

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2016

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, 2016

Prepared by

Camden Academy Charter High School Board of Trustees

Finance Department

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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

November 3, 2016

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, 2016, 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 Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 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 2015-2016 fiscal year with an enrollment of 497 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. These initiative was strengthened with the transfer of buildings, along with the related lease commitments, to the Camden Charter School Network, Inc.

As of July 1, 2016, the New Jersey Department of Education approved the consolidation of Academy Charter High School, Inc. into Camden's Promise Charter School that will operate as a K-12 Charter School District.

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, 2016.

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. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report 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



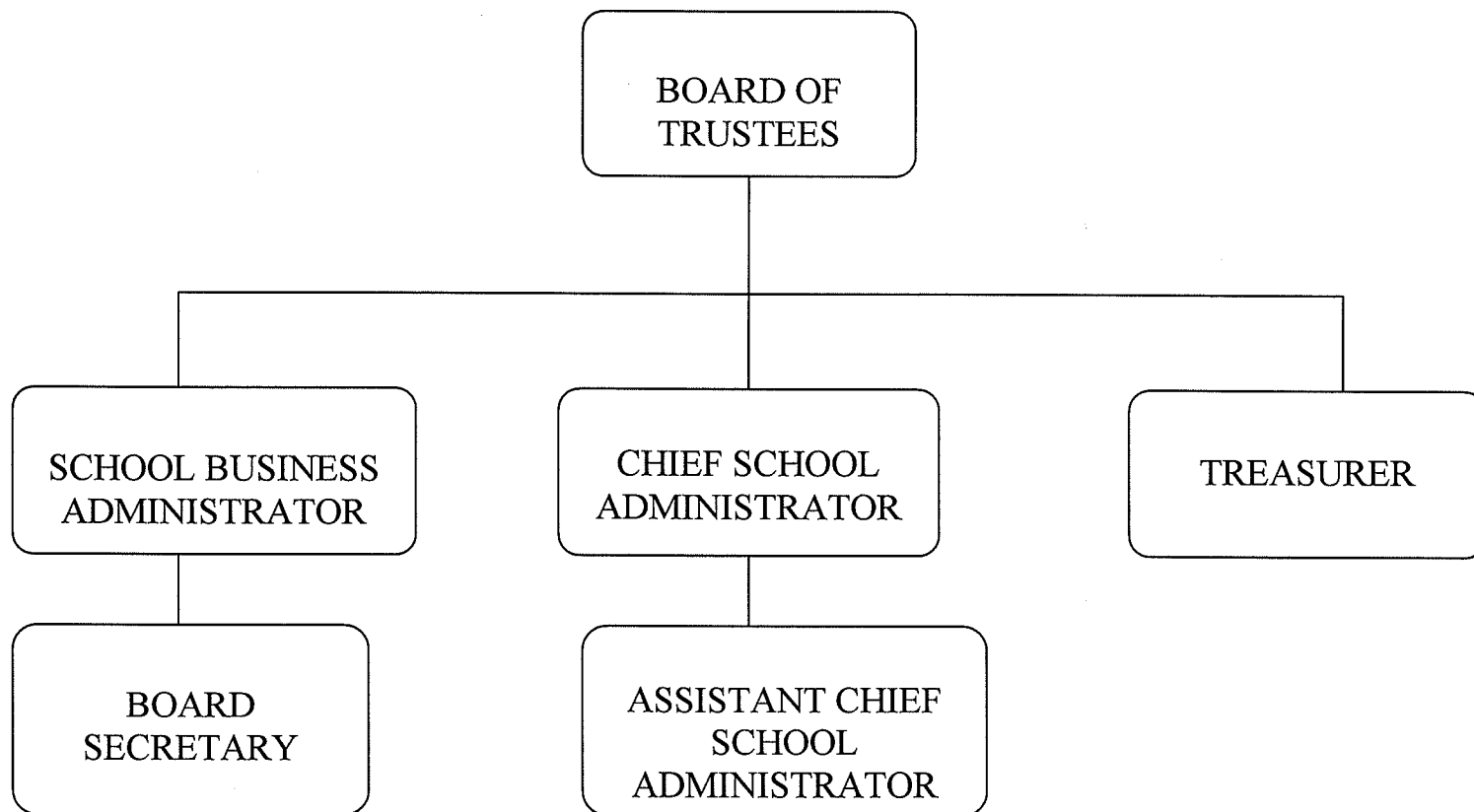
Richelle H. Baughn
Board Secretary

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC

Camden, New Jersey

Camden County

(UNIT CONTROL)



CAMDEN'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.
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Camden, New Jersey 08103

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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November 3, 2016

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 Division of Administration and 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of the Charter School's proportionate share of the net pension liability and schedule of the Charter School's contributions, identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camden Academy Charter High School Board of Trustee's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2016 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.

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, 2016

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, 2016. 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 2016 are as follows:

- ❖ Total revenues of the school were \$10,003,837 of which general revenues accounted for \$8,302,505 or 83.0% 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 \$1,701,332 or 17.0% percent of all Revenues.
- ❖ Total net position of governmental activities decreased by \$1,189,478.
- ❖ The School had \$11,243,441 in total expenses. Only \$1,701,332 of these expenses was offset by program specific charges for services, grants or contributions. General revenues of \$8,302,505 consisted of Federal and State Aid of \$1,167,019, property taxes of \$7,123,659, other revenue of \$11,827, a decrease in prior year receivables of \$31,589 and other transfers of \$23,298, were adequate to provide for the school's programs.
- ❖ The General Fund had \$8,061,485 in revenues, \$9,270,243 in expenditures and other financing uses of \$86,620. The General Fund's balance decreased \$1,122,138 over 2015. This decrease was anticipated by the Board of Trustees, as planned capital outlay expenditures was a priority.

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 Position 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 Position 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 2016?" The Statement of Net Position 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 Position and changes in those assets. This change in Net Position 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 Position 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 Position 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 Position provides the perspective of the School as a whole.

Table 1 provides a comparative summary of the School's Net Position for the years ended in 2016 and 2015.

Table 1
Net Position

	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$ 464,695	\$ 1,683,190
Capital Assets, Net	1,859,612	1,971,109
Total Assets	<u>2,324,307</u>	<u>3,654,299</u>
Deferred Outflows of Resources:	<u>323,059</u>	<u>184,247</u>
Liabilities		
Other Liabilities	1,433,540	1,077,387
Long-term Liabilities	1,444,101	1,684,979
Total Liabilities	<u>2,877,641</u>	<u>2,762,366</u>
Deferred Inflows of Resources:	<u>18,101</u>	<u>53,363</u>
Net Position		
Invested in Capital Assets, Net of Debt	415,511	286,130
Restricted:		
Capital Reserve	929,733	929,733
Capital Projects		141,507
Other Purposes	75,000	75,000
Unrestricted	(1,668,620)	(409,553)
Total Net Position	<u>\$ (248,376)</u>	<u>\$ 1,022,817</u>

Table 2 shows the changes in Net Position from fiscal year's 2016 and 2015.

Programs Revenues		
Charges for Services	\$ 13,542	\$ 11,580
Operating Grants and Contributions	1,687,790	1,890,341
General Revenues		
Property Taxes	7,123,659	7,305,318
Grants and Entitlements	1,167,019	395,866
Other	11,827	20,470
	<hr/>	<hr/>
Total Revenues	10,003,837	9,623,575
	<hr/>	<hr/>
Program Expenses		
Instruction	4,387,436	3,813,325
Support Services		
School Administration	1,893,485	821,643
Support Services	4,369,108	4,772,551
Other	237,858	304,780
Food Service	355,554	217,369
	<hr/>	<hr/>
Total Expenses	11,243,441	9,929,668
	<hr/>	<hr/>
Cancellation of Prior Accounts Receivable	31,589	
Adjustment to Fixed Assets		(3,095,231)
	<hr/>	<hr/>
Decrease in Net Position	\$ (1,271,193)	\$ (3,401,324)
	<hr/> <hr/>	<hr/> <hr/>

Governmental Activities

The School's total revenue for the fiscal year ended June 30, 2016 was \$10,003,837, of which governmental revenues were \$8,302,505. As a Charter School, voter approval for the School operations is not required in New Jersey. Property taxes made up 85.8 % percent of revenues for governmental activities for the Camden Academy Charter High School, Inc. for fiscal year 2016. Federal, state and local grants accounted for another 14.1% and miscellaneous revenue accounted for .01%. The School's total expenses were \$11,243,441, of which the net cost of all governmental programs and services was \$9,436,954. Instruction comprises 40.3% 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 \$105,155. There was also \$142 in interest income.
- ❖ Charges for services represent \$13,542 of revenue. This represents amount paid by patrons for daily food services, which amounts to 5.4% of \$250,399 in total revenue.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$236,857.

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 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Instruction	\$ 4,387,436	\$ 4,281,130	\$ 3,813,325	\$ 3,636,894
Support Services				
School Administrative Services	1,893,485	1,893,485	821,643	359,292
Support Services	4,369,108	3,024,481	4,772,551	3,740,377
Other	237,858	237,858	304,780	304,780
Total Expenses	\$ 10,887,887	\$ 9,436,954	\$ 9,712,299	\$ 8,041,343

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, Special Revenue, Capital Projects and Debt Service Funds presented in the fund-based statements) had total revenues of \$8,828,147 and expenditures of \$10,036,905. The net negative change in fund balance for the year was due to a decrease of \$1,122,138 in the General Fund and a decrease of \$141,507 in the Capital Projects Fund. There was also a transfer to the Food Service Fund in the amount of \$23,298 and a cancellation of prior accounts receivable of \$31,589. As these results indicate, the school demonstrated that it was 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, 2016, 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 2015</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 540,749	6%	\$(18,772)	-4%
State Sources	7,761,614	88%	(19,841)	-0.27%
Federal Sources	525,784	6%	76,614	20%
Total	\$ 8,828,147	100%	\$ 38,001	0.43%

The decrease in Local Sources is attributed to decreases in local tax levy of \$1,098 and revenue from other sources of \$17,674.

The decrease in State Sources is attributed to decreases in the general fund state aid of \$32,065, offset by an increase of \$12,224 in the Debt Service Fund.

