Avon Grove CS

Charter Annual Report

07/01/2012 - 06/30/2013

School Profile

Demographics

110 East State St
West Grove, PA 19390
(484)667-5000

Phase:	Phase 2
CEO Name:	Kevin Brady
CEO E-mail address:	Not Provided

Governance and Staff

Leadership Changes

Leadership changes during the past year on the Board of Trustees and in the school administration:

The 2012-13 school year was the most stable (in terms of consistency of school leadership) that our charter community has experience since the school's inception in 2002. The changes that did occur were minor and are captured below beneath two headers marked "Administrative" and "Board of Trustees"
Administrative:
At the end of the 2011-12 school year, Avon Grove Charter's Special Education Director, Christine Riggio, resigned. For the previous two-year period, Ms. Riggio had been commuting from northern Bucks County to our main campus located Southern Chester County (an extremely long round trip). Ms. Riggio made the very practical decision to accept a position which was located closer to her home, and left Avon Grove Charter School on excellent terms. AGCS immediately began the search for a replacement. Ms. Riggio's successor, Jeffery Roe, joined AGCS in November 2012.
The change in Special Education leadership was the only significant administrative change that occurred during this period.
Board of Trustees:
During the month of June 2013, the AGCS Board of trustees elected officers in accordance with their bylaws. Board positions and terms of service are provided below:
Ms. Roseanne Starkey
President
7/1/10 – 6/30/14

Mr. David Kirk
Vice President
Technology Committee Chair
7/1/10 – 6/30/14

Ms. Kathy Bishop
Secretary
7/1/10 – 6/30/14

Mr. John Lupfer
Treasurer
Finance Committee Chair
7/1/11 – 6/30/15

Mr. Michael Giacometti
Member
7/1/12 – 6/30/16

Ms. Michelle Hottenstein
Member
7/1/12 – 6/30/16

Mr. Richard Paoletti
Member
7/1/12 – 6/30/16

There were no other changes to the AGS Board of Trustees during the 2012-13 school year.

Board of Trustees Meeting Schedule

Location	Date and Time
Kemblesville Campus 1769 New London Road, Kemblesville, PA	7/17/2012 7:30 AM
AGCS Main Campus - 110 East State Road, West Grove, PA 19390	8/21/2012 7:30 PM
AGCS Main Campus - 110 East State Road, West Grove, PA 19390	10/16/2012 7:30 PM
Kemblesville Campus 1769 New London Road, Kemblesville, PA	11/20/2012 7:30 PM
AGCS Main Campus - 110 East State Road, West Grove, PA 19390	12/18/2012 7:30 PM
Kemblesville Campus 1769 New London Road, Kemblesville, PA	3/19/2013 7:30 PM
AGCS Main Campus - 110 East State Road, West Grove, PA 19390	4/16/2013 7:30 PM
Kemblesville Campus 1769 New London Road, Kemblesville, PA	5/21/2013 7:30 PM
AGCS Main Campus - 110 East State Road, West Grove, PA 19390	6/18/2013 7:30 AM
Kemblesville Campus 1769 New London Road, Kemblesville, PA	6/26/2013 7:30 PM
Kemblesville Campus 1769 New London Road, Kemblesville, PA	8/10/2013 7:30 PM
Kemblesville Campus 1769 New London Road, Kemblesville, PA	9/18/2013 7:30 PM
AGCS Main Campus - 110 East State Road, West Grove, PA 19390	11/12/2013 7:30 PM
Kemblesville Campus 1769 New London Road, Kemblesville, PA	1/14/2014 7:30 PM
Kemblesville Campus 1769 New London Road, Kemblesville, PA	5/13/2014 7:30 PM

Professional Staff Member Roster

There are no professional staff members.

The professional staff member roster as recorded originally on the PDE-414 form

XLSX file uploaded.

Quality of Teaching and Other Staff

Position Categories	All Employed per Category	Appropriately Certified	Promoted	Transferred	Terminated	Contracted for Following Year
Chief Academic Officer/Director	1.00	1.00				1.00
Principal	3.00	3.00				3.00
Assistant Principal	1.00	1.00				1.00
Classroom Teacher (including Master Teachers)	69.00	68.00				69.00
Specialty Teacher (including Master Teachers)	19.00	16.00			2.00	17.00
Special Education Teacher (including Master Teachers)	10.00	10.00			1.00	9.00
Special Education Coordinator	1.00	0.00				1.00
Counselor	4.00	4.00				4.00
Psychologist	2.00	2.00			1.00	1.00
School Nurse	3.00	2.00				3.00
Totals	113.00	107.00	0	0	4.00	109.00

Further explanation:

This narrative is empty.

