ Total revenues of the school were \$7,503,942, of which general revenues accounted for \$6,419,602 or 85.5% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,084,340 or 14.5% percent of all Revenues.
- ❖ Total net assets of governmental activities increased by \$549,198.
- ❖ The School had \$7,129,933 in total expenses. Only \$1,084,340 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily state and federal aid) of \$6,419,602 were adequate to provide for these programs.
- ❖ The General Fund had \$6,845,761 in revenues, \$6,415,103 in expenditures and other financing uses of \$47,337. The General Fund's balance increased \$383,321 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 Camden Academy Charter High School, Inc. 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 School, presenting both an aggregate view of the 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. In the case of Camden Academy Charter High School, Inc., the General Fund is by far the most significant fund.

Reporting the 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 School to provide programs and activities, the view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities helps 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 companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School as a whole, the financial positions of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the property tax base of the School's resident districts, current laws in New Jersey concerning revenue growth, facility condition, required educational programs and other factors.

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

- ❖ **Governmental Activities** – All of the School's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School's Most Significant Funds

Fund Financial Statements

The analysis of the School's major (all) funds begins on page 21. Fund financial reports provide detailed information about the School's major funds. The School uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School's most significant funds. The School's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The 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 School's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

The School as a Whole

Recall that the Statement of Net Assets provides the perspective of the School as a whole.

Table 1 provides a comparative summary of the School's net assets for the years ended in 2012 and 2011.

Table 1
Net Assets

	<u>2012</u>	<u>2011</u>
Assets		
Current and other assets	\$ 2,947,697	\$ 1,831,599
Capital assets, net	4,251,302	2,562,788
Total Assets	<u>7,198,999</u>	<u>4,394,387</u>
Liabilities		
Other Liabilities	338,528	244,060
Long-term liabilities	2,336,135	
Total Liabilities	<u>2,674,663</u>	<u>244,060</u>
Net Assets		
Invested in capital assets, net of debt	1,915,167	2,562,788
Capital Reserve	929,733	
Restricted	537,165	1,380,468
Unrestricted	1,142,271	207,071
Total Net Assets	<u>\$ 4,524,336</u>	<u>\$ 4,150,327</u>

Table 2 shows the changes in net assets from fiscal year's 2012 and 2011.

Table2
Changes in Net Assets

	2012	2011
Revenues		
Programs revenues		
Charges for services	\$ 26,749	\$ 12,594
Operating grants and contributions	1,057,591	1,094,634
General Revenues		
Property taxes	358,350	348,052
Grants and entitlements	5,895,343	6,031,127
Other	165,909	179,010
Total Revenues	7,503,942	7,665,417
Program Expenses		
Instruction	2,925,618	2,837,182
Support Services		
School Administration	1,387,027	1,696,189
Support Services	2,431,953	1,962,055
Food Service	177,747	202,844
Other	207,588	128,500
Total Expenses	7,129,933	6,826,770
Increase in net assets	\$ 374,009	\$ 838,647

Governmental Activities

The School's total revenue for the fiscal year ended June 30, 2012 was \$7,503,942, of which governmental revenues were \$6,419,602. As a Charter School, voter approval for the School operations is not required in New Jersey. Property taxes made up 5.6 % percent of revenues for governmental activities for the Camden Academy Charter High School, Inc. for fiscal year 2011. Federal, state and local grants accounted for another 91.8% and miscellaneous revenue accounted for 2.6%. The School's total expenses were \$7,129,933, of which the cost of all governmental programs and services was \$6,952,186. Instruction comprises 41% of School expenses.

Business-Type Activities

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

- ❖ Food service revenues exceeded expenses by \$19,762.
- ❖ Charges for services represent \$26,749 of revenue. This represents amount paid by patrons for daily food services, which amounts to 13.5% of \$197,509 in total revenue.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$170,760.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School's resident district taxpayers by each of these functions.

Table 3

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Instruction	\$ 2,925,618	\$ 2,730,133	\$ 2,837,182	\$ 2,542,533
Support services				
School Administrative Services	1,387,027	960,636	1,696,189	1,119,657
Support Services	2,431,953	2,166,998	1,962,055	1,917,331
Other	207,588	207,588	128,500	128,500
Total Expenses	\$ 6,952,186	\$ 6,065,355	\$ 6,623,926	\$ 5,708,021

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to liabilities of the School.

Other includes unallocated depreciation and amortization.

The School's Funds

Information about the School's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All Governmental Funds (i.e., General and Special Revenue Funds presented in the fund-based statements) had total revenues of \$7,437,329 and expenditures of 8,983,923. The net positive change in fund balance for the year was due to an increase of \$383,321 in the General Fund and an increase of \$537,165 in the Capital Projects Fund, partly as a result of proceeds of a bond issue in the amount of \$2,467,080. This result shows that the School is able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2012, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 524,210	7%	\$ 22,276	4%
State Sources	6,452,679	87%	84,265	1%
Federal Sources	460,440	6%	(168,178)	-27%
Total	\$ 7,437,329	100%	\$ (61,637)	-1%

The increase in Local Sources is attributed to increases in the revenue from other sources of \$11,978 and an increase in local tax levy of \$10,298.

The increases in State Sources are attributed to increases in the Debt Service Fund of \$130,945, offset by a decrease in general fund state aid of \$46,680.

The decrease in Federal Sources is attributed to a net decrease in various grant awards.

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2012.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease from 2011</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 2,925,618	33%	\$ 88,436	3%
Undistributed expenditures	3,949,925	44%	291,681	8%
Capital Outlay	1,977,435	22%	1,421,854	256%
Debt Service Principal	130,945	1%	130,945	
Total	\$ 8,983,923	100%	\$ 1,801,971	26%

The increase in Instruction is attributed to increases in and teacher's salaries of \$109,778, purchased professional-educational services of \$42,508, textbooks of \$12,863 and other line items differences of \$26,088, offset by decreases in special revenue grant spending of \$99,164 and general supplies of \$3,637.

The increase in Undistributed Expenditures is attributed to increases in administrative expenses of \$96,508, support expenditures of \$125,083 and employee benefits of \$89,104, offset by decreased special revenue expenditures of \$19,014.

The increase of \$1,421,854 in capital outlay is attributed to reduced purchases of equipment and not buying a building during the current school year.

The increase of \$130,945 in debt service is attributed to repayment of the School Construction Bonds during the current school year.

General Fund Budgeting Highlights

The School's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2012, the School amended its General Fund budget as needed. The School uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the School's final budget for the general fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show an excess in revenues versus expenditures of \$383,321.

- ❖ Actual revenues were higher than expected due to a net reduction of miscellaneous revenue, and increased state aid. Excluding the on-behalf pension and social security state aid revenue of \$426,391, the result is a net favorable variance of \$9,175 per C-1.
- ❖ The actual expenditures were lower than expected, primarily in the area of capital outlay. This was offset by the on-behalf pension and social security state aid payments of \$426,391, resulting in a favorable variance of \$827,888 per Exhibit C-1.

Capital Assets

At the end of the fiscal year 2012, the School had \$4,251,302 invested in leasehold improvements, furniture and equipment, and vehicles. Table 4 shows fiscal 2012 balances compared to 2011.

Table 4
Capital Assets (Net of Depreciation) at June 30

	2012	2011
Construction in Progress	\$ 419,081	\$ 419,081
Leasehold Improvements	346,811	342,193
Building	58,008	1,617,451
Vehicle	90,889	109,945
Machinery and Equipment	3,336,513	74,118
	\$ 4,251,302	\$ 2,562,788

Overall capital assets increased \$1,688,514 from fiscal year 2011 to fiscal year 2012. The increase resulted from the construction of building improvements and the acquisition of equipment, totaling \$1,873,945. These additions were offset by depreciation of \$185,431.

Operating Leases

The School currently leases space for classrooms, administration and the food service operations.

In addition, a long term lease has been executed, whereby the school will pay periodic rent payments to the Camden County Improvement Authority in amounts based on the debt service payments of the CCIA for the construction of the new facilities to be used by the charter school. The Camden Academy Charter High School, Inc. will occupy part of the new school building and pay rent to Camden's Promise Charter School, Inc. is an amount equal to half of the lease payments to the CCIA.

Debt Administration:

On July 8, 2011, the District's issued NJEDA Qualified School Construction Bonds in the amount of \$2,467,080 at 5.24% interest up to July 1, 2016, at such time when the bonds become callable. These bonds are to be treated as Qualified School Construction Bonds in accordance with Section 54F of the Internal Revenue Code of 1986. The balance of the bonds payable, as of June 30, 2012, is \$2,336,135.

The proceeds of these bonds are to partially fund the construction of renovations to an existing building in the City of Camden, New Jersey, owned by the Charter School

In accordance with Section 6431 of the Code, the Charter School, by way of the NJEDA, is to receive Credit/Subsidy payments equal to the lesser of rate specified by the US Treasury or the interest payable on the bonds.

For the Future

The Camden Academy Charter High School, Inc. is presently in good financial condition. Continued optimum enrollment in the School will provide future financial stability. However, future finances are not without challenges as the school makes yearly lease payments on one building, as well as completing improvements on the new building.

As a charter school, it is a concern of the Board of Trustees of the School as to how future budgets would be financed. The administrator also closely monitors instructional as well as support and administrative costs of the School.

In conclusion, the Camden Academy Charter High School, Inc. continued to be committed to sound financial planning, budgeting, and internal financial controls in order to meet the challenges of the future. This was accomplished while meeting the goal of providing a four year charter high school.

Contacting the School's Financial Management

This financial report is designed to provide our citizens, taxpayers and oversight entities with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information please contact Dr. Joseph Conway, School Administrator at Camden Academy Charter High School, Inc., Camden, N.J.