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

The following schedule presents a summary of All Governmental Fund expenditures for the fiscal year ended June 30, 2016.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 4,387,436	44%	\$ 574,111	19%
Undistributed expenditures	5,282,230	53%	317,168	7%
Capital Outlay	126,361	1%	51,655	5%
Debt Service Principal	240,878	2%	12,224	6%
Total	\$ 10,036,905	100%	\$ 955,158	11%

The increase in Instruction is attributed to the net increase in teacher's salaries, purchased professional-educational services and other line items differences for a net increase of \$574,111.

The increase in Undistributed Expenditures is attributed to various increases in administrative expenses, employee benefits and other support expenditures.

The increase of \$51,655 in capital outlay expenditures is attributed to \$49,160 in facilities acquisition and construction services, \$18,300 in instruction, offset by a decrease of \$15,805 in capital projects.

The increase of \$12,224 in debt service is attributed to repayment of the School Construction Bonds during the current school year, in accordance with debt service schedules.

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 2016, 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 general fund budget anticipated the use of fund balance in the amount of \$89,520, to balance revenues with expenditures, the actual results for the year show expenditures of \$1,122,138 in excess of revenues.

- ❖ Actual revenues were lower than expected due to less state aid than expected, excluding the on-behalf pension and social security state aid revenue of \$739,479, resulting in a negative variance of \$229,193 per C-1.
- ❖ The actual expenditures were lower than expected, primarily in the area of building rental costs, excluding the on-behalf pension and social security state aid payments of \$739,479, resulting in a favorable variance of \$234,554 per Exhibit C-1.

Capital Assets

At the end of the fiscal year 2016, the School had \$1,859,612 invested in leasehold improvements, furniture and equipment, and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

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

	<u>2016</u>	<u>2015</u>
Leasehold Improvements	\$ 1,476,005	\$ 1,596,305
Vehicle	80,745	113,016
Machinery and Equipment	302,862	261,788
Totals	<u>\$ 1,859,612</u>	<u>\$ 1,971,109</u>

Overall capital assets decreased \$111,497 from fiscal year 2015 to fiscal year 2016. The decrease resulted from expenditures of \$126,361 offset by depreciation expense of \$237,858.

Operating Leases

The Charter School currently has three outstanding building lease agreements, as tenant, with the Camden's Charter School Network Inc. Stipulated in each lease agreement, there is an automatic renewal provision after five years at the end of the 2019-20 School Year. In addition, the Charter School has lease agreements for seven copy machines through the 2019-20 School Year.

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, 2016, is \$1,444,101. This debt will be assumed by Camden's Promise Charter School, as the Camden Academy Charter High School was merged into Camden's Promise Charter School, as of July 1, 2016.

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. These credit/subsidy payments have been partially reduced during the year, due to the sequester policy at the federal level.

The School transferred buildings, along with the associated operating lease commitments, to the Camden Charter School Network, Inc. This transfer settled in February of 2015.

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 in the merged K-12 Charter School District.

As of July 1, 2016, Camden Academy Charter High School was merged into Camden's Promise Charter School, which will operate as a K-12 Charter School District.

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 Positions 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 POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 231,318	\$ 59,986	\$ 291,304
Receivables, Net	157,976	6,629	164,605
Due from Other Funds	8,786		8,786
Capital Assets, Net (Note 4):	1,859,612		1,859,612
Total Assets	<u>2,257,692</u>	<u>66,615</u>	<u>2,324,307</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflow	323,059		323,059
LIABILITIES			
Accounts Payable	211,091	2,880	213,971
Accrued Interest on Bonds	5,884		5,884
Due to Other Governments	24,727	54,008	78,735
Unearned Revenue	9,119		9,119
Net Pension Liability	1,125,831		1,125,831
Non-current Liabilities (Note 6):			
Due Within One Year	254,216		254,216
Due Beyond One Year	1,189,885		1,189,885
Total Liabilities	<u>2,820,753</u>	<u>56,888</u>	<u>2,877,641</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflow	18,101		18,101
NET POSITION			
Invested in Capital Assets, Net of Related Debt	415,511		415,511
Restricted:			
Capital Reserve	78,143		78,143
Other Purposes	75,000		75,000
Unrestricted (Deficit)	(826,757)	9,727	(817,030)
Total Net Position	<u>\$ (258,103)</u>	<u>\$ 9,727</u>	<u>\$ (248,376)</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, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</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	\$ 4,387,436	\$ -	\$ 106,306	\$ (4,281,130)	\$ -	\$ (4,281,130)
Administration	1,893,485			(1,893,485)		(1,893,485)
Support Services	4,369,108		1,344,627	(3,024,481)		(3,024,481)
Unallocated Depreciation	237,858			(237,858)		(237,858)
Total Governmental Activities	10,887,887		1,450,933	(9,436,954)		(9,436,954)
Business-type Activities:						
Food Service	355,554	13,542	236,857		(105,155)	(105,155)
Total Business-type Activities	355,554	13,542	236,857		(105,155)	(105,155)
Total Primary Government	\$ 11,243,441	\$ 13,542	\$ 1,687,790	\$ (9,436,954)	\$ (105,155)	\$ (9,542,109)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 6,882,781	\$ -	\$ 6,882,781
Taxes Levied for Debt Service				240,878		240,878
Categorical Aid and Other State Aid not Restricted				1,167,019		1,167,019
Investment Earnings				457	142	599
Miscellaneous Income				11,228		11,228
Cancellation of Prior Accounts Receivable				(31,589)		(31,589)
Transfers				(23,298)	23,298	
Total General Revenues and Transfers				8,247,476	23,440	8,270,916
Change in Net Position				(1,189,478)	(81,715)	(1,271,193)
Net Position—Beginning				931,375	91,442	1,022,817
Net Position—Ending (Deficit)				\$ (258,103)	\$ 9,727	\$ (248,376)

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 SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Projects</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 254,616	\$	\$	\$ 254,616
Interfund Receivable	108,300			108,300
Receivables from Local Governments	34,055			34,055
Receivables from State Government	14,720			14,720
Receivables from Federal Government		108,633		108,633
Other Receivable	568			568
	<hr/>			<hr/>
Total Assets	\$ 412,259	\$ 108,633	\$	\$ 520,892
	<hr/>	<hr/>		<hr/>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 211,091	\$	\$	\$ 211,091
Interfund Payable	23,298	99,514		122,812
Payable to State Government	24,727			24,727
Unearned Revenue		9,119		9,119
	<hr/>			<hr/>
Total Liabilities	259,116	108,633		367,749
	<hr/>			<hr/>
Fund Balances:				
Restricted For:				
Capital Reserve	78,143			78,143
Escrow Funds	75,000			75,000
Unassigned				
	<hr/>			<hr/>
Total Fund Balances	153,143			153,143
	<hr/>			<hr/>
Total Liabilities and Fund Balances	\$ 412,259	\$ 108,633	\$	
	<hr/>	<hr/>		

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

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.	(1,444,101)
Long Term Net Pension Liability	(1,125,831)
Deferred Pension Outflows	323,059
Deferred Pension Inflows	(18,101)
Accrued Interest is not due and payable in the current period and are therefore not reported as liabilities in the fund statements.	(5,884)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,733,979 and the accumulated depreciation is \$874,367 Note 4.	1,859,612
	<hr/>
Net Position of Governmental Activities	\$ (258,103)
	<hr/>

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, 2016

	<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	\$ 529,064	\$	\$	\$	\$ 529,064
Local Tax Levy - State Share	6,353,717			240,878	6,594,595
State Categorical Aid	427,540				427,540
Revenue from Other Sources	11,685				11,685
Other State Sources	739,479				739,479
Federal Sources		525,784			525,784
Total Revenues	8,061,485	525,784		240,878	8,828,147
EXPENDITURES					
Instruction	4,281,130	106,306			4,387,436
Administration	1,894,596				1,894,596
Support Services	2,968,156	419,478			3,387,634
Capital Outlay	126,361				126,361
Debt Service Principal				240,878	240,878
Total Expenditures	9,270,243	525,784		240,878	10,036,905
Excess (Deficiency) of Revenues over Expenditures	(1,208,758)				(1,208,758)
Other Financing Sources (Uses):					
Transfers to Food Service	(23,298)				(23,298)
Transfers - Other	141,507		(141,507)		
Cancellation:					
Prior Period Accounts Receivable	(31,589)				(31,589)
Total Other Financing Sources (Uses)	86,620		(141,507)		(54,887)
Net Change in Fund Balances	(1,122,138)		(141,507)		(1,263,645)
Fund Balance—July 1	1,275,281		141,507		1,416,788
Fund Balance—June 30	\$ 153,143	\$	\$	\$	\$ 153,143

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, 2016

Total net change in fund balances - governmental funds (from B-2)	\$ (1,263,645)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due.	
In the governmental funds, interest is charged when payment is due.	1,111
Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.	
	(56,325)
Repayment of bond principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.	
	240,878
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	\$ (237,858)
Capital outlays	126,361
	<hr/>
	(111,497)
Change in Net Position of governmental activities (A-2)	\$ (1,189,478)
	<hr/> <hr/>

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

PROPRIETARY FUNDS

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	<u>Business-type Activities -</u> <u>Enterprise Funds</u>	
	<u>Food</u> <u>Service</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 36,688	\$ 36,688
Accounts Receivable	6,629	6,629
Interfund Receivable	23,298	23,298
Total Current Assets	<u>66,615</u>	<u>66,615</u>
Fixed Assets:		
Equipment		
Accumulated Depreciation		
Total Fixed Assets		
Total Assets	<u>\$ 66,615</u>	<u>\$ 66,615</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,880	\$ 2,880
Intergovernmental Payable	54,008	54,008
Total Current Liabilities	<u>56,888</u>	<u>56,888</u>
NET POSITION		
Unrestricted	<u>9,727</u>	<u>9,727</u>
Total Net Position	<u>\$ 9,727</u>	<u>\$ 9,727</u>