Fiscal Matters

Major Fundraising Activities

Major fundraising activities performed this year and planned for next year:

2012-2013 AGCS Fundraisers

1. Race for Education - Purpose - To raise funds for K - 2 Replacement Playground Equipment and Technology in the 3-5 Division.
2. Elementary School T Shirt Fundraiser - To raise funds for 3-5 student T-shirts
3. Auditorium Fundraiser - To raise funds for Auditorium Sound Equipment

Planned for 2013-14 School Year

1. AGCS will, once again, use the "Race for Education" Fundraising Model to raise funds for additional playground equipment -- AGCS inherited a significant number of older playground resources when the charter school took possession of the two building it currently occupies. Therefore, fundraising for playground equipment will likely be an ongoing effort for the next 3-5 years.

2012-2013 AGCS Fundraisers

1. Race for Education - Purpose - To raise funds for K - 2 Replacement Playground Equipment
2. Elementary School T Shirt Fundraiser - To raise funds for 3-5 student T-shirts
3. Auditorium Fundraiser - To raise funds for Auditorium Sound Equipment

Fundraising Procedures

All fundraising initiatives or events for student activities must be presented and approved in advance by the Academic Director and Principal.

Fundraising activities may only benefit a student activity and not an individual's personal gain. Personal gain is defined as the sale of goods or services or the sponsorship of any fundraising activity on school property by any individual or group that is intended to improve the personal financial status of any person or group of persons involved in the sponsorship of the activity. Fundamental to this definition is the premise that funds raised by student activities are to be used to expand or enhance the activities of those organizations and not to financially subsidize an individual's personal interests or needs.

Permission for all fundraising activities is extended only to Avon Grove Charter School (AGCS) recognized student groups and is subject to the following regulations:

Fundraising is defined as the sale of products, the solicitation of money or contributions, the collection of dues or donations, the charge of admission, or any other means of collecting revenue.

The AGCS principal and academic director must approve all fundraising activities at least two (2) weeks in advance. Permission shall not be granted for products and services that conflict with the policies of AGCS. (Example: No candy is allowed be sold in the cafeteria)

Pre-established fees for facility use, equipment rental, and other direct costs must be paid in advance. Check requests for all required fees must be submitted to the Accounting Office two weeks prior to the vendor payment due date.

Funds raised must benefit a recognized student activity or a bona fide charitable organization. No funds may be used for personal gain as previously defined in this section. The AGCS reserves the right to review the financial records of student activities that have been allowed to raise funds on behalf of the school to determine if the funds are being used for the purpose for which they were raised.

Please make sure your forms include the person's name To whom they need to be returned. The Main Office will hold any money/forms that are turned in thru the attendance folders or dropped off to the office will be locked in a cabinet. It is the Advisor's responsibility to pick up the money/forms from the office daily.

The publicity for the activity must include the following information:

a. Name of the sponsoring student activity

b. Name of the student group benefiting from the activity

c. Intended use of funds collected at the activity

Any documentation produced to promote the fundraiser must be approved by the group's academic director and principal. A copy of the approved document must be given to the Accounting Office and Office Manager.

All proceeds must be deposited into the student activity's cost center account administered through the AGCS Accounting Office. All deposits delivered to the Accounting Office must be in a sealed envelope and accompanied by an "AGCS Deposit Summary Slip Worksheet" within one week of the fundraisers conclusion.

Fiscal Solvency Policies

Changes to policies and procedures to ensure and monitor fiscal solvency:

Avon Grove Charter School updates policies and procedures associated with fiscal solvency on a regular basis. In the following section, AGCS has provided the latest versions of these policies and procedures.