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL - WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the School. These statements include the financial activities of the overall 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 School.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,683,796	\$ 64,112	\$ 1,747,908
Cash with Fiscal Agents	570,396		570,396
Receivables, Net	501,125	15,083	516,208
Unamortized Lease Acquisition Cost	20,044		20,044
Unamortized Bond Issue Cost	93,141		93,141
Capital Assets, Net (Note 5):	4,251,302		4,251,302
Total Assets	<u>7,119,804</u>	<u>79,195</u>	<u>7,198,999</u>
LIABILITIES			
Accounts Payable	181,361		181,361
Accrued Interest on Bonds	10,201		10,201
Due to Other Funds	4,255		4,255
Due to Other Governments	77,947	57,746	135,693
Deferred Revenue	7,018		7,018
Non-current Liabilities (Note 6):			
Due Within One Year	205,653		205,653
Due Beyond One Year	2,130,482		2,130,482
Total Liabilities	<u>2,616,917</u>	<u>57,746</u>	<u>2,674,663</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,915,167		1,915,167
Capital Reserve	929,733		929,733
Restricted	537,165		537,165
Unrestricted	1,120,822	21,449	1,142,271
Total Net Assets	<u>\$ 4,502,887</u>	<u>\$ 21,449</u>	<u>\$ 4,524,336</u>

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction	\$ 2,925,618	\$ -	\$ 195,485	\$ (2,730,133)	\$ -	\$ (2,730,133)
Administration	1,387,027		426,391	(960,636)		(960,636)
Support Services	2,431,953		264,955	(2,166,998)		(2,166,998)
Interest on Bonds	10,201			(10,201)		(10,201)
Unallocated Depreciation	185,431			(185,431)		(185,431)
Unallocated Amortization	11,956			(11,956)		(11,956)
Total Governmental Activities	6,952,186		886,831	(6,065,355)		(6,065,355)
Business-type Activities:						
Food Service	177,747	26,749	170,760		19,762	19,762
Total Business-type Activities	177,747	26,749	170,760		19,762	19,762
Total Primary Government	\$ 7,129,933	\$ 26,749	\$ 1,057,591	\$ (6,065,355)	\$ 19,762	\$ (6,045,593)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 5,933,757	\$ -	\$ 5,933,757
Categorical Aid and Other State Aid not Restricted				319,936		319,936
Investment Earnings				1,494	49	1,543
Contributed Capital - Computers						
Miscellaneous Income				164,366		164,366
Total General Revenues, Special Items, Extraordinary Items and Transfers				6,419,553	49	6,419,602
Change in Net Assets				354,198	19,811	374,009
Net Assets—Beginning				4,148,689	1,638	4,150,327
Net Assets—Ending				\$ 4,502,887	\$ 21,449	\$ 4,524,336

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

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.

GOVERNMENTAL FUNDS

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,605,401	\$ 78,395	\$	\$ 1,683,796
Cash With Fiscal Agent			570,396	570,396
Interfund Receivable	445,287			445,287
Interest Receivable	31,726			31,726
Due from bank	31,589			31,589
Receivables from Local Governments	21,449			21,449
Receivables from State Government	1,283			1,283
Receivables from Federal Government		415,078		415,078
Total Assets	\$ 2,136,735	\$ 493,473	\$ 570,396	\$ 3,200,604
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 106,962	\$ 74,399	\$	\$ 181,361
Interfund Payable	4,255	412,056	33,231	449,542
Payable to State Government	77,947			77,947
Deferred Revenue		7,018		7,018
Total Liabilities	189,164	493,473	33,231	715,868
Fund Balances:				
Restricted For:				
Capital Reserve	929,733			929,733
Capital Project			176,430	176,430
Escrow Funds			90,000	90,000
Committed To:				
Year-End Encumbrances			270,735	270,735
Unassigned, Reported in:				
General Fund	1,017,838			1,017,838
Total Fund Balances	1,947,571		537,165	2,484,736
Total Liabilities and Fund Balances	\$ 2,136,735	\$ 493,473	\$ 570,396	

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

The cost associated with the issuance of the lease and Bond obligations are expensed in the governmental funds in the year the lease obligation is issued, but are capitalized in the Statement of Net Assets. The lease obligation costs are \$135,629 and the accumulated amortization is \$22,444 at June 30, 2011. 113,185

Long-Term Liabilities, including bonds payable, capital Lease payments and compensated absence obligations, are not due and payable in the current period and therefore, are not reported as liabilities in the fund statements. (2,336,135)

Accrued Interest is not due and payable in the current period and are therefore not reported as liabilities in the fund statements. (10,201)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,761,038 and the accumulated depreciation is \$509,736 Note 5). 4,251,302

Net Assets of Governmental Activities \$ 4,502,887

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Tax Levy - Local Share	\$ 358,350	\$	\$	\$	\$ 358,350
Local Tax Levy - State Share	5,575,407			130,945	5,706,352
State Categorical Aid	319,936				319,936
Revenue from Other Sources	165,677				165,677
Other State Sources	426,391				426,391
Miscellaneous			183		183
Federal Sources		460,440			460,440
Total Revenues	<u>6,845,761</u>	<u>460,440</u>	<u>183</u>	<u>130,945</u>	<u>7,437,329</u>
EXPENDITURES					
Instruction	2,730,133	195,485			2,925,618
Administration	1,387,027				1,387,027
Support Services	2,297,943	264,955			2,562,898
Capital Outlay			1,977,435		1,977,435
Debt Service Principal				130,945	130,945
Total Expenditures	<u>6,415,103</u>	<u>460,440</u>	<u>1,977,435</u>	<u>130,945</u>	<u>8,983,923</u>
Excess (Deficiency) of Revenues over Expenditures	<u>430,658</u>	<u>-</u>	<u>(1,977,252)</u>		<u>(1,546,594)</u>
Other Financing Sources (Uses):					
Proceeds from Bond Issue			2,467,080		2,467,080
Transfer to Capital Projects Fund	(47,520)		47,520		
Interest Income Transferred	183		(183)		
Total Other Financing Sources (Uses)	<u>(47,337)</u>		<u>2,514,417</u>		<u>2,467,080</u>
Net Change in Fund Balances	<u>383,321</u>		<u>537,165</u>		<u>920,486</u>
Fund Balance—July 1	1,564,250				1,564,250
Fund Balance—June 30	<u>\$ 1,947,571</u>	<u>\$ -</u>	<u>\$ 537,165</u>	<u>\$</u>	<u>\$ 2,484,736</u>

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Total net change in fund balances - governmental funds (from B-2)	\$ 920,486
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
In the statement of activities, certain operating expenses, including compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).	
Accrued Interest	(10,201.00)
Proceeds from debt issues are a financing source in the governmental funds and are not reflected as revenue in the statement of activities. Issuing debt increases long-term liabilities in the statement of net assets.	
	(2,467,080)
Repayment of bond principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	
	130,945
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation expense	\$ (185,431)
Amortization - Debt Issue Costs	(11,956)
Capital outlays	1,977,435
	<hr/>
	1,780,048
Change in net assets of governmental activities (A-2)	\$ 354,198

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

PROPRIETARY FUNDS

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 64,112	\$ 64,112
Accounts Receivable	15,083	15,083
Total Current Assets	79,195	79,195
Fixed Assets:		
Equipment		
Accumulated Depreciation		
Total Fixed Assets		
Total Assets	\$ 79,195	\$ 79,195
LIABILITIES AND FUND EQUITY:		
Current Liabilities:		
Intergovernmental Payable	\$ 57,746	\$ 57,746
Total Current Liabilities:	57,746	57,746
Net Assets		
Unrestricted	21,449	21,449
Total Fund Equity	21,449	21,449
Total Net Assets	\$ 79,195	\$ 79,195

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities	
	Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs:	\$ 26,749	\$ 26,749
Total Operating Revenue:	26,749	26,749
Operating expenses:		
Cost of Sales	177,747	177,747
Total Operating Expenses	177,747	177,747
Operating Income (Loss)	(150,998)	(150,998)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,966	2,966
Federal sources:		
National School Breakfast Program	21,137	21,137
National School Lunch Program	137,353	137,353
National School Snack Program	9,304	9,304
Interest	49	49
Total Non-operating Revenues (Expenses)	170,809	170,809
Income (Loss) before Contributions & Transfers	19,811	19,811
Transfers		
Change in Net Assets	19,811	19,811
Total Net Assets—Beginning	1,638	1,638
Total Net Assets—Ending	\$ 21,449	\$ 21,449

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities	
	Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 21,182	\$ 21,182
Payments to Suppliers	(172,134)	(172,134)
Net Cash Provided by (used for) Operating Activities	(150,952)	(150,952)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,966	2,966
Federal Sources	167,794	167,794
Intergovernmental Sources		
Net Cash Provided by (used for) Non-capital Financing Activities	170,760	170,760
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed Capital - New Facility		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	49	49
Net Cash Provided by (used for) Investing Activities	49	49
Net Increase (Decrease) in Cash and Cash Equivalents	19,857	19,857
Balances—Beginning of Year	44,255	44,255
Balances—End of Year	\$ 64,112	\$ 64,112
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (Loss)	\$ (150,998)	\$ (150,998)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Decrease/(Increase) in Accounts Receivable	(6,811)	(6,811)
(Increase) Decrease in Intergovernmental Receivable, Net	1,244	1,244
(Decrease) Increase in Intergovernmental Accounts Payable	5,613	5,613
Total Adjustments	46	46
Net Cash Provided by (used for) Operating Activities	\$ (150,952)	\$ (150,952)

Noncash Noncapital Financing Activities:

During the year, the district received zero dollars of food commodities from the U. S. Department of Agriculture

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

FIDUCIARY FUNDS

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 25,241	\$ 37,600
Interfund Receivable		4,255
	<hr/>	<hr/>
Total assets	25,241	41,855
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable		639
Due to Student Groups		31,439
Payroll Deductions and Withholding		9,777
	<hr/>	<hr/>
Total liabilities		\$ 41,855
	<hr/>	<hr/>
NET ASSETS		
Held in trust for unemployment claims and other purposes	\$ 25,241	
	<hr/>	

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Interest	\$ 24
Deposits	3,527
Total Additions	<u>3,551</u>
DEDUCTIONS	
Unemployment Claims	-
Total Deductions	<u>-</u>
Change in Net Assets	3,551
Net Assets—Beginning of the Year	<u>21,690</u>
Net Assets—End of the Year	<u>\$ 25,241</u>

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. DESCRIPTION OF THE SCHOOL CHARTER SCHOOL AND REPORTING ENTITY

The Camden Academy Charter High School, Inc is located in the County of Camden, State of New Jersey and was incorporated on August 31, 2001 and began its first year of education operations in September of 2001. It was created through the approval of its New Jersey Charter Schools Application by the State of New Jersey, Department of Education. As a Charter School, the Camden Academy Charter High School, Inc. functions independently as an educational institution through a Board of Trustees (the "Board"). In accordance with the by laws of the Charter School, the Board is to consist of not less than 3 and not more than 14 individuals. At all times, constituency of the voting members of the Board of Trustees shall consist of 2 members nominated and elected by the Board selected from the Parent Council and two members nominated and elected by the Board of Trustees representing community leaders at large (which may include representatives from the Neighborhood Center, Inc.) The school administrator and a teacher elected by the teachers from the school are ex-officio members of the Board of Trustees without vote, and limited to the number of terms they may serve consecutively.