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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities	
	Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 13,542	\$ 13,542
Total Operating Revenue	13,542	13,542
Operating Expenses:		
Cost of Sales	301,356	301,356
Other Costs	54,198	54,198
Total Operating Expenses	355,554	355,554
Operating Income (Loss)	(342,012)	(342,012)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	3,249	3,249
Federal Sources:		
National School Breakfast Program	37,401	37,401
National School Lunch Program	176,564	176,564
National School Snack Program	19,643	19,643
Board Subsidy	23,298	23,298
Interest	142	142
Total Non-operating Revenues (Expenses)	260,297	260,297
Income (Loss) before Contributions & Transfers	(81,715)	(81,715)
Change in Net Position	(81,715)	(81,715)
Total Net Position—Beginning	91,442	91,442
Total Net Position—Ending	\$ 9,727	\$ 9,727

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, 2016

	Business-type Activities Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 13,542	\$ 13,542
Payments to Suppliers	(374,295)	(374,295)
Net Cash Provided by (used for) Operating Activities	(360,753)	(360,753)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	3,640	3,640
Federal Sources	259,021	259,021
Net Cash Provided by (used for) Non-capital Financing Activities	262,661	262,661
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	142	142
Net Cash Provided by (used for) Investing Activities	142	142
Net Increase (Decrease) in Cash and Cash Equivalents	(97,950)	(97,950)
Balances—Beginning of Year	134,638	134,638
Balances—End of Year	\$ 36,688	\$ 36,688
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (Loss)	\$ (342,012)	\$ (342,012)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Decrease/(Increase) in Accounts Receivable		
Decrease/(Increase) in Intergovernmental Accounts Receivable		
(Decrease)/Increase in Accounts Payable	2,880	2,880
(Decrease)/Increase in Intergovernmental Accounts Payable	(21,621)	(21,621)
Total Adjustments	(18,741)	(18,741)
Net Cash Provided by (used for) Operating Activities	\$ (360,753)	\$ (360,753)

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 POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 33,871	\$ 26,025
Total Assets	<u>33,871</u>	<u>26,025</u>
LIABILITIES		
Accounts Payable		2,678
Due to Student Groups		19,753
Payroll Deductions and Withholding		931
Due to General Fund	6,123	2,663
Total Liabilities	<u>6,123</u>	<u>\$ 26,025</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>27,748</u>	

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 POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Interest	\$ 35
Deposits	7,449
Total Additions	<u>7,484</u>
DEDUCTIONS	
Unemployment Claims	20,145
Total Deductions	<u>20,145</u>
Change in Net Position	(12,661)
Net Position—Beginning of the Year	40,409
Net Position—End of the Year	<u>\$ 27,748</u>

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016 was 496, which is 32 students more than in 2014-15. 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, 2016

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 Charter School 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. New Accounting Standards:

The Charter School has adopted the following GASB statements:

- GASB No. 80 - *Blending Requirements for Certain Component Units - an Amendment of GASB No. 14*: The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 80, did not impact the financial statements of the Charter School.
- GASB No. 79 - *Certain External Investment Pools and Pool Participants*: This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 79, did not impact the financial statements of the Charter School.
- GASB Statement No. 78 - *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*: The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 78, did not impact the financial statements of the Charter School.
- GASB No. 77, *Tax Abatement Disclosures*: This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 77, did not impact the financial statements of the Charter School.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. New Accounting Standards (Continued):

The Charter School has adopted the following GASB statements:

- *GASB No. 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments:* The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 76, did not impact the financial statements of the Charter School.
- *GASB No. 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68:* The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 73, did not impact the financial statements of the Charter School.
- *GASB No. 72 - Fair Value Measurement and Application:* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 72, did not impact the financial statements of the Charter School.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. New Accounting Standards (Continued):

Other accounting standards that the Charter School is currently reviewing for applicability and potential impact on the financial statements include:

- *GASB No. 82 - Pensions - an Amendment of GASB No. 67, No. 68 and No. 73:* The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 82 on the Charter School's financial statements.
- *GASB No. 81 - Irrevocable Split-Interest Agreements:* The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 81 on the Charter School's financial statements.
- *GASB No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions:* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 75 on the Charter School's financial statements.
- *GASB No. 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans:* The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 74 on the Charter School's financial statements.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation:

The Charter School basic financial statements consist of Charter School-wide statements, including a statement of Net Position 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 Position 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 Position 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.

C. 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:

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued):

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 has no open capital projects, as of June 30, 2016

Debt Service Fund - The accounting system of the Charter School includes 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.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued):

PROPRIETARY FUND TYPE (CONTINUED)

Enterprise (Food Service) Funds (Continued) -

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:

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued):

FIDUCIARY FUND TYPE (CONTINUED)

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.

D. 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 unearned 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.

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.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting and Measurement Focus (Continued):

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.

E. 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.

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.

F. 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 unearned 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.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Tuition:

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

H. 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, 2016. Inventory in the Food Service Fund at June 30, 2014 and 2016, 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.

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 Position. 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:

<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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

J. Unearned revenue:

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

K. 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.

L. 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.

M. 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".

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Charter School Funding (Continued):

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.

N. Net Position:

Net Position represents the difference between assets and liabilities. Net Position 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 Position is 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 Position is available.

O. 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.

P. 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.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. 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.

R. 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.

S. 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, 2016.

T. 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.

U. 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.

V. 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 Position.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. 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.

X. Bond and Lease Acquisition Costs:

As part of any long-term bond or lease agreement providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. and accordingly, the beginning balance in the Statement of Activities was restated in the prior year to eliminate the prior balance in unamortized debt issue costs.

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%.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Deposits (Continued):

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

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school.

As of June 30, 2016, cash and cash equivalents in the fund financial statements of the Charter School consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	\$ 351,200
	\$ 351,200

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits may not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2016, the Charter School's bank balance of \$832,467 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	582,467
	\$ 832,467

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

New Jersey Cash Management Fund – The New Jersey Cash Management 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 to custodial credit risk as defined above. At June 30, 2016, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 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	\$	\$	\$	\$
Total Capital Assets not being Depreciated				
Leasehold Improvement	1,880,885			1,880,885
Machinery and Equipment	451,456	126,361		577,817
Vehicle	275,277			275,277
Total at Historical Cost	<u>2,607,618</u>	<u>126,361</u>		<u>2,733,979</u>
Less Accumulated Depreciation for:				
Leasehold Improvement	(284,580)	(120,300)		(404,880)
Machinery and Equipment	(189,668)	(85,287)		(274,955)
Vehicle	(162,261)	(32,271)		(194,532)
Total Accumulated Depreciation	<u>(636,509)</u>	<u>(237,858)</u>		<u>(874,367)</u>
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	<u>1,971,109</u>	<u>(111,497)</u>		<u>1,859,612</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,971,109</u>	<u>\$ (111,497)</u>	<u>\$</u>	<u>\$ 1,859,612</u>
				To A-1
Business-type Activities Capital Assets, Net	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Depreciation expense was charged to governmental functions
as follows:

Unallocated	\$ <u>237,858</u>
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CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 5. 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. Upon retirement employees shall be paid by the Charter for the unused sick leave in accordance with the Charter's agreement with the various employee contracts.

There currently is no formal policy concerning payment of accumulated absences. No liability existed for compensated absences in the governmental fund types or the Food Service Fund, at June 30, 2016. There are no employees paid out of the Food Service Fund, as employees are provided and paid by an outside management company, Sodexo Food Management, Inc. Where compensated absences exist, in the District Wide-Statement of Net Position, 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.

NOTE 6. LONG-TERM DEBT

	<u>Beginning</u>			<u>Ending</u>	<u>Amounts</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due within</u>	<u>Long-term</u>
					<u>One Year</u>	<u>Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Deb	\$ 1,684,979		\$ 240,878	\$ 1,444,101	\$ 254,216	\$1,189,885
Total Bonds Payable	1,684,979		240,878	1,444,101	254,216	1,189,885
Other Liabilities:						
Compensated Absences Payable						
Total Other Liabilities	<u>\$ 1,684,979</u>		<u>\$ 240,878</u>	<u>\$ 1,444,101</u>	<u>\$ 254,216</u>	<u>\$1,189,885</u>
					<u>To A-1</u>	

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:

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. Due to Federal budget shortfalls, a portion of the otherwise entitled subsidy will not be reimbursed.

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, was to receive Credit/Subsidy payments equal to the lesser of rate specified by the US Treasury or the interest payable on the bonds, subject to sequester adjustment. Due to a federal budget shortfall, a portion of the subsidy has not been realized, in the amount of \$9,871.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 6. LONG-TERM DEBT (CONTINUED)

DEBT ADMINISTRATION - NJEDA SUBSIDIZED BONDS (CONTINUED):

These bond proceeds 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, subject to actual federal subsidy proceeds is as follows:

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal</u> <u>Subsidy</u>	<u>Net</u> <u>Interest</u>
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>\$ 1,444,101</u>	<u>\$ 207,071</u>	<u>\$ 207,071</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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) (Continued) - For the year ended June 30, 2016, the Charter School recognized pension expense of \$1,057,044 and revenue of \$1,057,044 for support provided by the State.

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 5.5% 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 Charter School is billed annually for its normal contribution plus any accrued liability. The Charter School's contribution, which equals the required contribution, was as follows:

Public Employees Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
2016	\$ 7,300	\$ 33,627	\$ 40,927	\$ N/A	\$ 40,927

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7. PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A.43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 8 to 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS and TPAF:

Tier Definition

- 1 Members enrolled before July 1, 2007
- 2 Members eligible for enrollment on or after July 1, 2007 and before November 2, 2008
- 3 Members eligible for enrollment on or after November 2, 2008 and on or before May 21, 2010
- 4 Members eligible for enrollment after May 21, 2010 and before June 28, 2011
- 5 Members eligible for enrollment on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7. PENSION PLANS (CONTINUED)

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Charter School and all other related non-contributing employers. No normal or accrued liability contribution by the Charter School has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The Charter School was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100% special funding situation with the State of New Jersey.