Fiscal Solvency Policies

Charter School documents that describe policies and procedures that have been established to ensure and monitor fiscal solvency (optional if described in the narrative)

Files uploaded:

- Deposit Staff Procedure - 08-8-11.doc
- Cash Disbursement Approval Process 7-13-2012.doc
- Finances Policy.pdf
- Internal Controls Policy.pdf
- AGCS Authorized Administrator Signers revised 12-1-2012.doc
- Purchase Order Process Revised 05-16-2011.doc
- The Avon Grove Charter School Fiscal Solvency Procedures.docx

Accounting System

Changes to the accounting system the charter school uses:

The Avon Grove Charter School Business Office utilizes the QuickBooks Enterprise Nonprofit Edition 2010 Accounting Software.

This newer version continues to integrate the Pennsylvania State Chart of Accounts for Pennsylvania Public Schools and the Annual Financial Report utilizing the Generally Accepted Accounting principles for the school's budgeting, accounting and reporting practices.

Preliminary Statements of Revenues, Expenditures & Fund Balances

The completed and CEO signed Fiscal Template – Preliminary Statements of Revenues, Expenditures & Fund Balances

PDF file uploaded.

Financial Audits

Basics

Audit Firm:	Seigal and Drossner, PC
Date of Last Audit:	06/30/2012
Fiscal Year Last Audited:	2012

Explanation of the Report

Detailed explanation of the report (if the previous year's report has been submitted.) Any audit report for a school year that precedes this annual report by more than 2 years is not acceptable and may be considered a material violation:

This narrative is empty.

Financial Audit Report

The Financial Audit Report, which should include the auditor's opinion and any findings resulting from the audit

PDF file uploaded.

Citations

Financial audit citations and the corresponding Charter School responses

Description	Response

Federal Programs Consolidated Review

Basics

Title I Status:

Date of Last Federal Programs Consolidated Review: 10/04/2011

School Year Reviewed: 2009-10

Federal Programs Consolidated Review Report

The Federal Programs Consolidated Review Report, which should include the Division's opinion and any findings resulting from the audit

PDF file uploaded.

Citations

Federal Programs Consolidated Review citations and the corresponding Charter School responses

Description	Response

Special Education

Chapter 711 Assurances

The LEA agrees to comply with all requirements of Special Education outlined in 22 PA Code Chapter 711 and other state and federal mandates. These include:

Implementation of a full range of services, programs and alternative placements available to the Charter School for placement and implementation of the special education programs in the Charter School.

Implementation of a child find system to locate, identify and evaluate young children and children who are thought to be a child with a disability eligible for special education residing within the Charter School's jurisdiction. Child find data is collected, maintained and used in decision-making. Child find process and procedures are evaluated for their effectiveness. The Charter School implements mechanisms to disseminate child find information to the public, organizations, agencies and individuals on at least an annual basis.

Assurances of students with disabilities are included in general education programs and extracurricular and non-academic programs and activities to the maximum extent appropriate in accordance with an Individualized Education Program.

Following the state and federal guidelines for participation of students with disabilities in state and Charter School-wide assessments including the determination of participation, the need for accommodations and the methods of assessing students for whom regular assessment is not appropriate.

Assurance of funds received through participation in the medical assistance reimbursement program, ACCESS, will be used to enhance or expand the current level of services and programs provided to students with disabilities in this local education agency.

Special Education Support Services

Support Service	Location	Teacher FTE
Autistic Support Teacher	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Behavioral Coordinator	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Lead Behavioral Coordinator	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Occupational Therapist	AGCS Main Location - 110 East State Road, West Grove, PA 19390 - and -- 1769 New London Road	1
Occupational Therapist Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390 - and -- 1769 New London Road	0.75
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.75
Personal Care Assistant	AGCS Main Location - 110 East State Road, West	0.75

	Grove, PA 19390	
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.75
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390 - and -- 1769 New London Road	0.75
Personal Care Assistant	1769 New London Road, Kemblesville, PA 19347	0.75
Personal Care Assistant	1769 New London Road, Kemblesville, PA 19347	0.75
Personal Care Assistant	1769 New London Road, Kemblesville, PA 19347	0.5
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.85
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.85
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.85
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.85
Personal Care Assistant	1769 New London Road, Kemblesville, PA 19347	0.85
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.85
Personal Care Assistant	1769 New London Road, Kemblesville, PA 19347	0.85
Personal Care Assistant	1769 New London Road, Kemblesville, PA 19347	0.5
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.85
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.6
Personal Care Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	0.85
RTII Coordinator	AGCS Main Location - 110 East State Road, West Grove, PA 19390 - and -- 1769 New London Road	1
Special Education Admin Assistant	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Special Education Compliance Coordinator	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Special Education Coordinator	AGCS Main Location - 110 East State Road, West Grove, PA 19390 - and -- 1769 New London Road	1
Special Education Director	AGCS Main Location - 110 East State Road, West Grove, PA 19390 - and -- 1769 New London Road	1
Special Education Teacher	AGCS Main Location - 110 East State Road, West	1