A. Reporting Entity:

The purpose of the Charter School during the 2001-02 school year was to educate 9th grade students. The 10th grade was added in 2002-03. Grade 11 was added in 2003-04 and grade 12 was added in 2004-05. The enrollment at June 30, 2012 was 404, which was 14 students less than in 2010-11. A school business administrator and a board secretary were appointed by the Board and are responsible for the administrative control of the Charter School.

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

A. Basis of Presentation:

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

Charter School-wide Statements: The statement of net assets and the statements of activities display information about 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Charter School at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different 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. Indirect expenses—expenses of the Charter School related to the administration and support of the Charter School's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting:

The accounts of the Charter School are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are grouped, in the financial statements in this report:

GOVERNMENTAL FUND TYPE

General Fund - The general fund is the general operating fund of the 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 instructional and non-instructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Camden Academy Charter High School, Inc. includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmentalities 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 the "local levy" local share - charter school aid, "local levy" state share - charter school aid, categorical aid, revenues from other sources and appropriated fund balance. Expenditures are those in excess of \$2,000, which result in the acquisition of or additions to capital 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.

Special Revenue Fund - The Charter School accounts for the proceeds of specific revenue sources from the state and federal government (other than expendable trusts, major capital projects or enterprise funds) and local appropriations that is legally restricted to expenditures for specified purposes in the special revenue fund.

Capital Projects Fund - The Charter School currently has no capital projects, and, therefore, the accounting system of the Charter School does not include a capital projects fund. There is a construction project in the 2011-12 school year and therefore, a capital Project Fund will be utilized in next year.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (continued):

GOVERNMENTAL FUND TYPE (continued)

Debt Service Fund - The accounting system of the Charter School does not include a debt service fund in accordance with state statute.

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the Charter School:

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

The School's Enterprise Fund is comprised of a Food Service Fund managed by an outside food service management company. For expediency, the financial records are maintained within the food service fund of the Camden's Promise Charter School. Federal and state subsidy reimbursements as well as a food service operating costs were allocated on a pro-rata basis. Inventory and commodity amounts were considered as owned by the Camden's Promise Charter School.

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

Internal Service Fund - The Camden Academy Charter High School does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the Charter School:

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (continued):

FIDUCIARY FUND TYPE (continued)

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the Charter School in a Trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the Charter School is under obligation to maintain the trust principal. The accounting system of the Charter School does not include a nonexpendable trust fund.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Funds consists of an Unemployment Compensation Insurance Fund

Agency Funds (Payroll, Health Benefits and Student Activities Fund): Agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. The accounting system of the Charter School includes a payroll fund and a student activities fund.

C. Basis of Accounting and Measurement Focus:

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

Charter School-wide, Proprietary and Fiduciary Fund Financial Statements: The Charter School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; 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. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school Charter School the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The Charter School records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

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.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus: (continued)

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the 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 in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the Charter School follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Charter School's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Charter School budgets are prepared annually and are submitted to the Department of Education for review. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are mandated by the Department of Education and are detailed in the Charter School Budget Summary form that is part of the New Jersey Charter School Application and are defined as the lowest (most specific) level of detail referenced in NJAC 6:20-2A (m) 1. Transfers of appropriations may be made by Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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 to be maintained to allow for the presentation of GAAP basis financial reports.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets/Budgetary Control (continued):

Exhibit C-3 presents a reconciliation of the general and special revenue funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

E. Encumbrance 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 revenue 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. The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any. Open encumbrances in the special revenue fund for which the Charter School has received advances (if any) 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.

The Charter School had a fund balance reserved for year-end encumbrances at June 30, 2012 of \$447,165.

F. Tuition:

The Charter School Program Act of 1995 specifically prohibits a charter school from charging tuition to students who reside in the Charter School of residence of the charter school or are non-resident students.

G. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

Inventories

On Charter School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012. Inventory in the Food Service Fund at June 30, 2011 and 2012, including commodities, were considered owned by the Camden's Promise Charter School. Therefore, ending inventory is not recorded in the food service fund of the Camden Academy Charter High School, Inc.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2006 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the Statement of Net Assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Capital assets are depreciated in the Charter School-wide financial statements using the straight-line method over the following estimated useful lives:

G. Assets, Liabilities and Equity (continued):

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	30-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

H. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Assets.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

I. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned (see Note 2(B) regarding the special revenue fund).

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

K. 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.

L. Charter School Funding:

The Charter School is largely funded on its enrollment through the local levy and categorical aid, which follows a particular student. Funding flows from the State to the district board of education and then to the Charter school. In accordance with N.J.S.A. 18A:36A-12 "the school district of residence shall pay directly to the Charter School for each student enrolled in the charter school who resides in the district a presumptive amount equal to 90% of the local tax levy budget per pupil for the specific grade level in the district. At the discretion of the commissioner and at the time the charter is granted, the commissioner may require the school district of residence to pay directly to the charter school for each student enrolled in the charter school an amount equal to less than 90%, or an amount, which shall not exceed 100% of the local levy budget per pupil for the specific grade in the district of residence. The per pupil amount paid to the charter school shall not exceed the local levy budget per pupil for the specific grade level in the district in which the charter school is located. The district of residence shall also pay directly to the charter school any categorical aid attributable to the student, provided the student is receiving appropriate categorical services, and any federal funds attributable to the student".

During the school year, a charter school shall conduct an enrollment count on October 15th and the last day of the school year. A charter school shall submit each count through a summary school register for the purposes of determining average daily enrollment. Based on these counts, a charter school's revenue is adjusted accordingly.

M. 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 the enabling legislation 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.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Revenues – Exchange and Non-exchange 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 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. Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is 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 for 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 both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

O. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Charter School's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. 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.

Q. 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.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Inventories and Prepaid Expenses:

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

On Charter School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

S. Short -Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

T. Management Estimates:

In order for the preparation of basic financial statements to be in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the School-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets.

V. 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.

W. Unamortized Lease Acquisition Costs:

As part of the long-term lease agreement providing for the use of the new school building constructed and owned by the Camden County Improvement Authority, payments constituting professional lease acquisition and other related professional fees in the amount of \$32,139 were made and will be amortized over the life of the lease. The balance remaining at June 30, 2012 is \$20,044 as reported on Statement of Net Assets.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Deposits:

New Jersey statutes require that school districts 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. School districts 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 5% of the average daily balance of collected public funds on deposit.

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

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

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- 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 no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

As of June 30, 2012, cash and cash equivalents in the fund financial statements of the Charter School consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	\$ 1,810,749

Custodial Credit Risk - Custodial Credit Risk is the risk that, in the event of a bank failure, the School Districts deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, as described in Note 1: N.J.S.A. 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act. As of June 30, 2012, the School District's bank balance of \$1,890,115 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	1,640,115
	\$ 1,890,115

New Jersey Cash Management Fund – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject o custodial credit risk as defined above. At June 30, 2012, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. COMPENSATED ABSENCES

In accordance with Statement No. 16 of the (GASB) entitled "Accounting for Compensated Absences", Benefits paid in any future period will be calculated in accordance with formulas outlined in the Charter School agreements with any collective bargaining units and included in the budget of the current year of payment. There currently is no formal policy concerning payment of accumulated absences.

No liability existed for compensated absences of the governmental fund types at June 30, 2012. As of June 30, 2012, no liability existed for compensated absences in the Food Service Fund because there are no employees paid out of this fund. The Food Service employees are provided and paid by an outside management company, Sodexo Food Management, Inc.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adustments/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 419,081	\$	\$	\$ 419,081
Total Capital Assets not being Depreciated	419,081			419,081
Leasehold Improvement	432,176	21,133		453,309
Machinery and Equipment	117,688			117,688
Vehicle	169,552			169,552
Building	1,748,596	1,852,812		3,601,408
Total at Historical Cost	2,468,012	1,873,945		4,341,957
Less Accumulated Depreciation for:				
Leasehold Improvement	(89,983)	(16,515)		(106,498)
Machinery and Equipment	(43,570)	(16,110)		(59,680)
Vehicle	(59,607)	(19,056)		(78,663)
Building	(131,145)	(133,750)		(264,895)
Total Accumulated Depreciation	(324,305)	(185,431)		(509,736)
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	2,143,707	1,688,514		3,832,221
Governmental Activities Capital Assets, Net	\$ 2,562,788	\$ 1,688,514	\$	\$ 4,251,302
				To A-1
Business-type Activities Capital Assets, Net	\$	\$	\$	\$

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 185,431
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CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 6. LONG-TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	\$ 2,467,080	\$ -	\$ 130,945	\$ 2,336,135	\$ 205,653	\$ 2,130,482
Total bonds payable	2,467,080		130,945	2,336,135	205,653	2,130,482
Other Liabilities:						
Compensated absences payable				-		-
Total other liabilities	\$ 2,467,080	\$ -	\$ 130,945	\$ 2,336,135	\$ 205,653	\$ 2,130,482
					To A-1	
Business-Type Activities:						
Compensated absences payable		\$ -		\$ -	\$ -	\$ -

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

DEBT ADMINISTRATION - NJEDA SUBSIDIZED BONDS:

During the prior year under audit, the Charter School purchased the building costing \$1,748,596, of which one portion of the building was rented out to Camden's Promise Charter School for \$500,000 and another area was leased to a Daycare Center for \$3,000 per month, beginning in April 2010. In the 2011-12 school year, part of the building was utilized for educational high school classroom space.

On July 8, 2011, Camden Academy Charter High School issued bonds under an NJEDA interest subsidy program in the amount of \$2,467,080. These bonds are to be treated as Qualified School Construction Bonds in accordance with Section 54F of the Internal Revenue Code of 1986.