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

<u>Year</u> <u>Funding</u>		<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>			<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/16	\$	461,056	100	%	\$	N/A
6/30/15		383,160	100			N/A
6/30/14		240,045	100			N/A

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$210,458 to the TPAF for pension contributions and \$250,598 for normal and post-retirement benefits on behalf of the School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Charter School \$278,423 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State Treasurer has the right under the current law to make temporary reductions in 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 Charter School's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Contributions to the pension plan from the Charter School were \$43,118 for the fiscal year ended June 30, 2016. Employee contributions were \$40,153 for the fiscal year ended June 30, 2016.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Teachers' Pension and Annuity Fund - At June 30, 2016, the Charter School was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the Charter School.

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined.

Public Employees' Retirement System - At June 30, 2015, the Charter School reported a liability of \$1,125,831 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Charter School's proportion was .0050152850%, which represents a .0002% increase from the prior year.

For the fiscal year ended June 30, 2016, the Charter School recognized \$103,130 in the government-wide financial statements, for pension expense for PERS.

At June 30, 2016, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 26,858	\$
Changes of assumptions	120,905	
Net difference between projected and actual earnings on pension plan investments		18,101
Changes in proportion and differences between District contributions and proportionate share of contributions	132,178	
Charter contributions subsequent to the measurement date	43,118	
	<hr/>	<hr/>
Total	\$ 323,059	\$ 18,101
	<hr/>	<hr/>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees' Retirement System (Continued) - \$43,118 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	PERS
2017	\$ 44,266
2018	44,266
2019	44,266
2020	44,266
2021	44,266
Thereafter	40,509
Total	\$ 261,840

Collective Balances at June 30, 2014 and 2015 are as follows:

	<u>Actuarial Valuation Date</u>	
	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$ 5,086,138,484	\$ 1,032,618,058
Collective deferred inflows of resources	\$ 478,031,236	\$ 1,726,631,532
Collective net pension liability	\$ 46,170,131,656	\$ 38,849,838,953
Charter's Proportion	0.0050152850%	0.0047825922%

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>TPAF</u>
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Valuation Date	July 1, 2014	July 1, 2014
Interest Rate	7.90%	7.90%
Salary Scale (Based on Age):		
2012-2021	2.15% - 4.40%	Varies based
Thereafter	3.15% - 5.40%	on Experience
Inflation	3.04%	2.50%

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were based on Scale AA. Preretirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Postretirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	PERS		TPAF	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%	5.00%	0.53%
U.S. Treasuries	1.75%	1.64%	1.75%	1.39%
Investment Grade Credit	10.00%	1.79%	13.50%	2.72%
Mortgages	2.10%	1.62%	2.10%	2.54%
High Yield Bonds	2.00%	4.03%	2.00%	4.57%
Inflation-Indexed Bonds	1.50%	3.25%	1.50%	1.30%
Broad US Equities	27.25%	8.52%	27.25%	5.63%
Developed Foreign Equities	12.00%	6.88%	12.00%	6.22%
Emerging Market Equities	6.40%	10.00%	6.40%	8.46%
Private Equity	9.25%	12.41%	9.25%	9.15%
Hedge Funds/Absolute Return	12.00%	4.72%	12.00%	14.57%
Real Estate (Property)	2.00%	6.83%	4.25%	3.97%
Commodities	1.00%	5.32%	1.00%	3.58%
Timber	n/a	n/a	1.00%	4.61%
Farmland	n/a	n/a	1.00%	4.61%
Global Debt ex US	3.50%	-0.40%	n/a	n/a
Real Estate (REITS)	4.25%	5.12%	n/a	n/a
Total	100%		100%	

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Charter School's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund (TPAF) - As indicated above, TPAF has a special funding situation where the State pays 100% of the Charter School's annual required contribution.

Public Employees' Retirement System (PERS) - The following presents the Charter School's proportionate share of the net pension liability at June 30, 2016 calculated using a discount rate of 4.90% for PERS, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.9%)	Current Discount (4.9%)	1% Increase (5.9%)
School's proportionate share of the net pension liability	\$ 1,399,270	\$ 1,125,831	\$ 896,582

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note

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

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 8. POST-RETIREMENT BENEFITS(Continued)

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf. 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 benefits 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 employer paid 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

NOTE 9. DEFERRED COMPENSATION

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

NOTE 10. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the 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 year:

<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>6/30/16 Balance</u>
\$ 20,145	\$ 6,480	\$ 969	\$ 27,748

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11. 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, with a balance of \$929,733, as of June 30, 2016.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 108,300	\$ 23,298
Special Revenue		99,514
Trust and Agency		8,786
Food Service	23,298	
Total	<u>\$ 131,598</u>	<u>\$ 131,598</u>

NOTE 13. FUND BALANCE APPROPRIATED

General Fund - Of the \$153,143 in General Fund balance at June 30, 2015; \$78,143 has been restricted in the capital reserve account \$75,000 is restricted for an Escrow Fund; \$0 has been assigned for Year-end Encumbrances: \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$0 in unassigned and undesignated fund balance of \$71,028.

NOTE 14. 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. Any claims are handled by the Charter School's Insurance Company.

NOTE 15. ESCROW FUND

An Escrow Fund has been established, in the amount of \$75,000, as stipulated by the N.J. Department of Education.

NOTE 16. OPERATING LEASES

Prior to the merger with Camden's Promise Charter School, Camden's Pride Charter School and Knowledge A to Z Academy Charter School, on July 1, 2016, the following lease was in effect:

Lease of Building Space - Payable to Camden's Charter School Network

On February 6, 2015, Serial Bonds were issued by the CCIA on behalf of the Camden's Charter School Network, for the purpose of funding various capital projects, as well as to refund the balance of debt on

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 16. OPERATING LEASES (CONTINUED)

Lease of Building Space - Payable to Camden's Charter School Network (Continued)

buildings transferred from Camden's Academy Charter High School, Camden's Promise Charter School and Camden's Pride Charter School to the Camden's Charter School Network.

As part of the transfer of buildings and related balance of debt, three lease agreements with Camden's Academy Charter High School and Camden's Promise Charter School and one lease agreement with Camden's Pride Charter School went into effect, for the purpose of renting building space from the various properties now owned by Camden's Charter School Network. These lease agreements expired on June 30, 2016.

Effective July 1, 2016, Camden's Academy Charter High School, Camden's Pride Charter School, Camden's Promise Charter School and Knowledge A to Z Academy Charter School were merged into a single Charter School Organization, henceforth to be known as Camden's Promise Charter School. In anticipation of the merger, a new five year lease agreement was entered into on March 14, 2016 between the Camden's Charter School Network, Inc. and Camden's Promise Charter School. The lease agreement commenced July 1, 2016, with an automatic five year renewal provision at the end of the 2020-21 School Year.

The future minimum lease payments associated with this new rental agreement are reflected in Camden's Promise Charter School.

NOTE 17. SUBSEQUENT EVENTS

As of July 1, 2016, the Camden's Pride Charter School, Camden's Academy Charter High School, Camden's Promise Charter School and Knowledge A to Z Academy Charter School were merged into a K-12 District, under the name of Camden's Promise Charter School, as approved by the New Jersey Department of Education on February 3, 2016.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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	\$ 470,173	\$ 58,891	\$ 529,064	\$ 203,713	\$ (325,351)
Black Horse Pike Regional				894	894
Gloucester City				5,327	5,327
Burlington City				8,124	8,124
Township of Pennsauken				261,508	261,508
Cherry Hill Township				16,281	16,281
Haddon Township				12,448	12,448
Winslow Township				20,769	20,769
Total - Local Share Tax Levy	470,173	58,891	529,064	529,064	
Local Tax Levy- State Share - Charter School Aid:					
Equalization Aid	6,499,206	95,389	6,594,595	6,353,717	(240,878)
Total - Local Levy Budget	6,969,379	154,280	7,123,659	6,882,781	(240,878)
Categorical Aids:					
Special Education Aid	292,259	(62,443)	229,816	229,816	
Security Aid	216,696	(18,972)	197,724	197,724	
Total Categorical Aids	508,955	(81,415)	427,540	427,540	
Other State Aid					
On-behalf TPAF Pension Contributions (Non-budgeted)				210,458	210,458
On-behalf TPAF Post Retirement Medical Insurance (Non-budgeted)				250,598	250,598
Reimbursed TPAF Social Security Contributions (Non-budgeted)				278,423	278,423
Total - Other State Aid				739,479	739,479
Total State Aid	508,955	(81,415)	427,540	1,167,019	739,479
Revenue from Other Sources					
Interest on Investments	38,983	(38,983)		457	457
Miscellaneous - Other				11,228	11,228
Total Revenue from Other Sources	38,983	(38,983)		11,685	11,685
TOTAL REVENUES	\$ 7,517,317	\$ 33,882	\$ 7,551,199	\$ 8,061,485	\$ 510,286
EXPENDITURES:					
CURRENT EXPENSES:					
Instruction:					
Salaries of Teachers - Grades 9-12	\$ 2,806,100	\$ 754,257	\$ 3,560,357	\$ 3,560,357	\$
Purchased Professional/Educational Services	200,000	167,048	367,048	363,048	4,000
General Supplies	100,000	130,638	230,638	230,638	
Textbooks	50,000	52,627	102,627	101,758	869
Other Objects	5,000	20,329	25,329	25,329	
Total Instructional Expenses	3,161,100	1,124,899	4,285,999	4,281,130	4,869
Administration:					
Salaries - Administration	354,000	271,772	625,772	625,772	
Salaries - Secretarial/Clerical	167,000	(167,000)			
Health Benefits	1,104,000	(27,811)	1,076,189	1,076,189	
Purchased Professional and Technical Services	125,000	(16,385)	108,615	108,615	
Other Purchased Professional Services	75,000	(75,000)			
Communications/Telephone	25,000	(17,488)	7,512	7,512	
General Supplies	65,000	4,407	69,407	69,407	
Miscellaneous Expenditures	5,000	2,101	7,101	7,101	
Total Administrative Expenses	1,920,000	(25,404)	1,894,596	1,894,596	