	Grove, PA 19390	
Special Education Teacher	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Special Education Teacher	1769 New London Road, Kemblesville, PA 19347	1
Special Education Teacher	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Special Education Teacher	1769 New London Road, Kemblesville, PA 19347	1
Special Education Teacher	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Special Education Teacher / HS Role	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Special Education Teacher / HS Role	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Special Education Teacher / HS Role	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1
Special Education Teacher / Kindergarten Specific	1769 New London Road, Kemblesville, PA 19347	1
Special Education Teacher / Middle School Specific	AGCS Main Location - 110 East State Road, West Grove, PA 19390	1

Special Education Contracted Services

There are no special education contracted services.

Special Education Cyclical Monitoring

Date of Last Special Education Cyclical Monitoring:	12/10/2013
Link to Report (Optional):	http://www.dos.state.pa.us/portal/server.pt/document/1315757/avon_grove_cs_-_final_corrective_action_verification_2010_pdf

Special Education Cyclical Monitoring Report

The Special Education Cyclical Monitoring Report, which should include the Bureau's findings

PDF file uploaded.

Facilities

Fixed assets acquired by the Charter School during the past fiscal year

Fixed assets acquired by the Charter School during the past fiscal year:

6 In-Focus Projection Systems @ $500.67 ea
Directional Signs Throughout Buildings $4,299 Total
Lockers by Infinity Locker Systems $3,921.40 Total
ATV $8,022 Total
SMART Boards $8,022 Total
Student Desks from AlFax $1,777.80 Total
Student Chairs from AlFax $1,185.60 Total
Stackable Chairs from Alfax $1,160.90 Total
"Open Style" Student Desks from Alfax $1,529.10 Total
Student Science Lab Stations $4,062.69 Total
Student Laminate Desks $1,738.78 Total
Laminate Chairs $1,688.90 Total
SMART Boards and Projection Units (Second Purchase)$8,022 Total
Oven Racks 2,089.50
Lateral Fill Cabinents $1,759.98
Radios with Chargers $2,300
Stools for HS Classes $1,222.20
Tall High School Tables $3,982.86
Water Heater for Kemblesvill Site $6,719.81
Vision Screening Equipment $2,275.25
Steamcraft Steamer $14,558.75
Additional Radios and Chargers $4,500
Analog Repeater Equipment $3,852
Desks and Credenzas $2,632.41
LCD Falt Panel 3,080
Dell Vostro $749

56 Dell Optiplex 390 w/monitor	692.00 each
25 Dell 20" Widescreen Monitor/Vesa Compatible	170.00
Dell Custom Configured Optiplex 790 Mini tower	1,475.00
13 Dell Vostro 3550 Laptop	660.00 each
2 Dell Vostro 3550 Laptop	660.00 each
Linksys WMP600n Dual Band Wireless N Wifi PCI Adapter(25)	1,000.00
R00LX Xenith Pro Thin client w/Wireless	519.00
Dell MD3000i w/Hard Drive 1TB 7.2k RPM	10,250.00
Dell Poweredge R710 Server	5,000.00
8 ZoneFlex 7962 dual-band smart antenna	699.00 each
Ruckus Zone Flex 7762-T 802.11n Outdoor Wireless w/antenna	1,700.00
ZoneFlex 7962 dual-band smart antenna	699.00
Custom Configured Intel Chassis	29,626.51
4 PHD Virtual Backup for Citrix	1,955.00 each
9 iPad WI-FI 32GB Black (10)	5,790.00
Bretford Powersync Cart for I	2,599.95
Bretford Powersync Cart for I	2,599.95
25 C00X Xenith Zero Client w/Wireless	379 each
2 MacBook Pro 13-inch: 2.5GHz Dual-core Intel Core i5	1,099.00

	ea
8 iMac 21.5" - App for iMac Edu/AE-USA	1,268.00 Each
ADV Tablet CHGR CRT MS iPad	1,372.50
Computers	634.38
Bundle IPAD 32 GB Black 10 PK AC	6,580.00
Desktop Computer	604.99
Optiplex 390 Minitower	538.80
Optiplex 390 Minitower	538.80
Vostro 3560 Laptop	654.55
Vostro 3560 Laptop	654.55
Vostro 3460 Laptop	797.05
SAM Series Chromebook	6,175.00