Interest is payable at 5.24% interest up to July 1, 2016, at such time when the bonds become callable and at a variable rate for the remainder of the 120 month loan period. In accordance with Section 6431 of the Code, the Charter School, by way of the NJEDA, is to receive Credit/Subsidy payments equal to the lesser of rate specified by the US Treasury or the interest payable on the bonds.

The proceeds of these bonds are to partially fund the construction of renovations to an existing building in the City of Camden, New Jersey, referred to as "The Charter School Network Building", owned by the Camden Academy Charter School, Inc., with Camden's Promise Charter School, Inc. and Camden's Pride Charter School, Inc. as guarantors.

The remaining future payment schedule is as follows:

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Fiscal Year	Principal	Interest	Federal Subsidy	Net Interest
2013	\$ 205,653	\$ 119,167	\$ 119,167	-
2014	216,849	107,972	107,972	-
2015	228,654	96,166	96,166	-
2016	240,878	83,943	83,943	-
2017	254,216	70,605	70,605	-
2018	268,056	56,765	56,765	-
2019	282,649	42,172	42,172	-
2020	297,971	26,849	26,849	-
2021	314,258	10,562	10,562	-
2022	26,951	118	118	-
	<u>\$ 2,336,135</u>	<u>\$ 614,319</u>	<u>\$ 614,319</u>	<u>-</u>

NOTE 7. PENSION PLANS

Description of Plans - All required employees of the Charter School are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The School District is billed annually for its normal contribution plus any accrued liability.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 7. 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:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service, or under the disability provisions of the System. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. 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 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for a 12 month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits (COLA) after 24 months of retirement.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional 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 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 2000, providing excess valuation assets are available. The legislation also provided that the Charter Schools' normal contributions to the Fund might be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced. Chapter 415,

P.L. 1999 provides for a reduction in this rate of 3% for the calendar years 2000 and 2001 and for a contribution rate reduction of up to 2% of compensation in future calendar years if the State Treasurer determines that excess valuation assets will be used to reduce the normal contributions made to the system by the State and local employers in a fiscal year beginning immediately prior to a calendar year. Where a contribution is required from the Board of Education, the board is billed annually for its normal contribution plus any accrued liability. There is no accrued liability for the Public Employees' Retirement System as of June 30, 2003 since the requirements were fully funded by the State of New Jersey.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 7. 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 5.5% 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 Charter School is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ 28,557	100 %	\$ 28,557
6/30/11	26,297	100	26,297
6/30/10	25,672	100	25,672

Trend Information for TPAF (Paid on-behalf of the Charter School)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/12	\$ 231,433	100 %	\$ 0
6/30/11	152,429	100	0
6/30/10	136,002	100	0

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$154,552 to the TPAF for normal benefits and \$76,881 for post-retirement benefits on behalf of the Charter School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Charter School \$190,958 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1991 and 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 and 1994 fiscal years. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Charter School assumed the increased cost for the early retirement as it was affected.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 8. 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 eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical premiums changed from a 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 9. COMPENSATED ABSENCES

The Charter School accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the school district and its employees, is accrued as employees earn the rights to the benefits.

Charter School employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policies. Upon termination, employees are paid for accrued vacation. The Charter School's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee contracts.

In the district wide-Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, there was no liability existed for compensated absences in the governmental activities.

NOTE 10. DEFERRED COMPENSATION

The Board currently offers its employees the Equivest deferred compensation plan created in accordance with Internal Revenue Code Section 403(b).

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 11. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the Reserve method. Under this plan, the Charter School is required to contribute a percentage of wages to the New Jersey Unemployment Trust Fund on a quarterly basis. The following is a summary of Charter School contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Charter School's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance June 30,</u>
2011-2012	\$ 0	\$ 3,551	\$	\$ 25,241
2010-2011	0	30,289	23,273	21,690
2009-2010	0	8,501	4,490	14,674

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 445,287	\$ 4,255
Special Revenue Fund		412,056
Capital Projects Fund		33,231
Trust and Agency Fund	4,255	0
Total	\$ 449,542	\$ 449,542

NOTE 13. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance July 1, 2011	\$929,733
Approved Transfer	0
Ending balance June 30, 2012	<u>\$929,733</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 14. FUND BALANCE APPROPRIATED

General Fund - Of the \$2,142,571 in General Fund balance at June 30, 2012, \$0 is reserved for year-end encumbrances; \$929,733 has been reserved in the capital reserve account; nothing has been appropriated or included as anticipated revenue for the year ending June 30, 2012; and \$1,212,838 is unassigned and undesignated.

NOTE 15. LITIGATION

In the opinion of the administration and legal counsel, the Charter School is not involved as a defendant in any legal proceedings of which the potential losses, if any, would not be material to the financial statements.

NOTE 16. OPERATING LEASES

The Charter School has lease commitments for two copy machines totaling \$1,394.89 per month, which expires at the end of 2013 and space in two school buildings.

Lease of Original Building Space

The Camden Academy Charter High School has leased space in the original building maintained by the Camden's Promise Charter School on a cost-per-pupil basis of \$1,500 for each of the projected slots for its High School students enrolled. The cost for fiscal year 2002-03 was \$337,500 payable in equal installments on December 15, February 15, April 15, and June 15 for 225 students.

The lease commitment for fiscal year 2003-04 was \$450,000 payable in equal installments on December 15, February 15, April 15, and June 15 for 300 student placements.

The lease payments for fiscal years 2005-06 and 2006-2007 were \$600,000, with an increase to \$765,000 for fiscal years 2007-2008, 2008-2009, 2009-2010 and thereafter. Any changes in lease payments for future years are to be determined based upon allocation of the final lease payments of the Camden's Promise Charter School to the CCIA, which will reflect student slots used.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 17. OPERATING LEASES (CONTINUED)

Lease of Building Space - PAC Building

The Camden Academy Charter High School has been subletting space from the Camden's Promise Charter School, Inc, (Middle School) with payments beginning in the 2003-04 school year. The school construction was funded by the Camden County Improvement Authority (CCIA). The primary parties to the lease are the Camden's Promise Charter School (lessor) and the CCIA (lessee), which issued the bonds, partially guaranteed by the County of Camden. The lease payments to be made by Camden Academy Charter High School, Inc. are equal to one half of the amount the debt service payments made by the CCIA to the Bondholders. This lease was recast during May 2009, resulting from the defeasance of \$575,000, which was available as unspent escrow funds in the original CCIA funding.

Revised future minimum contracted lease payments are as follows:

<u>Fiscal</u> <u>Year</u>	<u>Office</u> <u>Equipment</u>	<u>Original</u> <u>Building</u> <u>and Other Costs</u>	<u>PAC</u> <u>Building</u>	<u>Total</u>
2012-13	\$ 8,369	\$ 765,000	\$ 171,500	\$ 944,869
2013-14		765,000	174,125	939,125
2014-15		765,000	173,875	938,875
2015-16		765,000	175,875	940,875
2016-17		765,000	177,500	942,500
2017-18		765,000	178,750	943,750
2018-19		765,000	179,625	944,625
2019-20			177,625	177,625
2020-21			180,375	180,375
2021-22			182,625	182,625
2022-23			196,875	196,875
2023-24			196,875	196,875
2024-25			196,875	196,875
2025-26			196,875	196,875
Total	\$ 8,369	\$ 5,355,000	\$ 2,559,375	\$ 7,922,744

The minimum lease payments to Camden's Promise Charter School, Inc. for per pupil space on the original building, as shown in the above schedule, are subject to change. Therefore, the actual lease payments for the years ended 2012-13 and thereafter may be higher than reflected in this schedule.

BUDGETARY COMPARISON SCHEDULES

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Revenue/ Expenditures</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Tax Levy- Local Share - Charter School Aid:					
City of Camden	\$ 359,191	\$	\$ 359,191	\$ 182,640	\$ (176,551)
Black Horse Pike Regional				9,833	9,833
Borough of Lawnside				21,248	21,248
Merchantville				8,983	8,983
Township of Pennsauken				132,643	132,643
Borough of Woodlynne				3,003	3,003
Total - Local Share Tax Levy	359,191		359,191	358,350	(841)
Local Tax Levy- State Share - Charter School Aid:					
Equalization Aid	5,853,492	(130,945)	5,722,547	5,575,407	(147,140)
Total - Local Levy Budget	6,212,683	(130,945)	6,081,738	5,933,757	(147,981)
Categorical Aids:					
Special Education Aid	160,688		160,688	156,283	(4,405)
Security Aid	167,769		167,769	163,653	(4,116)
Total Categorical Aids	328,457		328,457	319,936	(8,521)
Other State Aid					
On-behalf TPAF Pension Contributions (Non-budgeted)				154,552	154,552
On-behalf TPAF Non-Contributory Insurance (Non-budgeted)				76,881	76,881
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				194,958	194,958
Total - Other State Aid				426,391	426,391
Total State Aid	328,457		328,457	746,327	417,870
Revenue from Other Sources					
Interest on Investments				1,494	1,494
Interest on Capital Reserve					
Rent				137,320	137,320
Miscellaneous - Other				26,863	26,863
Total Revenue from Other Sources				165,677	165,677
TOTAL REVENUES	\$ 6,541,140	\$ (130,945)	\$ 6,410,195	\$ 6,845,761	\$ 435,566
EXPENDITURES:					
CURRENT EXPENSES:					
Instruction:					
Salaries of Teachers - Grades 9-12	\$ 2,182,833	\$ 193,352	\$ 2,376,185	\$ 2,376,185	\$
Other Salaries for Instruction	35,000	(35,000)			
Purchased Professional/Educational Services		194,256	194,256	192,494	1,762
Purchased Professional and Technical Services	110,000	(110,000)			
General Supplies	95,000	14,605	109,605	109,605	
Textbooks	65,000	(48,742)	16,258	15,745	513
Other Objects	15,000	21,104	36,104	36,104	
TOTAL INSTRUCTION EXPENSES	2,502,833	229,575	2,732,408	2,730,133	2,275
Administration:					
Salaries - Administration	310,000	137,884	447,884	436,051	11,833
Salaries - Secretarial/Clerical	118,840	(118,840)			
Other Retirement Benefits	100,000	15,993	115,993	115,993	
Health Benefits	600,000	70,691	670,691	670,234	457
Purchased Professional/Technical Services	90,000	11,696	101,696	91,626	10,070
Supplies and Materials	75,000	(4,276)	70,724	63,269	7,455
Interest on Current Loans	129,255	(129,255)			
Miscellaneous Expense	10,000		10,000	9,854	146
Total Administrative Expenses	1,433,095	(16,107)	1,416,988	1,387,027	29,961