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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	\$ 547,100	\$ (20,452)	\$ 526,648	\$ 526,648	
Purchased Professional and Technical Services	150,000	16,860	166,860	163,448	3,412
Other Purchased Services	95,000	32,270	127,270	127,270	
Rental of Land and Buildings	1,434,637	(74,195)	1,360,442	1,134,169	226,273
Insurance for Property, Liability and Fidelity	89,000	4,896	93,896	93,896	
Supplies & Materials	25,000	1,813	26,813	26,813	
Contracted Services (Home/School) - Vendors					
Contracted Services (not Home/School) - Vendors	30,000	(16,851)	13,149	13,149	
Energy Costs	150,000	(60,018)	89,982	89,982	
Miscellaneous Expenditures	5,000	421	5,421	5,421	
Other Retirement Contributions - PERS		47,881	47,881	47,881	
Total Support Services/School Administration:	<u>2,525,737</u>	<u>(67,375)</u>	<u>2,458,362</u>	<u>2,228,677</u>	<u>229,685</u>
On-behalf TPAF Pension Contributions (Non-budgeted)				210,458	(210,458)
On-behalf TPAF Post Retirement Medical Insurance (Non-budgeted)				250,598	(250,598)
Reimbursed TPAF Social Security Contrib. (Non-budgeted)				278,423	(278,423)
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>7,606,837</u>	<u>1,032,120</u>	<u>8,638,957</u>	<u>9,143,882</u>	<u>(504,925)</u>
Capital Outlay					
Instruction		18,300	18,300	18,300	
Facilities Acquisition and Construction Services:					
Buildings Other than Lease Purchase Agreements		108,061	108,061	108,061	
Total Capital Outlay		<u>126,361</u>	<u>126,361</u>	<u>126,361</u>	
TOTAL EXPENDITURES	<u>7,606,837</u>	<u>1,158,481</u>	<u>8,765,318</u>	<u>9,270,243</u>	<u>(504,925)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,520)	(1,124,599)	(1,214,119)	(1,208,758)	5,361
Other Financing Sources (Uses):					
Operating Transfer (Out) and In:					
Transfer to Food Service				(23,298)	(23,298)
Transfer to From Capital Projects Fund				141,507	141,507
Cancellation of Prior Accounts Receivable				(31,589)	(31,589)
Total other Financing Sources				<u>86,620</u>	<u>86,620</u>
Sources Over (Under) Expenditures and Other Financing Uses	(89,520)	(1,124,599)	(1,214,119)	(1,122,138)	91,981
Fund Balances, July 1	1,275,281		1,275,281	1,275,281	
Fund Balances, June 30	\$ <u>1,185,761</u>	\$ <u>(1,124,599)</u>	\$ <u>61,162</u>	\$ <u>153,143</u>	\$ <u>91,981</u>
RECAPITULATION :					
Restricted Fund Balance:					
Capital Reserve				\$ 78,143	
Escrow Fund				75,000	
Unassigned Fund Balance					
TOTAL				<u>\$ 153,143</u>	

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
AS OF JUNE 30, 2016

	<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	\$	\$ 525,784	\$ 525,784	\$ 525,784	\$
Total Revenues		525,784	525,784	525,784	
EXPENDITURES:					
Instruction					
Salaries of Teachers		92,000	92,000	92,000	
Supplies and Materials		14,306	14,306	14,306	
Total Instruction		106,306	106,306	106,306	
Support Services					
Salaries			207,600	207,600	
Personal Services-Employee Benefits		70,005	70,005	70,005	
Purchased Professional & Technical Services - Other		141,873	141,873	141,873	
Total Support Services		211,878	419,478	419,478	
Facilities Acquisition and Construction Services:					
Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures		318,184	525,784	525,784	
Other Financing Sources (Uses)					
Total Outflows		318,184	525,784	525,784	
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PART II

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI - PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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]	\$ 8,061,485	[C-2]	\$ 525,784
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>\$ 8,061,485</u>	[B-2]	<u>\$ 525,784</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 9,270,243	[C-2]	\$ 525,784
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>\$ 9,270,243</u>	[B-2]	<u>\$ 525,784</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

Schedules of Required Supplementary Information Part III

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Public Employee's Retirement System

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.005015%	0.004782%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,125,831	\$ 895,432
District's Covered-Employee Payroll	\$ 570,818	\$ 394,870
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	197.23%	226.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

Schedules of Required Supplementary Information Part III

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System (PERS)

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 43,118	\$ 39,427
Contributions in Relation to the Contractually Required Contribution	(43,118)	(39,427)
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> </u>
District's Covered-Employee Payroll	\$ 570,818	\$ 394,840
Contributions as a Percentage of Covered-Employee Payroll	7.55%	9.99%

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

Schedules of Required Supplementary Information Part III

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Teachers Pension Plan

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.0273903%	0.0264065%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 17,311,841	\$ 14,113,438
District's Covered-Employee Payroll	\$ 3,609,158	\$ 2,987,521
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage Percentage of its covered-employee	479.66%	472.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

Schedules of Required Supplementary Information Part III

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Teachers' Pension and Annuity Fund (TPAF)

The School District was not required to make any contributions towards
TPAF.

Note: This schedule is required by GASB 68 to show information for a 10 year period.
However, information is only currently available for three years.
Additional years will be presented as they become available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PART III

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules**

For the Fiscal Year Ended June 30, 2016

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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, 2016

(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)

	NCLB			Totals	
	Title I -Part A 2015-16	Title II Part A	I.D.E.A. B-Basic	2016	2015
REVENUES:					
Federal Sources	\$ 383,911	\$ 15,936	\$ 125,937	\$ 525,784	\$ 448,868
Total Revenues	\$ 383,911	\$ 15,936	\$ 125,937	\$ 525,784	\$ 448,868
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 92,000	\$	\$	\$ 92,000	\$ 133,660
Supplies and Materials	14,306			14,306	42,469
Total Instruction	106,306			106,306	176,129
Support Services:					
Salaries	207,600			207,600	115,400
Personal Services-Employee Benefits	70,005			70,005	45,662
Purchased Prof. & Technical Services		15,936	125,937	141,873	111,677
Supplies and Materials					
Total Support Services	277,605	15,936	125,937	419,478	272,739
Facilities Acquisitions & Const Serv:					
Total Facilities Acquisition & Construction Services					
Total Expenditures	\$ 383,911	\$ 15,936	\$ 125,937	\$ 525,784	\$ 448,868

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.

CAMDEN'S ACADEMY CHARTER HIGH SCHOOL, INC.
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2016

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Cancelled</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2016</u>
				<u>Prior Years</u>	<u>Current Year</u>	
Improvements to Building	7/8/11	\$ 2,514,600	\$ 141,507	\$ 2,373,093	\$	\$
		<u>\$ 2,514,600</u>	<u>\$ 141,507</u>	<u>\$ 2,373,093</u>	<u>\$</u>	<u>\$</u>
Unencumbered Balance						\$
						<u>\$</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, 2016

Revenues and Other Financing

Sources

Interest \$ _____

Total Revenues _____

Expenditures and Other Financing Uses

Construction Services _____

Total Expenditures _____

Excess (Deficiency) of Revenues Over (Under) Expenditures

Other Financing Sources and Uses:

Transfer to General Fund (141,507)

Net Position - Beginning 141,507

Net Position - Ending \$ _____

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 SCHEDULE OF NET POSITION
AS OF JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	<u>2016</u>	<u>2015</u>
ASSETS:		
Current Assets:		
Cash	\$ 36,688	\$ 134,638
Accounts Receivable:		
State	105	496
Federal	6,524	31,937
Other		
Interfund Receivable	23,298	2,341
Total Assets	<u>\$ 66,615</u>	<u>\$ 169,412</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,880	\$
Intergovernmental Payable	54,008	77,970
Total Liabilities	<u>56,888</u>	<u>77,970</u>
NET POSITION		
Unrestricted	9,727	91,442
Total Net Position	<u>\$ 9,727</u>	<u>\$ 91,442</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2016

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:	\$ 13,542	\$ 11,580
Total Operating Revenue	<u>13,542</u>	<u>11,580</u>
OPERATING EXPENSES:		
Satellite Food Service Operation Cost	301,356	217,048
Other Costs	54,198	321
Total Operating Expenses	<u>355,554</u>	<u>217,369</u>
Operating Loss	<u>(342,012)</u>	<u>(205,789)</u>
Non-Operating Revenues:		
State Sources:		
State School Lunch Program	3,249	3,074
Federal Sources:		
School Breakfast Program	37,401	35,257
National School Lunch Program	176,564	164,950
National School Snack Program	19,643	16,104
Board Subsidy	23,298	20,248
Interest	142	110
Total Non-Operating Revenues	<u>260,297</u>	<u>239,743</u>
Net Income before Operating Transfers	(81,715)	33,954
Other Financing Sources (Uses):		
Prior Year Receivable Adjustment		(8,999)
Net Income	<u>(81,715)</u>	<u>24,955</u>
Net Position - July 1	<u>91,442</u>	<u>66,487</u>
Net Position - June 30	<u>\$ 9,727</u>	<u>\$ 91,442</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 13,542	\$ 11,717
Payments to Suppliers	(374,295)	(220,818)
Net Cash Used by Operating Activities	<u>(360,753)</u>	<u>(209,101)</u>
Cash Flows from Non-capital Financing Activities		
Cash Received from General Fund Reimbursements		17,907
Cash Received from State and Federal Reimbursements	262,661	220,174
Net Cash Provided by Non-capital Financing Activities	<u>262,661</u>	<u>238,081</u>
Cash Flows from Investing Activities		
Interest and Dividends	142	110
Net Cash Provided by Non-capital Financing Activities	<u>142</u>	<u>110</u>
Net Increase (Decrease) in Cash	(97,950)	29,090
Cash and Cash Equivalents, July 1	134,638	105,548
Cash and Cash Equivalents, June 30	<u>\$ 36,688</u>	<u>\$ 134,638</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (342,012)	\$ (205,789)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:		
Depreciation		
Food Distribution		
Changes in Assets and Liabilities:		
Decrease/(Increase) in Accounts Receivable		
Decrease/(Increase) in Interfund Accounts Receivable		
Decrease/(Increase) in Intergovernmental Accounts Receivable		137
(Decrease)/Increase in Accounts Payable	2,880	
(Decrease)/Increase in Intergovernmental Accounts Payable	(21,621)	(3,449)
Total Adjustments	<u>(18,741)</u>	<u>(3,312)</u>
Net Cash Used by Operating Activities	<u>\$ (360,753)</u>	<u>\$ (209,101)</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 POSITION
JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	Expendable	Agency	Total	
	Unemployment	Student	2016	2015
	Trust	Activity	Payroll	
ASSETS:				
Cash and Cash Equivalents	\$ 33,871	\$ 22,431	\$ 3,594	\$ 59,896
Due from Payroll Agency Account				2,568
Total Assets	\$ 33,871	\$ 22,431	\$ 3,594	\$ 59,896
	\$ 33,871	\$ 22,431	\$ 3,594	\$ 59,896
LIABILITIES AND NET POSITION:				
Liabilities:				
Accounts Payable	\$	\$ 2,678	\$	\$ 2,678
Due to Student Groups		19,753		19,753
Payroll Deductions and Withholding			931	931
Due to Unemployment Trust				2,568
Due to General Fund	6,123		2,663	8,786
Total Liabilities	6,123	22,431	3,594	32,148
	6,123	22,431	3,594	32,148
Net Position:				
Held in Trust for Unemployment				
Claims and Other Purposes	27,748			27,748
Total Liabilities and				
Net Position	\$ 33,871	\$ 22,431	\$ 3,594	\$ 59,896
	\$ 33,871	\$ 22,431	\$ 3,594	\$ 59,896