The total Charter School expenditures for fixed assets during the identified fiscal year:

$282,586.00

Facility Plans and Other Capital Needs

The Charter School's plan for future facility development and the rationale for the various components of the plan:

Avon Grove Charter School is currently in the process of adding a modular unit specifically designed to accomodate high school-level STEM-based learning. Contractors have been working throughout the summer the to bring new "AGCS Green STEM Center" center on-line, and after months of intense preparation, the project is nearing completion. For the first time in the history of our charter school community, students will have acces to the space and many of the tools required to facilitate serious science experimentation and STEM-based projects.

New Cafeteria Modular – Our existing cafeteria modular had “seen better days” by the end of the 2012-13 school year. It was intended to serve as a temporary "overflow" space for the small cafeteria which forms a section of our main building at 110 East State Road. This summer, the old modular was removed, and a new unit was constructed in its place. The new modular cafeteria is spacious, larger that the previous dining modular, and features an exterior that truly adds to the appearance of our campus! This project has been completely finished and will be ready for students on the first day of school.

Security Improvements - On the heels of last year’s tragedy in Connecticut, AGCS contracted with a consultant (John Baker from the Lancaster Lebanon IU) to begin identifying and constructing a plan for tightening campus security. One of the first steps of this plan was to make 110 East State Road a more secure place by undertaking some very specific alterations and enhancements to our facility. Our work is nearly complete. Doorways have been secured, a bulletproof security window has been added to the main entrance, security fencing has been installed in areas of perceived vulnerability, and very soon a new system of cameras and entryway identification will be in place.

Memorandums of Understanding

Organization	Purpose
Intermediate Unit #24 - Chester County	Agreement relating to the use of IDEA "Pass Through" Funding
Intermediate Unit #24 - Chester County	Memorandum relating to the use of Title III funding.
Intermediate Unit #24 - Chester County	Memorandum relating to the use of Title III funding.
PCG (Medical Access)	Medical ACCESS Funding Agreement for Approved Medicaid student services performed at AGCS.
The Pennsylvania State Police -- Avondale	The purpose of this memorandum is to establish procedures which both the school and the state police agree to follow when specific incidents (which may warrant police attention) occur on school property.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION
333 MARKET STREET
HARRISBURG, PA 17126-0333
www.education.state.pa.us

Bureau of Special Education
717-783-6913 FAX: 717-783-6139

January 14, 2011

Dr. Kevin Brady
CEO
Avon Grove CS
110 East State Road
West Grove, Pa 19390

Dear Dr. Brady:

Enclosed is the Report of Findings presenting results of the cyclical monitoring which was conducted by the Bureau of Special Education (BSE) in the Avon Grove CS the week of November 10, 2010.

The Executive Summary is arranged in two parts and includes an Appendix. PART I presents the Summary of Findings including an explanation of the review process and general findings. PART II describes the corrective action process. A description identifying findings of noncompliance, corrective action required, improvement planning needed, and results of interviews of staff and parents can be found in the Appendix. The charter school must complete corrective action within the calendar days as outlined in the Charter School Corrective Action Verification/Compliance and Improvement Plan developed with the BSE Adviser. Follow-up onsite reviews verifying the charter school's completion of corrective action will be conducted by the BSE. The BSE Adviser will contact the charter school to schedule the initial visit within 60 days of issuance of the monitoring report.