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Support Services - School Administration					
Salaries of Other Professional Staff	\$ 417,440	\$ (72,060)	\$ 345,380	\$ 339,630	\$ 5,750
Other Salaries					
Purchased Professional and Technical Services	230,530	(8,364)	222,166	221,721	445
Other Purchased Services	90,000	32,923	122,923	122,923	
Rental of Land and Buildings	921,298	12,733	934,031	853,749	80,282
Insurance for Property, Liability and Fidelity	71,488	18,455	89,943	89,943	
Supplies & Materials	40,000		40,000	36,263	3,737
Other Objects		5,000	5,000	3,500	1,500
Transportation - Other than to/from School	5,000	705	5,705	5,705	
Energy Costs	100,000	(12,638)	87,362	81,992	5,370
Other Objects		116,126	116,126	116,126	
Miscellaneous Expenditures	5,000	(5,000)			
Total Support Services/School Administration:	<u>1,880,756</u>	<u>87,880</u>	<u>1,968,636</u>	<u>1,871,552</u>	<u>97,084</u>
On-behalf TPAF Pension Contributions (Non-budgeted)				154,552	(154,552)
On-behalf TPAF Non-Contributory Insurance (Non-budgeted)				76,881	(76,881)
Reimbursed TPAF Social Security Contrib. (Non-budgeted)				194,958	(194,958)
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>5,816,684</u>	<u>301,348</u>	<u>6,118,032</u>	<u>6,415,103</u>	<u>(297,071)</u>
Capital Outlay					
Increase in Capital Reserve					
Instructional - Equipment					
Non-Instructional Equipment					
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Serv		1,124,959	1,124,959		1,124,959
Purchase of Land/Improvements	2,099,429	(2,099,429)			
Total Capital Outlay	<u>2,099,429</u>	<u>(974,470)</u>	<u>1,124,959</u>		<u>1,124,959</u>
TOTAL EXPENDITURES	<u>7,916,113</u>	<u>(673,122)</u>	<u>7,242,991</u>	<u>6,415,103</u>	<u>827,888</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	(1,374,973)	542,177	(832,796)	430,658	1,263,454
Other Financing Sources (Uses):					
Transfer to Capital Projects Fund				(47,520)	
Transfer of Interest from Capital Projects Fund				183	183
Excess (Deficiency) of Revenues and Other Financing					
Sources Over (Under) Expenditures					
and Other Financing Uses	(1,374,973)	542,177	(832,796)	383,321	1,263,637
Fund Balances, July 1	1,564,250		1,564,250	1,564,250	
Fund Balances, June 30	\$ 189,277	\$ 542,177	\$ 731,454	\$ 1,947,571	\$ 1,263,637
RECAPITULATION :					
Restricted Fund Balance:					
Capital Reserve				\$ 929,733	
Committed Fund Balance:					
Year-end Encumbrances					
Unassigned Fund Balance:				<u>1,017,838</u>	
TOTAL				<u>\$ 1,947,571</u>	

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
AS OF JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources					
Federal Sources	\$ 481,303	\$ (1,515)	\$ 479,788	\$ 460,440	\$ (19,348)
Total Revenues	<u>481,303</u>	<u>(1,515)</u>	<u>479,788</u>	<u>460,440</u>	<u>(19,348)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	123,235	3,500	126,735	126,735	
Purchased Professional & Technical Services - Other	15,000		15,000	15,000	
Supplies and Materials	50,000	3,750	53,750	53,750	
Total Instruction	<u>188,235</u>	<u>7,250</u>	<u>195,485</u>	<u>195,485</u>	
Support Services					
Salaries	125,000	(13,300)	111,700	111,700	
Personal Services - Employee Benefits	61,974	(1,616)	60,358	41,010	19,348
Purchased Professional & Technical Services - Other	86,094	5,000	91,094	91,094	
Other Purchased Services	20,000	1,151	21,151	21,151	
Total Support Services	<u>293,068</u>	<u>(8,765)</u>	<u>284,303</u>	<u>264,955</u>	<u>19,348</u>
Facilities Acquisition and Construction Services:					
Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>481,303</u>	<u>(1,515)</u>	<u>479,788</u>	<u>460,440</u>	<u>19,348</u>
Other Financing Sources (Uses)					
Total Outflows	<u>481,303</u>	<u>(1,515)</u>	<u>479,788</u>	<u>460,440</u>	<u>19,348</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

		<u>General Fund</u>			<u>Special Revenue Fund</u>
Sources/inflows of resources					
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 6,845,761	[C-2]	\$	460,440
Difference - budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					
State aid payment recognized for budgetary purposes, not recognized for GAAP statements					
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.					
	[B-2]	<u>\$ 6,845,761</u>	[B-2]	\$	<u>460,440</u>
Uses/outflows of resources					
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 6,415,103	[C-2]	\$	460,440
Differences - budget to GAAP					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.					
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.					
Net transfers (outflows) to general fund					
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds					
	[B-2]	<u>\$ 6,415,103</u>	[B-2]	\$	<u>460,440</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SPECIAL REVENUE FUND

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2011)

	<u>NCLB</u>			Totals	
	<u>Title I</u>	<u>Title I</u>	<u>Sub-Total</u>		
	<u>(Chapter I)</u>	<u>Part A</u>	<u>Per</u>	<u>2012</u>	<u>2011</u>
	<u>Part A</u>	<u>Carryover</u>	<u>E-1a</u>		
REVENUES:					
State Sources					
Federal Sources	\$ 329,937	\$ 16,376	\$ 114,127	\$ 460,440	\$ 628,618
Total Revenues	<u>\$ 329,937</u>	<u>\$ 16,376</u>	<u>\$ 114,127</u>	<u>\$ 460,440</u>	<u>\$ 628,618</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 113,500		\$ 13,235	\$ 126,735	\$ 219,496
Purchased Prof. & Technical Services	15,000			15,000	23,565
Other Purchased Services					8,404
Supplies and Materials	53,750			53,750	43,184
Total Instruction	<u>182,250</u>		<u>13,235</u>	<u>195,485</u>	<u>294,649</u>
Support Services:					
Salaries	111,700			111,700	86,000
Personal Services-Employee Benefits	21,987	16,376	2,647	41,010	45,544
Purchased Prof. & Technical Services	5,000		86,094	91,094	89,536
Other Purchased Services	9,000		12,151	21,151	45,089
Supplies and Materials					17,800
Total Support Services	<u>147,687</u>	<u>16,376</u>	<u>100,892</u>	<u>264,955</u>	<u>283,969</u>
Facilities Acquisitions & Const Serv:					
Total Facilities Acquisition & Construction Services					<u>50,000</u>
Total Expenditures	<u>\$ 329,937</u>	<u>\$ 16,376</u>	<u>\$ 114,127</u>	<u>\$ 460,440</u>	<u>\$ 628,618</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>I.D.E.A. B-Basic</u>	<u>Title II Part A</u>	<u>Totals 2012</u>
REVENUES:			
State Sources			
Federal Sources	\$ 101,976	\$ 12,151	\$ 114,127
Total Revenues	<u>\$ 101,976</u>	<u>\$ 12,151</u>	<u>\$ 114,127</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 13,235		\$ 13,235
Total Instruction	<u>13,235</u>		<u>13,235</u>
Support Services:			
Personal Services-Employee Benefits	2,647		2,647
Purchased Prof. Technical Services	86,094		86,094
Other Purchased Services		12,151	12,151
Total Support Services	<u>88,741</u>	<u>12,151</u>	<u>100,892</u>
Facilities Acquisitions & Const Serv:			
Property			
Total Facilities Acquisition & Construction Services			
Total Expenditures	<u>\$ 101,976</u>	<u>\$ 12,151</u>	<u>\$ 114,127</u>

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EXHIBIT F-1

CAMDEN'S ACADEMY CHARTER HIGH SCHOOL, INC.
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Improvements to Building	7/8/11	\$ 2,514,600	\$	\$ 1,977,435	\$ 537,165
		<u>\$ 2,514,600</u>	<u>\$</u>	<u>\$ 1,977,435</u>	<u>\$ 537,165</u>
Encumbrances					\$ 270,735
Escrow Funds					90,000
Unencumbered Balance					176,430
					<u>\$ 537,165</u>

CAMDEN'S ACADEMY CHARTER HIGH SCHOOL, INC.
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources	
Proceeds from Bond Sale	\$ 2,467,080
Transfer from the General Fund	47,520
Interest	183
Interest Reimbursement	116,126
	<hr/>
Total Revenues	2,630,909
	<hr/>
Expenditures and Other Financing Uses	
Professional Technical Services	1,146
Bond Issue Costs	103,490
Construction Services	1,872,799
	<hr/>
Total Expenditures	1,977,435
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	653,474
	<hr/>
Other Financing Sources and Uses:	
Transfer of Interest Earned to General Fund	(183)
Reimbursable Interest on Bonds	(116,126)
	<hr/>
	(116,309)
	<hr/>
Fund Balance - Beginning	-
	<hr/>
Fund Balance - Ending	\$ 537,165
	<hr/> <hr/>

PROPRIETARY FUND

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 district'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.