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	<u>2016</u>	<u>2015</u>
REVENUES:		
Local Sources:		
Deposits	\$ 7,449	\$ 14,023
Interest	35	43
	<u>7,484</u>	<u>14,066</u>
Total Revenue	7,484	14,066
EXPENDITURES:		
Current Expense:		
Unemployment Compensation Claims	20,145	7,279
	<u>(12,661)</u>	<u>6,787</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,661)	6,787
Net Position, July 1	40,409	33,622
	<u>40,409</u>	<u>33,622</u>
Net Position, June 30	\$ 27,748	\$ 40,409
	<u><u>27,748</u></u>	<u><u>40,409</u></u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance			Accounts	Balance
	July 1,	Cash	Cash	Payable	June 30,
	2015	Receipts	Disbursements	June 30,	2016
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Student Activity Fund	\$ 21,621	\$ 79,707	\$ 78,897	\$ 2,678	\$ 19,753
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 3,101	\$ 5,853,123	\$ 5,852,630	\$ 3,594
Total Assets	<u>\$ 3,101</u>	<u>\$ 5,853,123</u>	<u>\$ 5,852,630</u>	<u>\$ 3,594</u>
LIABILITIES AND RESERVES:				
Due to Current Fund	\$ 70	\$ 2,593	\$	\$ 2,663
Due to Unemployment Trust	2,568		2,568	
Payroll Deductions and Withholdings	463	5,850,530	5,850,062	931
Total Liabilities	<u>3,101</u>	<u>5,853,123</u>	<u>5,852,630</u>	<u>3,594</u>
Total Liabilities and Reserves	<u>\$ 3,101</u>	<u>\$ 5,853,123</u>	<u>\$ 5,852,630</u>	<u>\$ 3,594</u>

LONG-TERM DEBT SCHEDULES

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2016

<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, 2015</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2016</u>
Construction of Renovations to an existing building referred to as The Charter School Network Building	7/8/11	\$2,467,080	2016 - 17	\$ 254,216	Subsidized				
			2016 - 17	268,056					
			2017 - 18	282,649					
			2018 - 19	297,971					
			2019 - 20	314,258					
			2021 - 22	26,951					
						\$ 1,684,979	\$	\$ 240,878	\$ 1,444,101

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

	<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	\$ 240,878	\$	\$ 240,878	\$ 240,878	\$
Total Revenues - Local Sources	<u>240,878</u>		<u>240,878</u>	<u>240,878</u>	
EXPENDITURES					
Regular Debt Service:					
Redemption of Principal	240,878		240,878	240,878	
Total Regular Debt Service	<u>240,878</u>		<u>240,878</u>	<u>240,878</u>	
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	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 489,933	\$ 463,414	\$ 435,732	\$ 2,134,100	\$ 2,562,788	\$ 1,915,167	\$ 2,842,907	\$ 3,382,781	\$ 286,130	\$ 415,511
Restricted:					450,735	537,165	778,448			
Capital Reserve		8,739	8,870	22,009	929,733	929,733	929,733	929,733	929,733	78,143
Capital Projects								157,312	141,507	
Other Purposes								397,960	75,000	75,000
Unrestricted (Deficit)	364,960	380,154	1,335,169	1,142,474	205,433	1,120,822	534,322	235,217	(500,995)	(826,757)
Total Governmental Activities Net Position	\$ 854,893	\$ 852,307	\$ 1,779,771	\$ 3,298,583	\$ 4,148,689	\$ 4,502,887	\$ 5,085,410	\$ 5,103,003	\$ 931,375	\$ (258,103)
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unrestricted	66,207	62,790	2,565	13,097	1,638	21,449	37,246	66,487	91,442	9,727
Total Business-Type Activities Net Position	\$ 66,207	\$ 62,790	\$ 2,565	\$ 13,097	\$ 1,638	\$ 21,449	\$ 37,246	\$ 66,487	\$ 91,442	\$ 9,727
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 489,933	\$ 463,414	\$ 435,732	\$ 2,134,100	\$ 2,562,788	\$ 1,915,167	\$ 2,842,907	\$ 3,382,781	\$ 286,130	\$ 415,511
Restricted:										
Capital Reserve		8,739	8,870	22,009	929,733	929,733	929,733	929,733	929,733	78,143
Capital Projects								157,312	141,507	
Other Purposes					450,735	537,165	778,448	397,960	75,000	75,000
Unrestricted (Deficit)	431,167	442,944	1,337,734	1,155,571	207,071	1,142,271	571,568	301,704	(409,553)	(817,030)
Total District-Wide Net Position	\$ 921,100	\$ 915,097	\$ 1,782,336	\$ 3,311,680	\$ 4,150,327	\$ 4,524,336	\$ 5,122,656	\$ 5,169,490	\$ 1,022,817	\$ (248,376)

Source: CAFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,065,828	2,004,557	2,380,732	2,545,687	2,837,182	2,925,618	2,993,633	3,361,632	3,813,325	4,387,436
Support Services										
Administrative	1,291,338	1,330,128	1,240,803	1,672,382	1,696,189	1,387,027	1,541,093	639,491	821,643	1,893,485
Support	1,893,968	1,938,616	1,697,923	1,980,987	1,962,055	2,431,953	2,695,813	4,149,226	4,772,551	4,369,108
Capital Outlay										
Facilities Acquisition and Construction Services										
Unallocated Depreciation	26,975	31,426	31,428	77,035	128,500	197,387	225,676	357,576	304,780	237,858
Total Governmental Activities Expenses	5,278,109	5,304,727	5,350,886	6,276,091	6,623,926	6,941,985	7,456,215	8,507,925	9,712,299	10,887,887
Business-Type Activities										
Food Service	107,509	122,085	160,427	173,075	202,844	177,747	185,770	190,732	217,369	355,554
Total Business-Type Activities Expense	107,509	122,085	160,427	173,075	177,747	177,747	185,770	190,732	217,369	355,554
Total District Expenses	\$ 5,385,618	5,426,812	5,511,313	6,449,166	6,801,673	7,119,732	7,641,985	8,698,657	9,929,668	11,243,441
Program Revenues										
Governmental Activities										
Charges for Services	\$									
Operating Grants and Contributions	821,945	416,695	573,384	1,080,153	915,905	886,831	952,735	990,902	1,670,956	1,450,933
Total Governmental Activities Program Revenues	821,945	416,695	573,384	1,080,153	886,831	886,831	952,735	990,902	1,670,956	1,450,933
Business-Type Activities										
Charges for Services										
Food Service	8,947	8,074	12,449	13,981	12,594	26,749	24,488	19,719	11,580	13,542
Operating Grants and Contributions	94,218	109,510	147,460	169,578	178,729	178,729	177,004	200,156	219,385	236,857
Total Business-Type Activities Program Revenues	103,165	117,584	159,909	183,559	205,478	205,478	201,492	219,875	230,965	250,399
Total District Program Revenues	\$ 925,110	534,279	733,293	1,263,712	1,092,309	1,092,309	1,154,227	1,210,777	1,901,921	1,701,332
Net (Expense)/Revenue										
Governmental Activities	\$ (4,456,164)	(4,888,032)	(4,777,502)	(5,195,938)	(5,708,021)	(6,055,154)	(6,503,480)	(7,517,023)	(8,041,343)	(9,436,954)
Business-Type Activities	(4,344)	(4,501)	(518)	10,484	(11,521)	27,731	15,722	29,143	13,596	(105,155)
Total District-Wide Net Expense	\$ (4,460,508)	(4,892,533)	(4,778,020)	(5,185,454)	(6,027,423)	(6,027,423)	(6,487,758)	(7,487,880)	(8,027,747)	(9,542,109)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 602,515	700,975	257,545	310,019	310,019	5,933,757	6,722,785	6,799,360	7,305,318	7,123,659
Unrestricted Grants and Contributions	3,789,988	4,089,753	5,438,914	5,861,811	5,861,811	319,936	393,994	458,780	395,866	1,167,019
Investment Earnings	20,213		1,674	1,747	1,747	1,494	1,669	1,588	1,027	457
Miscellaneous Income	(6,800)	59,670	6,833	541,173	541,173	164,366	80,740	274,888	28,332	11,228
Cancellation of Prior Period Accounts Receivable										(31,589)
Fixed Asset Adjustments									(3,095,231)	
Transfers									(20,248)	(23,298)
Total Governmental Activities	4,405,916	4,850,398	5,704,966	6,714,750	6,714,750	6,419,553	7,199,188	7,534,616	4,615,064	8,247,476
Business-Type Activities										
Miscellaneous Income									(8,999)	
Investment Earnings	998	1,084	293	48	62	49	75	98	110	142
Transfer			(60,000)						20,248	23,298
Total Business-Type Activities	998	1,084	(59,707)	48	62	49	75	98	11,359	23,440
Total District-Wide	\$ 4,406,914	4,851,482	5,645,259	6,714,798	6,714,812	6,419,602	7,199,263	7,534,714	4,626,423	8,270,916
Change in Net Position										
Governmental Activities	\$ (50,248)	(37,634)	927,464	1,518,812	850,106	364,399	695,708	17,593	(3,426,279)	(1,189,478)
Business-Type Activities	(3,346)	(3,417)	(60,225)	10,532	(11,459)	27,780	15,797	29,241	24,955	(81,715)
Total District-Wide	\$ (53,594)	(41,051)	867,239	1,529,344	392,179	392,179	711,505	46,834	(3,401,324)	(1,271,193)