34 CFR 300.600 mandates the BSE to carry out monitoring activities and implementation of any necessary corrective action. Legal compliance is the basis on which high quality programs are built. It is policy of the Department of Education to promote and ensure compliance with special education statutes and regulations through an array of activities such as a coordinated program of plan review, compliance monitoring, technical assistance, and funding decisions. However, if the Department does not succeed in obtaining prompt compliance through activities such as monitoring, then more rigorous steps can be taken to make sure compliance is resolved. These include:

- Disapproval or rescinded approval of the local special education plan
- Deferment of the disbursement of state or federal funds pending resolution of the issue
- Reduction of the amount of funds (for example, by the amount of money it takes to provide an appropriate education to a particular child or children) if a charter school is unwilling to provide appropriate services

None of these steps are desirable and none should be necessary if each charter school is familiar with and attentive to the rules governing special education.

If you have any questions about this report, contact Stephen Weitzenhoffer, the Chairperson of the compliance monitoring team.

Please convey my thanks to all staff who participated in the review. Their time and assistance is appreciated.

Sincerely,

John J. Tommasini
Director

Attachments: Executive Summary
Appendix: Detailed Report of Findings, Including Corrective Actions Required

CC: Chairperson
Jill Deitrich
CS Monitoring File

AVON GROVE CHARTER SCHOOL

110 East State Road
West Grove, PA 19390
484-667-5000 (voice)
610-869-5892 (fax)

The Avon Grove Charter School
Authorized Cash Disbursements Approval

Less than $ 500.00

Approval by appropriate Departmental Supervisors/Managers

Philip Goettel: SPED Divisional Coordinator — Academic Units: K – 5

Less Than $ 1000.00

Approval by Principals, Office Manager and Facilities Director

Kevin Ham: Assistant Principal — Academic Units: 6 - 12
Jeffery Roe: Special Education Director — Academic Unit: Special Education

Lori Predmore: Office Manager - State Road — Administration
Sharon Brooks: Office Manager – KELC — Administration
Tony Durante: Facilities Director — Facilities Management
Ed Delfin: Dean of Students — Guidance and Transportation

Less Than $ 5000.00

Approval by Human Resources Director and Building Principals

Tosha Brooks: Human Resources Director — Administration
Kristen Bishop: Principal K – 3: — Administration
Jennifer Weaver: 3 -5 Principal — Administration
Shannon McElwain: Principal 6 – 12 — Administration

Less than $ 15,000.00

Approval by Head of School (CEO) or Business Manager

Dr. Kevin Brady: CEO/Head of School
Donna Archer: Business Manager

Over $ 15,000.00

Approval by the AGCS Board of Directors

Avon Grove Charter School

Financial Statements
And
Independent Auditor's Report

Year Ended June 30, 2012

Avon Grove Charter School
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Year Ended June 30, 2012

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Siegal & Drossner, PC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Trustees
Avon Grove Charter School
West Grove, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Avon Grove Charter School (the School), as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Avon Grove Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Avon Grove Charter School as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2012, on our consideration of Avon Grove Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed 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.

tel 215.517.5600 ▪ fax 215.517.5610 ▪ 300 Yorktown Plaza ▪ Elkins Park, PA 19027 ▪ www.siegaldrossner.com

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.

Siegel & Drossner, P.C.

Certified Public Accountants
Elkins Park, Pennsylvania

October 22, 2012

Avon Grove Charter School
Management's Discussion and Analysis
June 30, 2012

The Board of Trustees of Avon Grove Charter School (the School) offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

Financial Highlights

- Total revenues increased by approximately $631,000 due mainly to an increase in the student population and increased rates.
- At the close of the current fiscal year, the School reports an ending general fund balance of $2,937,885. This balance was the result of a $334,846 surplus for the year ended June 30, 2012.
- The School's unrestricted cash balance at June 30, 2012 was $1,179,584, representing an increase of $451,579 from June 30, 2011.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise three components: Management's Discussion and Analysis (this section), the basic financial statements, and supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the School's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School.

In the statement of net assets and the statement of activities, the School is divided into two kinds of activities:

Governmental activities - Most of the School's basic services are reported here.

Business-type activities - The School offers lunch to the students.

Overview of the Financial Statements (Continued)

Fund Financial Statements

A *fund* is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School's two kinds of funds, governmental and proprietary, use different accounting approaches.

Most of the School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

When the School charges students for services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the School's enterprise fund (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

The governmental fund budgetary comparison schedule is presented for purposes of additional analysis.

Government-Wide Financial Analysis

Management has adopted Governmental Accounting Standards Board (GASB) Statement 34 which requires a comparative analysis of current and prior periods.