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)

	<u>2012</u>	<u>2011</u>
ASSETS:		
Current Assets:		
Cash	\$ 64,112	\$ 44,255
Accounts Receivable:		
State	105	174
Federal	8,167	9,342
Other	6,811	
Total Current Assets	<u>\$ 79,195</u>	<u>\$ 53,771</u>
LIABILITIES AND FUND EQUITY:		
Current Liabilities:		
Intergovernmental Payable	\$ 57,746	\$ 52,133
Total Current Liabilities	<u>57,746</u>	<u>52,133</u>
Fund Equity:		
Reserved for Capital Improvements		
Unreserved Retained Earnings	21,449	1,638
Total Fund Equity	<u>21,449</u>	<u>1,638</u>
Total Liabilities and Fund Equity	<u>\$ 79,195</u>	<u>\$ 53,771</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2012

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:	\$ 26,749	\$ 12,594
Total Operating Revenue	<u>26,749</u>	<u>12,594</u>
OPERATING EXPENSES:		
Satellite Food Service Operation Cost	177,616	202,779
Other Costs	131	65
Total Operating Expenses	<u>177,747</u>	<u>202,844</u>
Operating Loss	<u>(150,998)</u>	<u>(190,250)</u>
Non-Operating Revenues:		
State Sources:		
State School Lunch Program	2,966	3,021
Federal Sources:		
School Breakfast Program	21,137	13,924
National School Lunch Program	137,353	152,396
National School Snack Program	9,304	9,388
Interest	49	62
Total Non-Operating Revenues	<u>170,809</u>	<u>178,791</u>
Net Income before Operating Transfers	19,811	(11,459)
Other Financing Sources (Uses):		
Net Income	<u>19,811</u>	<u>(11,459)</u>
Net Assets - July 1	<u>1,638</u>	<u>13,097</u>
Net Assets - June 30	<u>\$ 21,449</u>	<u>\$ 1,638</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ (150,998)	\$ (190,250)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Change in Assets and Liabilities:		
Decrease/(Increase) in Accounts Receivable	(6,811)	
Decrease/(Increase) in Intergovernmental Accounts Receivable	1,244	4,496
(Decrease)/Increase in Intergovernmental Accounts Payable	5,613	19,553
Net Cash Used by Operating Activities	<u>(150,952)</u>	<u>(166,201)</u>
Cash Flows from Non-capital Financing Activities		
Cash Received from General Fund Reimbursements		
Cash Received from State and Federal Reimbursements	170,760	178,729
Net Cash Provided by Non-capital Financing Activities	<u>170,760</u>	<u>178,729</u>
Cash Flows from Capital and Related Financing Activities		
Contributed Capital - New Facility		
Net Cash Provided (Used) for Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Interest Earned	49	62
Net Cash Provided (Used) by Investment Interest Activities	<u>49</u>	<u>62</u>
Net Increase (Decrease) in Cash	19,857	12,590
Cash and Cash Equivalents, July 1	44,255	31,665
Cash and Cash Equivalents, June 30	<u>\$ 64,112</u>	<u>\$ 44,255</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

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

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)

	<u>Expendable</u>		<u>Agency</u>		<u>Total</u>	
	<u>Unemployment</u>	<u>Student</u>	<u>Payroll</u>	<u>2012</u>	<u>2011</u>	
	<u>Trust</u>	<u>Activity</u>				
ASSETS:						
Cash and Cash Equivalents	\$ 25,241	\$ 28,041	\$ 9,559	\$ 62,841	\$ 38,719	
Due from General Fund		4,037	218	4,255	4,255	
Total Assets	<u>\$ 25,241</u>	<u>\$ 32,078</u>	<u>\$ 9,777</u>	<u>\$ 67,096</u>	<u>\$ 42,974</u>	
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$	\$ 639	\$	\$ 639	\$ 2,290	
Due to Student Groups		31,439		31,439	18,994	
Payroll Deductions and Withholding			9,777	9,777		
Total Liabilities		<u>32,078</u>	<u>9,777</u>	<u>41,855</u>	<u>21,284</u>	
Fund Balances:						
Unreserved for Unemployment Claims	25,241			25,241	21,690	
Total Liabilities and Fund Balances	<u>\$ 25,241</u>	<u>\$ 32,078</u>	<u>\$ 9,777</u>	<u>\$ 67,096</u>	<u>\$ 42,974</u>	

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)

	<u>2012</u>	<u>2011</u>
REVENUES:		
Local Sources:		
Deposits	\$ 3,527	\$ 30,280
Interest	24	9
Total Revenue	<u>3,551</u>	<u>30,289</u>
EXPENDITURES:		
Current Expense:		
Undistributed Expenditures - Unemployment Benefits		23,273
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,551</u>	<u>7,016</u>
Fund Balance, July 1	<u>21,690</u>	<u>14,674</u>
Fund balance, June 30	<u>\$ 25,241</u>	<u>\$ 21,690</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
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	Accounts Payable June 30, 2012	Balance June 30, 2012
Student Activity Fund	\$ 18,994	\$ 67,482	\$ 54,398	\$ 639	\$ 31,439

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ (218)	\$ 2,333,850	\$ 2,324,073	\$ 9,559
Due from Current Fund	218			218
Total Assets	<u>\$ -</u>	<u>\$ 2,333,850</u>	<u>\$ 2,324,073</u>	<u>\$ 9,777</u>
LIABILITIES AND RESERVES:				
Due to Current Fund	\$	\$	\$	\$
Payroll Deductions and Withholdings		2,333,850	2,324,073	9,777
Total Liabilities	<u>-</u>	<u>2,333,850</u>	<u>2,324,073</u>	<u>9,777</u>
Total Liabilities and Reserves	<u>\$ -</u>	<u>\$ 2,333,850</u>	<u>\$ 2,324,073</u>	<u>\$ 9,777</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2012</u>
Construction of Renovations to an existing building referred to as The Charter School Network Building	7/8/11	\$2,467,080	2012 - 13	\$ 205,653	Subsidized \$				
			2013 - 14	216,849					
			2014 - 15	228,654					
			2015 - 16	240,878					
			2016 - 17	254,216					
			2016 - 17	268,056					
			2017 - 18	282,649					
			2018 - 19	297,971					
			2019 - 20	314,258					
			2021 - 22	26,951					
						<u>\$ 2,467,080</u>	<u>\$ 130,945</u>	<u>\$ 2,336,135</u>	

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

Debt Service Fund

Budgetary Comparison Schedule
for the Fiscal Year ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy- State Share	\$	\$ 130,945	\$ 130,945	\$ 130,945	\$
Total Revenues - Local Sources		130,945	130,945	130,945	
EXPENDITURES					
Regular Debt Service:					
Redemption of Principal		130,945	130,945	130,945	
Total Regular Debt Service		130,945	130,945	130,945	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balances, July 1					
Fund Balances, June 30	\$	\$	\$	\$	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$	\$	\$	\$	\$

STATISTICAL SECTION

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$ 429,505	\$ 437,837	\$ 449,355	\$ 489,933	\$ 463,414	\$ 435,732	\$ 2,134,100	\$ 2,562,788	\$ 1,915,167
Capital Reserve	337,459				8,739	8,870	22,009	929,733	929,733
Restricted								450,735	537,165
Unrestricted		309,938	455,786	364,960	380,154	1,335,169	1,142,474	205,433	1,120,822
Total Governmental Activities Net assets	\$ 766,964	\$ 747,775	\$ 905,141	\$ 854,893	\$ 852,307	\$ 1,779,771	\$ 3,298,583	\$ 4,148,689	\$ 4,502,887
Business-Type Activities									
Invested in Capital Assets, Net of Related Debt	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unrestricted	77,936	59,675	69,553	66,207	62,790	2,565	13,097	1,638	21,449
Total Business-Type Activities Net Assets	\$ 77,936	\$ 59,675	\$ 69,553	\$ 66,207	\$ 62,790	\$ 2,565	\$ 13,097	\$ 1,638	\$ 21,449
District-Wide									
Invested in Capital Assets, Net of Related Debt	\$ 429,505	\$ 437,837	\$ 449,355	\$ 489,933	\$ 463,414	\$ 435,732	\$ 2,134,100	\$ 2,562,788	\$ 1,915,167
Capital Reserve	337,459				8,739	8,870	22,009	929,733	929,733
Restricted								450,735	537,165
Unrestricted	77,936	369,613	525,339	431,167	442,944	1,337,734	1,155,571	207,071	1,142,271
Total District-Wide Net Assets	\$ 844,900	\$ 807,450	\$ 974,694	\$ 921,100	\$ 915,097	\$ 1,782,336	\$ 3,311,680	\$ 4,150,327	\$ 4,524,336