Source: CAFR Schedule A-2

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted										
Capital Reserve							\$ 929,733	\$ 929,733	\$ 929,733	\$ 78,143
Escrow Account							75,000	75,000	75,000	75,000
Assigned										
Other Purposes							543,608	322,960	199,520	
Unassigned							543,625	243,632	71,028	
Reserved	\$	\$ 8,739	\$ 8,870	\$ 880,034	\$ 1,380,468	\$ 929,733				
Unreserved	371,929	353,682	1,310,304	261,191	183,782	1,017,838				
Total General Fund	\$ 371,929	\$ 362,421	\$ 1,319,174	\$ 1,141,225	\$ 1,564,250	\$ 1,947,571	\$ 2,091,966	\$ 1,571,325	\$ 1,275,281	\$ 153,143
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:										
Capital Projects Fund							176,430	159,840	157,312	141,507
Total All Other Governmental Funds	\$	\$	\$	\$	\$	\$ 176,430	\$ 159,840	\$ 157,312	\$ 141,507	\$

Source: CAFR Schedule B-1

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Tax Levy	\$ 602,515	\$ 700,975	\$ 264,312	\$ 310,019	\$ 6,057,426	\$ 5,933,757	\$ 6,722,785	\$ 6,799,360	\$ 7,305,318	\$ 7,123,659
Categorical Aid				5,861,811	321,753	319,936	393,994	458,780	395,866	427,540
Miscellaneous	13,413	59,670	5,270	542,920	153,882	165,677	82,409	276,476	29,359	11,685
State Sources	4,062,920	4,089,753	5,584,708	329,735	337,287	426,391	560,196	510,402	610,433	739,479
Federal Sources	549,013	416,695	415,457	750,418	628,618	460,440	392,539	480,500	449,170	525,784
Total Revenues	<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>	<u>8,151,923</u>	<u>8,525,518</u>	<u>8,790,146</u>	<u>8,828,147</u>
Expenditures										
Instruction										
Regular Instruction	2,065,828	2,004,557	2,380,732	2,545,687	2,837,182	2,925,618	2,993,633	3,361,632	3,813,325	4,387,436
Support Services										
Administration	1,263,745	1,330,128	1,125,942	1,672,382	1,696,189	1,387,027	1,541,093	640,379	823,063	1,894,596
Support	1,921,561	1,938,616	1,806,913	1,980,987	1,962,055	2,562,898	2,696,711	4,149,226	4,141,999	3,387,634
Capital Outlay	65,946	3,300	2,139	1,773,796	555,581	1,977,435	947,763	680,601	74,706	126,361
Debt Service Principal							205,653	216,849	228,654	240,878
Total Expenditures	<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>	<u>8,384,853</u>	<u>9,048,687</u>	<u>9,081,747</u>	<u>10,036,905</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(89,219)</u>	<u>(9,508)</u>	<u>954,021</u>	<u>(177,949)</u>	<u>447,959</u>	<u>(1,546,777)</u>	<u>(232,930)</u>	<u>(523,169)</u>	<u>(291,601)</u>	<u>(1,208,758)</u>
Other Financing Sources (Uses)										
Prior Year Revenue Adjustment					(24,934)					
Transfers									(20,248)	(23,298)
Cancellation: Prior Accounts Receivable										(31,589)
Total Other Financing Sources (Uses)					<u>(24,934)</u>				<u>(20,248)</u>	<u>(54,887)</u>
Net Change in Fund Balances	<u>\$ (89,219)</u>	<u>\$ (9,508)</u>	<u>\$ 954,021</u>	<u>\$ (177,949)</u>	<u>\$ 423,025</u>	<u>\$ (1,546,777)</u>	<u>\$ (232,930)</u>	<u>\$ (523,169)</u>	<u>\$ (311,849)</u>	<u>\$ (1,263,645)</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>2.7%</u>	<u>2.6%</u>	<u>2.5%</u>

Source: CAFR Schedule B-2

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN 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>Refund of</u> <u>Prior Year</u> <u>Expenditure</u>	<u>Prior</u> <u>Year P.O.</u> <u>Adjustment</u>	<u>Parades</u>	<u>Misc.</u>	<u>Total</u>
2016	\$ 457	\$	\$	\$ 4,985	\$	\$ 6,243	\$ 11,685
2015	1,027	27,348				984	29,359
2014	1,588	247,495	17,097	2,148	2,400	5,741	276,469
2013	1,669	38,938		25,292		16,489	82,388
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

Source: District Records

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

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income (Thousands of Dollars)</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2016 *	76,021	\$ 3,600,052,920	\$ 47,356	11.0%
2015	76,119	3,586,760,011	47,120	11.1%
2014	76,504	3,607,780,903	46,886	12.7%
2013	77,023	3,471,965,771	45,077	16.0%
2012	77,367	3,461,554,314	44,742	18.5%
2011	77,594	3,423,059,310	44,115	19.6%
2010	77,310	3,246,478,830	41,993	18.6%
2009	78,790	3,280,894,390	41,641	17.8%
2008	79,519	3,289,939,587	41,373	11.8%
2007	79,263	3,170,995,578	40,006	9.6%

** 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 CHARTER SCHOOL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	38	37	46	51	44	42	48	56	56	50
Special Education	4	4	4	6	6	6	6	6	6	6
Vocational										
Other Instruction										
Support Services:										
Student & Instruction Related Services	3	3	3	4	2	2	1	1	1	1
General Administrative Services	2	2	2	3	3	3	3	3	3	3
School Administrative Services					2	2	1	1	1	1
Business Administrative Services					1	1	1	1	1	1
Plant Operations and Maintenance					1	1	1	1	1	1
Pupil Transportation			3	3			5	5	5	5
Total	<u>47</u>	<u>46</u>	<u>58</u>	<u>67</u>	<u>59</u>	<u>57</u>	<u>66</u>	<u>74</u>	<u>74</u>	<u>68</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	494.5	\$ 9,910,544	\$ 22,888	27.10%	56	9 : 1	496.8	471.60	4.54%	94.93%
2015	464	9,007,041	20,801	15.52%	62	9 : 1	466.2	437.83	4.54%	93.92%
2014	433	8,368,086	19,326	7.32%	48	9 : 1	437.1	411.23	4.54%	94.08%
2013	413	7,437,090	18,007	5.81%	62	9 : 1	418.1	391.76	2.43%	93.70%
2012	404	6,875,543	17,019	8.21%	54	9 : 1	408.2	384.53	-0.24%	94.20%
2011	413	6,495,426	15,727	3.51%	48	9 : 1	409.2	376.46	0.42%	92.00%
2010	408	6,199,056	15,194	10.90%	50	9 : 1	407.5	375.36	3.64%	92.11%
2009	388	5,315,726	13,700	3.66%	57	8 : 1	393.2	365.70	-0.35%	93.01%
2008	399	5,273,301	13,216	-0.08%	50	9 : 1	394.6	371.00	-0.88%	94.02%
2007	397	5,251,134	13,227	14.48%	41	8 : 1	398.1	370.90	1.45%	93.17%

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 J-1
- 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
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>District Building</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	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	397	399	388	408	413	404	413	465	464	496
<u>Other</u>	N/A									
Administration Building										
Square Feet										
Transportation										
Square Feet										
Maintenance Offices										
Square Feet										
Number of Schools at June 30, 2016										
Elementary =										
Middle School =										
High School =										
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, 2016
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
	July 1, 2015 - July 1, 2016:		
NJSBAIG	Commercial Policy		
	Property - Blanket Building & Personal Property	\$ 1,000,000	\$ 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	250,000	1,000
	Legal Liability	6,000,000	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	
Federal Ins. Co.	Workman's Compensation Supplemental Policy	Full Salary	
	Surety Bonds		
NJ School Boards	Treasurer's Bond	475,000	
Ohio Casualty Ins. Co.	Business Administrator	50,000	
	Asst. Business Administrator	10,000	
Berkley Ins. Co.	Compulsory Student Accident	1,000,000	
US Fire Ins. Co.	Catastrophic Student Accident	5,000,000	
	Catastrophic Cash Benefit - Maximum Benefit	500,000	25,000

Source: District Records

CAMDENS ACADEMY CHARTER SCHOOL, INC
PERFORMANCE FRAMEWORK
FINANCIAL INDICATORS - FISCAL RATIOS
JUNE 30, 2016
(UNAUDITED)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Source</u>
Cash	\$ 1,863,954	\$ 1,351,537	\$ 291,304	Audit: Exhibit A-1
Current Assets	2,220,062	1,683,190	464,695	Audit: Exhibit A-1
Total Assets	7,516,476	3,654,299	2,324,307	Audit: Exhibit A-1
Current Liabilities	718,910	422,833	561,925	Audit: Exhibit A-1
Total Liabilities	2,403,889	2,762,366	2,877,641	Audit: Exhibit A-1
Net Position	\$ 5,112,587	\$ 891,933	\$ (248,376)	Audit: Exhibit A-1
Total Revenue	\$ 8,745,491	\$ 6,528,344	\$ 9,972,248	Audit: Exhibit A-2
Total Expenses	8,698,657	9,929,668	11,243,441	Audit: Exhibit A-2
Change in Net Position	\$ 46,834	\$ (3,401,324)	\$ (1,271,193)	Audit: Exhibit A-2
Depreciation Expense	\$ 357,576	\$ 304,780	\$ 237,858	Financial Statements/Audit Workpapers
Interest Expense				Financial Statements/Audit Workpapers
Principal Payments	216,849	228,654	240,878	Financial Statements/Audit Workpapers
Interest Payments	107,972	107,972	83,943	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	437	466	497	DOE Enrollment Reports
March 30th Budgeted Enrollment	413	413	466	Charter School Budget

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>3 Year Cumulative</u>	<u>Source</u>
Near Term Indicators					
Current Ratio	3.09	3.98	0.83	2.56	Current Assets/ Current Liabilities
Unrestricted Days Cash	78.21	49.68	9.46	42.85	Cash/ (Total Expenses/365)
Enrollment Variance	101%	113%	107%	108%	Average Daily Enrollment/Budgeted Enrollment
Default	No	No	No		Audit
Sustainability Indicators					
Total Margin	1%	-52%	-13%	-18%	Change in Net Position/Total Revenue
Debt to Asset	0.32	0.76	1.24	0.60	Total Liabilities/Total Assets
Cash Flow	(875,525)	(512,417)	(1,060,233)	(1,572,650)	Net change in cash flow from prior years
Debt Service Coverage Ratio	1	(9)	(3)	(4)	<u>(Change in Net Position+Interest Expense)</u> (Principal & Interest Payments)

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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 fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Board of Trustees of the Camden Academy Charter High School, Inc.'s basic financial statements and have issued our report thereon dated November 3, 2016. 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, and State of New Jersey.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 one 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 and are described in the accompanying schedule of findings and questioned costs as items labeled finding 2016-1.