Government-Wide Financial Analysis (Continued)

	2012	2011
Assets		
Current and other assets	$ 4,784,443	$ 4,628,891
Capital and long-term assets, net	18,346,812	18,583,107
	23,131,255	23,211,998
Liabilities		
Current liabilities	2,146,525	2,315,561
Long-term debt and liabilities	19,715,917	20,000,947
	21,862,442	22,316,508
Net Assets	$ 1,268,813	$ 895,490

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School, assets exceeded liabilities by $1,268,813 as of June 30, 2012, an increase of $373,323 from June 30, 2011.

The School's revenues are predominately local school district's funds based on the student enrollment. For the year ended June 30, 2012, the School's total revenues of $17,568,698 exceeded expenditures of $17,195,375 by $373,323, an increase of $270,775 as compared to the preceding year.

	2012	2011
Revenues		
Program revenues		
Local educational agency assistance	$ 16,153,047	$ 15,265,543
State sources	369,210	675,549
Federal sources	612,795	665,583
Food service	209,382	228,975
General revenues		
Other sources	224,264	101,726
Total revenues	17,568,698	16,937,376
Expenditures		
Instruction	10,259,674	10,008,774
Support services	4,445,039	4,327,455
Noninstructional services	455,683	456,437
Depreciation and amortization	766,659	746,298
Interest expense	1,268,320	1,295,864
Total expenditures	17,195,375	16,834,828
Change in net assets	373,323	102,548
Net assets, beginning	895,490	792,942
Net assets, ending	$ 1,268,813	$ 895,490

Governmental Fund

The focus of the School's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

The School's governmental fund (the General Fund) reported an ending fund balance of $2,937,885.

Budget Variations

The actual revenues represent an increase from budgeted revenues of $166,441 due mainly to an increase in school district revenue of $220,582, net of a decrease in federal sources of $80,787.

Actual expenditures decreased $77,519 from the budget due to increases (decreases) as follows:

Instructional services	$ 88,944
Support services	36,687
Noninstructional services	66,267
Capital outlay	290,992
Debt service	(560,409)
	$ (77,519)

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2012, the School's investment in capital assets for its governmental activities totaled $17,812,846 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, classroom and office furniture, and computer equipment.

Major capital assets purchases during the year included the following:

- Capital expenditures of $198,013 for furniture and equipment.
- Capital expenditures of $326,356 for leasehold improvements

The capital expenditures for leasehold improvements were paid from the bond project cash account. These were restricted funds from the original bond issuance.

Additional information on the School's capital assets can be found in Note 4 of this report.

Long-Term Debt

The School has bonds payable of $20,095,000 as of June 30, 2012. Additional information on the School's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

For the 2012-2013 academic year, student enrollment will increase to 1,625 students, which is maximum capacity for our main campus located in West Grove and our Early Learning Center set in Landenberg, PA. The additional funds generated from our increased enrollment will more than offset the costs of additional instructional and support services.

Celebrating its 10th successful year in service to our community, the Avon Grove Charter School has demonstrated effective and efficient operations, resourceful management, solid student enrollment with sound demand trends, and a strong academic performance despite legislative funding reductions over the last several years. Despite the decreases in per pupil funding and the state subsidies elimination for Pennsylvania Charter Schools in July 2011, Avon Grove Charter School is expecting to demonstrate a positive financial outcome for the 2012-2013 fiscal year.

Future Events that will Financially Impact the School

Except as listed in the above economic factors, there are no known additional future events that will financially impact the school.

Contacting the School's Financial Management

The financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to the Business Office, Avon Grove Charter School, 1 Commerce Boulevard, West Grove, PA 19390.

Avon Grove Charter School
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Totals
Assets			
Current assets			
Cash and cash equivalents	$ 1,179,584	$ -	$ 1,179,584
Restricted cash	2,000,558	-	2,000,558
Local educational agencies receivable	992,837	-	992,837
Subsidies receivable	515,999	-	515,999
Other receivables	28,095	12,401	40,496
Prepaid expenses	41,371	-	41,371
Other current assets	13,598	-	13,598
Total current assets	4,772,042	12,401	4,784,443
Property and equipment, net	17,812,846	-	17,812,846
Deferred expenses	533,966	-	533,966
	23,118,854	12,401	23,131,255
Liabilities			
Current liabilities			
Bonds payable, current portion	300,000	-	300,000
Accounts payable	284,784	12,368	297,152
Accrued expenses	1,549,373	-	1,549,373
Total current liabilities	2,134,157	12,368	2,146,525
Bonds payable, net of original issue discount	19,642,117	-	19,642,117
Compensated absences	73,800	-	73,800
	21,850,074	12,368	21,862,442
Net Assets			
Invested in capital assets, net of related debt	(5,651)	-	(5,651)
Restricted	2,000,558		2,000,558
Unrestricted	(726,127)	33	(726,094)
Total net assets	$ 1,268,780	$ 33	$ 1,268,813