Source: CAFR Schedule A-1

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental Activities									
Instruction									
Regular	\$ 1,198,858	\$ 1,865,633	\$ 1,774,862	\$ 2,065,828	\$ 2,004,557	\$ 2,380,732	\$ 2,545,687	\$ 2,837,182	\$ 2,925,618
Support Services									
Administrative	836,916	1,062,765	1,255,833	1,291,338	1,330,128	1,240,803	1,672,382	1,696,189	1,387,027
Support	1,130,290	1,431,693	1,469,385	1,893,968	1,938,616	1,697,923	1,980,987	1,962,055	2,431,953
Capital Outlay		60,845							
Facilities Acquisition and Construction Services		79,881							
Unallocated Depreciation and Amortization	3,208	12,630	20,144	26,975	31,426	31,428	77,035	128,500	197,387
Total Governmental Activities Expenses	3,169,272	4,513,447	4,520,224	5,278,109	5,304,727	5,350,886	6,276,091	6,623,926	6,941,985
Business-Type Activities									
Food Service	88,504	78,886	77,493	107,509	122,085	160,427	173,075	202,844	177,747
Total Business-Type Activities Expense	88,504	78,886	77,493	107,509	122,085	160,427	173,075	177,747	177,747
Total District Expenses	\$ 3,257,776	\$ 4,592,333	\$ 4,597,717	\$ 5,385,618	\$ 5,426,812	\$ 5,511,313	\$ 6,449,166	\$ 6,801,673	\$ 7,119,732
Program Revenues									
Governmental Activities									
Charges for Services									
Operating Grants and Contributions	433,983	493,155	543,085	821,945	416,695	573,384	1,080,153	915,905	886,831
Total Governmental Activities Program Revenues	433,983	493,155	543,085	821,945	416,695	573,384	1,080,153	886,831	886,831
Business-Type Activities									
Charges for Services									
Food Service	3,268	4,365	5,743	8,947	8,074	12,449	13,981	12,594	26,749
Operating Grants and Contributions	63,838	55,972	81,051	94,218	109,510	147,460	169,578	178,729	178,729
Total Business-Type Activities Program Revenues	67,106	60,337	86,794	103,165	117,584	159,909	183,559	205,478	205,478
Total District Program Revenues	\$ 501,089	\$ 553,492	\$ 629,879	\$ 925,110	\$ 534,279	\$ 733,293	\$ 1,263,712	\$ 1,092,309	\$ 1,092,309
Net (Expense)/Revenue									
Governmental Activities	\$ (2,735,289)	\$ (4,020,292)	\$ (3,977,139)	\$ (4,456,164)	\$ (4,888,032)	\$ (4,777,502)	\$ (5,195,938)	\$ (5,708,021)	\$ (5,737,095)
Business-Type Activities	(21,398)	(18,549)	9,301	(4,344)	(4,501)	(518)	10,484	(11,521)	27,731
Total District-Wide Net Expense	\$ (2,756,687)	\$ (4,038,841)	\$ (3,967,838)	\$ (4,460,508)	\$ (4,892,533)	\$ (4,778,020)	\$ (5,185,454)	\$ (5,709,364)	\$ (5,709,364)
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Property Taxes Levied for General Purposes, Net	275,080	316,956	532,728	602,515	700,975	257,545	310,019	310,019	5,933,757
Unrestricted Grants and Contributions	3,114,992	3,663,376	3,544,207	3,789,988	4,089,753	5,438,914	5,861,811	5,861,811	319,936
Investment Earnings			17,124	20,213		1,674	1,747	1,747	1,494
Miscellaneous Income	381	20,771	40,446	(6,800)	59,670	6,833	541,173	541,173	164,366
Transfers	(25,000)								
Total Governmental Activities	3,365,453	4,001,103	4,134,505	4,405,916	4,850,398	5,704,966	6,714,750	6,714,750	6,419,553
Business-Type Activities									
Miscellaneous Income									
Investment Earnings		288	577	998	1,084	293	48	62	49
Transfer	25,000					(60,000)			
Total Business-Type Activities	25,000	288	577	998	1,084	(59,707)	48	62	49
Total District-Wide	\$ 3,390,453	\$ 4,001,391	\$ 4,135,082	\$ 4,406,914	\$ 4,851,482	\$ 5,645,259	\$ 6,714,798	\$ 6,714,812	\$ 6,419,602
Change in Net Assets									
Governmental Activities	\$ 630,164	\$ (19,189)	\$ 157,366	\$ (50,248)	\$ (37,634)	\$ 927,464	\$ 1,518,812	\$ 850,106	\$ 977,655
Business-Type Activities	3,602	(18,261)	9,878	(3,346)	(3,417)	(60,225)	10,532	(11,459)	27,793
Total District-Wide	\$ 633,766	\$ (37,450)	\$ 167,244	\$ (53,594)	\$ (41,051)	\$ 867,239	\$ 1,529,344	\$ 1,005,448	\$ 1,005,448

Source: CAFR Schedule A-2

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FUND BALANCES-GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ 93,150	\$ 101,163	\$ 65,946	\$	\$ 8,739	\$ 8,870	\$ 880,034	\$ 1,380,468	\$ 929,733
Unreserved	212,170	195,791	395,202	371,929	353,682	1,310,304	261,191	183,782	1,017,838
Total General Fund	\$ 305,320	\$ 296,954	\$ 461,148	\$ 371,929	\$ 362,421	\$ 1,319,174	\$ 1,141,225	\$ 1,564,250	\$ 1,947,571
All Other Governmental Funds									
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:									
Special Revenue Fund									
Capital Projects Fund									176,430
Total All Other Governmental Funds	\$	\$	\$	\$	\$	\$	\$	\$	\$ 176,430

Source: CAFR Schedule B-1

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
FIRST TEN FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Tax Levy	\$ 195,719	\$ 275,080	\$ 316,956	\$ 532,728	\$ 602,515	\$ 700,975	\$ 264,312	\$ 310,019	\$ 6,057,426	\$ 5,933,757
Categorical Aid								5,861,811	321,753	319,936
Miscellaneous	3,167	381	20,771	57,570	13,413	59,670	5,270	542,920	153,882	165,677
State Sources	204,739	3,165,408	3,750,336	3,685,099	4,062,920	4,089,753	5,584,708	329,735	337,287	426,391
Federal Sources	1,947,761	383,567	406,195	402,193	549,013	416,695	415,457	750,418	628,618	460,440
Total Revenues	<u>2,351,386</u>	<u>3,824,436</u>	<u>4,494,258</u>	<u>4,677,590</u>	<u>5,227,861</u>	<u>5,267,093</u>	<u>6,269,747</u>	<u>7,794,903</u>	<u>7,498,966</u>	<u>7,306,201</u>
Expenditures										
Instruction										
Regular Instruction	944,640	1,198,858	1,865,633	1,774,862	2,065,828	2,004,557	2,380,732	2,545,687	2,837,182	2,925,618
Support Services										
Administration	620,641	836,916	1,062,765	1,255,833	1,263,745	1,330,128	1,125,942	1,672,382	1,696,189	1,387,027
Support	684,488	1,130,290	1,413,748	1,452,282	1,921,561	1,938,616	1,806,913	1,980,987	1,962,055	2,562,898
Capital Outlay										
Facilities Acquisition and Construction	17,106	14,939	80,597	30,419	65,946	3,300	2,139	1,773,796	555,581	1,977,435
Total Expenditures	<u>2,266,875</u>	<u>3,615,368</u>	<u>4,502,624</u>	<u>4,513,396</u>	<u>5,317,080</u>	<u>5,276,601</u>	<u>5,315,726</u>	<u>7,972,852</u>	<u>7,051,007</u>	<u>8,852,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	84,511	209,068	(8,366)		(89,219)	(9,508)	954,021	(177,949)	447,959	447,959
Other Financing Sources (Uses)										
Prior Year Revenue Adjustment										
Transfers	(45,474)	(25,000)							(24,934)	#REF!
Total Other Financing Sources (Uses)	<u>(45,474)</u>	<u>(25,000)</u>							<u>(24,934)</u>	<u>#REF!</u>
Net Change in Fund Balances	<u>\$ 39,037</u>	<u>\$ 184,068</u>	<u>\$ (8,366)</u>	<u>#VALUE!</u>	<u>\$ (89,219)</u>	<u>\$ (9,508)</u>	<u>\$ 954,021</u>	<u>\$ (177,949)</u>	<u>\$ 423,025</u>	<u>\$ #REF!</u>
Debt Service as a Percentage of Noncapital Expenditures										
	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

Source: CAFR Schedule B-2

EXHIBIT J-5

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST NINE FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rent</u>	<u>Teacher</u> <u>Mentoring</u>	<u>Prior Year</u> <u>Tuition</u>	<u>Refund of</u> <u>Prior Year</u> <u>Expenditure</u>	<u>Prior</u> <u>Year P.O.</u> <u>Adjustment</u>	<u>Misc.</u>	<u>Total</u>
2012	\$ 1,494	\$ 137,320				\$ 26	\$ 26,863	\$ 165,703
2011	1,418	136,000				12,338	4,126	153,882
2010	1,747	514,717					26,456	542,920
2009	1,674						3,596	5,270
2008	6,863					3,721	49,086	59,670
2007	20,213					(6,800)		13,413
2006	17,124	9,481	1,755	2,000	9,481	9,993	17,217	67,051
2005	8,813				11,958			20,771
2004	381							381

Source: District Records

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
DEMOGRAPHIC AND ECONOMIC STATISTICS**
LAST TEN FISCAL YEARS

Year	Population ^a	Personal Income (Thousands of Dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	77,278	\$ 3,365,272,264	\$ 43,548	19.8%
2011	77,283	3,315,753,696	42,904	19.6%
2010	77,335	3,268,950,450	42,270	18.6%
2009	78,790	3,262,378,740	41,406	17.8%
2008	79,519	3,339,161,848	41,992	11.8%
2007	79,263	3,191,128,380	40,260	9.6%
2006	79,201	3,062,781,871	38,671	10.7%
2005	79,611	2,889,799,689	36,299	10.1%
2004	79,498	2,778,852,590	34,955	15.2%
2003	79,774	2,694,127,528	33,772	16.9%

** The above demographics reflect the entire City of Camden population.

The students of Camden Academy Charter High School represent approximately 15% of the total number of students within the City of Camden.

* Estimate

Source:

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

^b Personal income

^c Per Capita (County information vs. municipality information)

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular	17	30	40	40	38	37	46	51	44	42
Special education	2	3	4	5	4	4	4	6	6	6
Other special education										
Vocational										
Other instruction										
Support Services:										
Student & instruction related services	2	2	3	3	3	3	3	4	2	2
General administrative services	1	1	1	2	2	2	2	3	3	3
School administrative services									2	2
Business administrative services									1	1
Plant operations and maintenance									1	1
Pupil transportation							3	3		
Food Service										
Total	22	36	48	50	47	46	58	67	59	57

Source: District Personnel Records

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) ^c</u>	<u>Average Daily Attendance (ADA) ^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	404	9 : 1	408.2	384.53	-0.24%	94.20%
2011	418	9 : 1	409.2	376.46	0.42%	92.00%
2010	408	9 : 1	407.5	375.36	3.64%	92.11%
2009	388	8 : 1	393.2	365.70	-0.35%	93.01%
2008	399	9 : 1	394.6	371.00	-0.88%	94.02%
2007	397	8 : 1	398.1	370.90	1.45%	93.17%
2006	388	9 : 1	392.4	365.20	1.90%	93.07%
2005	426	9 : 1	385.1	358.50	33.16%	93.09%
2004	295	8 : 1	289.2	273.70	32.05%	94.64%
2003	229	11 : 1	219.0	212.00	82.50%	96.80%

Sources: District records, ASSA and Schedule J-14

Note: Enrollment based on annual October district count.