Camden Academy Charter School, Inc. Board of Trustees' Response to Findings

Camden Academy Charter School, Inc. Board of Trustees' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant

No. 915

November 3, 2016

NIGHTLINGER, COLAVITA & VOLPA

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES REQUIRED BY THE UNIFORM ADMINISTRATIVE REQUIREMENTS,
COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS
(UNIFORM GUIDANCE) AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

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 *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Camden Academy Charter High School, Inc. 's major federal and state programs for the fiscal year ended June 30, 2016. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Camden Academy Charter High School, Inc. Board of Trustees' major federal and state compliance based on our audit of the types of compliance requirements referred above. 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 of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey, Uniform Guidance* and New Jersey OMB 15-08. Those standards, Uniform Guidance and New Jersey OMB 15-08, 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 and 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 on compliance for each major federal and state program. Our audit does not provide a legal determination of Camden Academy Charter High School, Inc. Board of Trustees' compliance with those requirements.

Opinion on Each Major Program

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, 2016.

Report on Internal Control Over Compliance

Management of the Camden Academy Charter High School, Inc. 's Board of Trustees is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to major 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 or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance in accordance with Uniform Guidance and New Jersey OMB 15-08, 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 does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

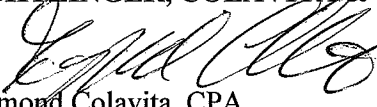
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Trustees in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated November 3, 2016. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB 15-08.

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, 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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA


Raymond Colavita, CPA
Licensed Public School Accountant

No. 915

November 3, 2016

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/ Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Cash Received	Budgetary	Budgetary Expenditures Direct	Total Budgetary Expenditures	Balance at June 30, 2016			
					From	To			Pass Through Funds			(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
National School Lunch Program	10.555	16161NJ304N1099	N/A	\$164,950	7/1/14	6/30/15	\$ (25,115)	\$ 25,115							
National School Lunch Program	10.555	16161NJ304N1099	N/A	176,564	7/1/15	6/30/16		171,111	\$ (176,564)		\$ (176,564)	\$ (5,453)			
National School Breakfast Program	10.553	16161NJ304N1099	N/A	35,257	7/1/14	6/30/15	(5,355)	5,355							
National School Breakfast Program	10.553	16161NJ304N1099	N/A	37,401	7/1/15	6/30/16		36,330	(37,401)		(37,401)	(1,071)			
National School Snack Program	10.555	16161NJ304N1099	N/A	16,104	7/1/14	6/30/15	(1,467)	1,467							
National School Snack Program	10.555	16161NJ304N1099	N/A	19,643	7/1/15	6/30/16		19,643	(19,643)		(19,643)				
Total Enterprise Fund:							(31,937)	259,021	(233,608)		(233,608)	(6,524)			
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I, Part A	84.010A	S010A150030	NCLB-6212-15	315,127	7/1/14	6/30/15	(78,294)	78,294							
Title I, Part A	84.010A	S010A150030	NCLB-6212-16	383,911	7/1/15	6/30/16		286,398	(383,911)		(383,911)	(97,513)			
Title II, Part A	84.367A	S367A150029	NCLB-6212-16	15,936	7/1/15	6/30/16		15,936	(15,936)		(15,936)				
IDEA Part B Basic	84.027	H027A150100	IDEA-6212-15	103,128	7/1/14	6/30/15	(8,488)	8,488							
IDEA Part B Basic	84.027	H027A150100	IDEA-6212-16	125,937	7/1/15	6/30/16		114,817	(125,937)		(125,937)	(11,120)			
Total Federal Financial Awards							(86,782)	503,933	(525,784)		(525,784)	(108,633)			
							\$ (118,719)	\$ 762,954	\$ (759,392)		\$ (759,392)	\$ (115,157)			

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.

These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016			
				Unearned Revenue (Accts. Rec.)	Due to Grantor				Accounts Receivable		Unearned Revenue/ Interfund Payable	Due to Grantor
									From Districts	From State		
State Department of Education												
General Fund												
Equalization Aid	15-495-034-5120-078	\$6,546,502	7/1/14 to 6/30/15	\$ (62,298)		\$ 62,298						
Equalization Aid	16-495-034-5120-078	6,594,595	7/1/15 to 6/30/16			6,579,875	\$ (6,594,595)		\$ (14,720)			
Special Education Categorical Aid	15-495-034-5120-089	204,393	7/1/14 to 6/30/15	(\$1,630)		1,630						
Special Education Categorical Aid	16-495-034-5120-089	229,816	7/1/15 to 6/30/16			247,641	(229,816)					\$ 17,825
Security Aid	15-495-034-5120-084	191,473	7/1/14 to 6/30/15		\$ 16,097			\$ (16,097)				
Security Aid	16-495-034-5120-084	197,724	7/1/15 to 6/30/16			204,626	(197,724)					6,902
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-002	227,273	7/1/14 to 6/30/15	(2,713)		2,713						
Reimbursed TPAF Social Security Contrib.	16-495-034-5095-002	278,423	7/1/15 to 6/30/16			274,343	(278,423)		\$ (4,080)			
Total General Fund				(66,641)	16,097	7,373,126	(7,300,558)	(16,097)	(14,720)	(4,080)		24,727
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	16-495-034-5120-078	240,878	7/1/15 to 6/30/16			240,878	(240,878)					
State Department of Agriculture												
Enterprise Fund - State Share:												
National School Lunch Program	16-100-010-3350-023	3,249	7/1/15 to 6/30/16			3,144	(3,249)			(105)		
National School Lunch Program	15-100-010-3350-023	3,074	7/1/14 to 6/30/15	(496)		496						
				(496)		3,640	(3,249)			(105)		
Total State Financial Assistance Subject to OMB 15-08				\$ (60,620)	\$ 16,097	\$ 7,617,644	\$ (7,544,685)	\$ (16,097)	\$ (14,720)	\$ (4,185)	\$ 6,517	\$ 24,727
State Financial Assistance Not Subject to OMB 15-08												
On-Behalf TPAF Post Retirement Medical	16-495-034-5095-001	250,598	7/1/15 to 6/30/16			\$ 250,598	\$ (250,598)					
On-Behalf TPAF Pension Contribution	16-495-034-5095-006	210,458	7/1/15 to 6/30/16			210,458	(210,458)					
Total State Financial Assistance						\$ 8,078,700	\$ (8,005,741)					

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, 2016

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 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB 15-08. 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 a net adjustment to reconcile from the budgetary basis to the GAAP basis of \$302 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, 2016

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 7,520,736	\$ 7,520,736
Special Revenue Fund	525,784		525,784
Debt Service Fund		240,878	240,878
Food Service Fund	<u>233,608</u>	<u>3,249</u>	<u>236,857</u>
Total Awards & Financial Assistance	\$ <u>759,392</u>	\$ <u>7,764,863</u>	\$ <u>8,524,255</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, 2016.

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, 2016. 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, 2016.

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

The District's Federal Programs are on a school-wide program basis.

NOTE 9: ADJUSTMENTS

There were no adjustments needed on Schedule A, Exhibit K-3 or Schedule B, Exhibit K-4.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes X no

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
10.553, 10.555	16161NJ304N1099	CHILD NUTRITION CLUSTER

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

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, 2016
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
16-495-034-5120-078	Equalization Aid
16-495-034-5120-089	Special Education Categorical Aid
16-495-034-5120-084	Security Aid

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Circular 15-08 audit.

Finding: Finding 2016-1 (AMR Finding 2016-1)

Criteria or specific requirement:

N.J.S.A. 18A:17-32 requires a school treasurer to maintain Surety Bond coverage in accordance with the limits set forth in N.J.A.C. 6A:23A-16.4.

Condition:

The Treasurer's surety bond coverage, for the 2015-16 school year, was not updated to reflect the new Treasurer.

Context:

The Charter School did not obtain Surety Bond coverage for the new Treasurer during the 2015-16 school year.

Effect:

The new Treasurer was not covered by a Surety Bond in the 2015-16 school year.

Cause:

Inadvertent oversight

Recommendation:

A review of the Charter School's surety bonds should be conducted, in order to ensure the Treasurer's information is up to date.

Management's response:

Management is aware of the finding and agrees with the recommendation.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)

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

This section identifies the audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB Circular Letter 15-08, as applicable, for State Financial Assistance.

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

This section identifies the status of prior - year findings related to the basic financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

Finding # 2015-1

Condition: Net cash resources in the Food Service Fund exceeded three months average expenditures.

Current Status: This finding has been resolved.

Finding # 2015-2

Condition: The General Ledger in the Special Revenue Fund was not sufficiently analyzed, in order to adjust the accounts receivable for the Title I program.

Current Status: This finding has been resolved.