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>District Building</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Elementary</u>	N/A									
Square Feet										
Capacity (students)										
Enrollment										
Square Feet										
Capacity (students)										
Enrollment										
<u>Middle</u>	N/A									
Square Feet										
Capacity (students)										
Enrollment										
<u>High</u>										
Camden Academy Charter High School, Inc.										
Square Feet	68,305	68,305	68,305	68,305	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	400	400	400	400	500	500	500	500	500	500
Enrollment	219	276	384	388	397	399	388	408	413	404
<u>Other</u>	N/A									
Administration Building										
Square Feet										
Transportation										
Square Feet										
Maintenance Offices										
Square Feet										
Number of Schools at June 30, 2012										
Elementary =										
Middle School =										
High School = 1										
Other =										

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
	July 1, 2011 - July 1, 2012:		
NJSBAIG	Commercial Policy		
	Property - Blanket Building & Personal Property	\$ 29,782,000	\$ 1,000
	Comprehensive General Liability		
	Products and Completed Operations	6,000,000	1,000
	Personal Advertising Injury	6,000,000	1,000
	Bodily Injury & Property Damage	6,000,000	1,000
	Employee Benefits Liability	6,000,000	1,000
	Comprehensive Automobile Liability	6,000,000	1,000
	Boiler and Machinery	100,000,000	5,000
	Employee Dishonesty Coverage	100,000	1,000
	Inland Marine	253,000	1,000
	Legal Liability	5,000,000	5,000
	Workman's Compensation:		
	Bodily Injury from Accident	2,000,000	
	Bodily Injury from Disease/Aggregate Limit	2,000,000	
	Bodily Injury from Disease/ Each Employee	2,000,000	
	Workman's Compensation Supplemental Policy	Full Salary	
	Surety Bonds		
Ohio Casualty	Treasurer's Bond	475,000	
Insurance Co.	Business Administrator	50,000	
	Asst. Business Administrator	10,000	
Markel Ins. Co.	Compulsory Student Accident	1,000,000	
	Catastrophic Student Accident	2,000,000	
	Catastrophic Cash Benefit - Maximum Benefit	500,000	25,000

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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October 4, 2012

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

The Members of the Board of Trustees
Camden Academy Charter High School, Inc.
County of Camden
Camden, New Jersey 08105

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Camden Academy Charter High School, Inc., in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Camden Academy Charter High School, Inc. in the County of Camden, State of New Jersey basic financial statements and have issued our report thereon dated October 4, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of Camden Academy Charter High School, Inc., in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Camden Academy Charter High School, Inc. Board of Trustees' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Camden Academy Charter High School, Inc. Board of Trustees' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Camden Academy Charter High School, Inc. Board of Trustees' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

We did note certain immaterial instances of deficiencies in internal control over financial reporting that we have reported to the Camden Academy Charter High School, Inc. Board of Trustees' in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 4, 2012.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Camden Academy Charter High School, Inc. Board of Trustees' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We did note certain immaterial instances of noncompliance that we have reported to the Camden Academy Charter High School, Inc. Board of Trustees' in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 4, 2012.

This report is intended solely for the information and use of the audit committee, management, the Camden Academy Charter High School, Inc. Board of Trustees, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA, RMA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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October 4, 2012

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

The Honorable President and
Members of the Board of Education
Camden Academy Charter High School, Inc.
County of Camden
Camden, New Jersey 08105

Compliance

We have audited the Board of Trustees of the Camden Academy Charter High School, Inc., in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Camden Academy Charter High School, Inc. Board of Trustees' major federal and state programs for the fiscal year ended June 30, 2012. The Camden Academy Charter High School, Inc. Board of Trustees major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Camden Academy Charter High School, Inc. Board of Trustees' management. Our responsibility is to express an opinion on the Camden Academy Charter High School, Inc. Board of Trustees compliance based on our audit.

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

In our opinion, the Board of Trustees of the Camden Academy Charter High School, Inc., in the County of Camden, 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 federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

Management of the Board of Trustees of the Camden Academy Charter High School, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Camden Academy Charter High School, Inc. Board of Trustees' internal control over compliance with the requirements that could have a direct and material effect on a major federal and or 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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Camden Academy Charter High School, Inc. Board of Trustees' internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and 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.

This report is intended solely for the information and use of the audit committee, management, the Camden Academy Charter High School, Inc. Board of Trustees, the New Jersey State Department of Education, and other 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. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA, RMA
Licensed Public School Accountant
No. 915

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-Through Grant Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Returned to Grantor	Balance at June 30, 2012				
				From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor		
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
National School Lunch Program	10.555	N/A	\$ 137,353	7/1/11 to 6/30/12				\$ 132,444	\$ (137,353)			\$ (4,909)			
National School Lunch Program	10.555	N/A	152,396	7/1/10 to 6/30/11	\$ (8,089)			8,089							
National School Breakfast Program	10.553	N/A	21,137	7/1/11 to 6/30/12				17,879	(21,137)			(3,258)			
National School Breakfast Program	10.553	N/A	13,924	7/1/10 to 6/30/11	(1,155)			1,155							
National School Snack Program	10.555	N/A	9,304	7/1/11 to 6/30/12				9,304	(9,304)						
National School Snack Program	10.555	N/A	9,388	7/1/10 to 6/30/11	(98)			98							
Total Enterprise Fund:						(9,342)		168,969	(167,794)			(8,167)			
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
IDEA Part B Basic	84.027	IDEA-6212-11	\$98,068	9/1/10 to 8/31/11	(44,208)			44,208							
IDEA Part B Basic	84.027	IDEA-6212-12	101,976	9/1/11 to 8/31/12				28,140	(101,976)			(73,836)			
Title I, Part A	84.010A	NCLB-6212-05	259,777	9/1/04 to 8/31/05	4,810					\$ (4,810)					
Title I, Part A	84.010A	NCLB-6212-11	354,737	9/1/10 to 8/31/11	(140,815)			157,191	(16,376)						
Title I, Part A	84.010A	NCLB-6212-12	349,285	9/1/11 to 8/31/12					(329,937)			(329,937)			
Title II, Part A	84.367A	NCLB-6212-06	20,238	9/1/05 to 8/31/06	1,392					(1,392)					
Title II, Part A C/O	84.367A	NCLB-6212-10	19,617	9/1/09 to 8/31/10	(8,939)							(8,939)			
Title II, Part A	84.367A	NCLB-6212-11	16,810	9/1/10 to 8/31/11	(1,603)			1,603							
Title II, Part A	84.367A	NCLB-6212-12	12,151	9/1/11 to 8/31/12				9,785	(12,151)			(2,366)			
Title II -D C/O	84.318X	NCLB-6212-10	3,819	9/1/09 to 8/31/10	(1,197)			1,197							
ARRA - IDEA	84.391	ARRA-6212-11	116,764	9/1/10 to 8/31/11	(60,040)			60,040							
ARRA - Title I, Part A	84.389A	ARRA-6212-11	215,155	9/1/10 to 8/31/11	(7,229)			7,229							
Total Federal Financial Assistance						(257,829)		309,393	(460,440)	(6,202)		(415,078)			
Total Federal Financial Assistance						\$ (267,171)		\$ 478,362	\$ (628,234)	\$ (6,202)		\$ (423,245)			

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2012		
			From	To	Deferred Revenue (Accts. Rec.)	Due to Grantor					(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor
State Department of Education													
General Fund													
Equalization Aid	11-495-034-5120-078	\$5,709,374	7/1/10	to 6/30/11		\$81,817		\$22,199		(\$104,016)			
Equalization Aid	12-495-034-5120-078	5,575,407	7/1/11	to 6/30/12				5,542,527	(\$5,575,407)	104,016			\$71,136
Special Education Categorical Aid	11-495-034-5120-089	159,502	7/1/10	to 6/30/11			7,426			(7,426)			0
Special Education Categorical Aid	12-495-034-5120-089	156,283	7/1/11	to 6/30/12				155,668	(156,283)	7,426			6,811
Security Aid	12-495-034-5120-084	163,653	7/1/11	to 6/30/12				162,370	(163,653)		(\$1,283)		
On-Behalf TPAF Non-Contrib Ins. Cont.	12-495-034-5095-007	76,881	7/1/11	to 6/30/12				76,881	(76,881)				
On-Behalf TPAF Post Retirement Medical	12-495-034-5095-001	154,552	7/1/11	to 6/30/12				154,552	(154,552)				
Reimbursed TPAF Social Security Contrib.	11-495-034-5095-002	184,858	7/1/10	to 6/30/11	(1,481)			1,481					
Reimbursed TPAF Social Security Contrib.	12-495-034-5095-002	194,958	7/1/11	to 6/30/12				194,958	(194,958)		\$0		
Total General Fund					(1,481)	89,243		6,310,636	(6,321,734)		(1,283)		77,947
Special Project Fund													
Tech-Prep Grant	NOG05 BV10 G06	19,019	7/1/05	to 6/30/06	6,517								\$6,517
					6,517								6,517
Debt Service Fund													
Equalization Aid	12-495-034-5120-078	130,945	7/1/11	to 6/30/12				\$130,945	(\$130,945)				
State Department of Agriculture													
Enterprise Fund - State Share:													
National School Lunch Program	12-100-010-3350-023	2,966	7/1/11	to 6/30/12				2,861	(2,966)		(105)		
National School Lunch Program	11-100-010-3350-023	3,021	7/1/10	to 6/30/11	(174)			174					
					(174)			3,035	(2,966)		(105)		
Total State Financial Assistance					\$4,862	\$89,243		\$6,444,616	(\$6,455,645)		(\$1,388)	\$6,517	\$77,947

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and financial assistance include federal and state ward activity of the Board of Trustees, Camden Academy Charter High School, Inc. 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 schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's 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 (GASB 34).

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

There was no net adjustment to reconcile from the budgetary basis to the GAAP basis for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 6,407,411	\$ 6,407,411
Special Revenue Fund	460,440		460,440
Debt Service Fund		130,945	130,945
Food Service Fund	<u>167,794</u>	<u>2,966</u>	<u>170,760</u>
Total Awards & Financial Assistance	\$ <u>628,234</u>	\$ <u>6,541,322</u>	\$ <u>7,169,556</u>

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

Camden Academy Charter High School had no outstanding loans 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. There was no amount reported as TPAF Pension Contributions paid by the state on behalf of the Charter School for the year ended June 30, 2012. TPAF Social Security Contributions represent 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.

NOTE 7: MAJOR PROGRAMS

Major programs are identified in the Summary Auditor's Results section of the Schedule of Findings and Questioned Costs

NOTE 8: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
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 auditor's report issued: Unqualified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title - I
84.389	ARRA - Title I, Part A

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes _____ no

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

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 X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

12-495-034-5120-078
12-495-034-5120-089
12-495-034-5120-084

Equalization Aid
Special Education Categorical Aid
Security Aid

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section II - Financial Statement Findings

NONE

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: None.

STATE AWARDS

Finding: None.

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

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 Government Auditing Standards, US OMB Circular A-133 (Section .315 (a) (b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

No findings were reported