See accompanying notes to financial statements.

Avon Grove Charter School
Statement of Activities
Year Ended June 30, 2012

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Totals
Governmental Activities						
Instruction	$ 10,259,674	$ -	$ 12,130,913	$ 1,871,239	$ -	$ 1,871,239
Support services	4,445,039	-	5,003,305	558,266	-	558,266
Noninstructional services	125,502	80,803	835	(43,864)	-	(43,864)
Depreciation and amortization	766,659	-	-	(766,659)	-	(766,659)
Interest expense	1,268,320	-	-	(1,268,320)	-	(1,268,320)
Total governmental activities	16,865,194	80,803	17,135,052	350,661	-	350,661
Business-Type Activities						
Food service	330,181	209,382	-	-	(120,799)	(120,799)
	$ 17,195,375	$ 290,185	$ 17,135,052	350,661	(120,799)	229,862
General Revenues						
Other revenues				143,461	-	143,461
Transfers				(125,541)	125,541	-
Change in net assets				368,581	4,742	373,323
Net Assets - Beginning of Year				900,199	(4,709)	895,490
Net Assets - End of Year				$ 1,268,780	$ 33	$ 1,268,813

See accompanying notes to financial statements.

Avon Grove Charter School
Balance Sheet-Governmental Funds
June 30, 2012

	General Fund
Assets	
Cash and cash equivalents	$ 1,179,584
Restricted cash	2,000,558
Local educational agencies receivable	992,837
Subsidies receivable	515,999
Other receivables	28,095
Prepaid expenses	41,371
Other current assets	13,598
Total assets	$ 4,772,042
Liabilities	
Accounts payable	$ 284,784
Accrued expenses	1,549,373
Total liabilities	1,834,157
Fund Balances	
Nonspendable	54,969
Restricted	2,000,558
Unassigned	882,358
Total fund balances	2,937,885
	$ 4,772,042

See accompanying notes to financial statements.

Avon Grove Charter School
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2012

Total Fund Balance for Governmental Funds		$ 2,937,885
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Buildings and improvements	19,663,536	
Books	1,035,242	
Furniture and equipment	770,253	
Accumulated depreciation and amortization	(3,656,185)	
		17,812,846
Deferred expenses are not financial resources and therefore are not reported in the funds. These assets consist of:		
Deferred financing costs related to bond issuance		499,002
Expenses related to merger with Avon Grove Foundation		34,964
Long-term liabilities that pertain to governmental funds are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities at year end consist of:		
Compensated absences		(73,800)
Bonds payable, net of original issue discount		(19,942,117)
Total Net Assets of Governmental Activities		$ 1,268,780

See accompanying notes to financial statements.

Avon Grove Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds
Year Ended June 30, 2012

	General Fund
Revenues	
Local education agency assistance	$ 16,153,047
Federal sources	612,795
State sources	369,210
Other sources	224,264
Total revenues	17,359,316
Expenditures	
Instruction	10,250,699
Support services	4,445,039
Noninstructional services	125,502
Capital outlay	524,369
Debt service	1,553,320
Total expenditures	16,898,929
Revenues in Excess of Expenditures	460,387
Other Financing Uses	
Interfund transfers out	(125,541)
Excess of Revenues Over Expenditures and Other Financing Uses	334,846
Fund Balance - Beginning of Year	2,603,039
Fund Balance - End of Year	$ 2,937,885

See accompanying notes to financial statements.

Avon Grove Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds		$ 334,846
Capital outlays and deferred charges 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 and amortization expense. This is the amount by which capital outlays and deferred charges exceeds depreciation in the current period.		
Capital outlays	524,369	
Depreciation and amortization expense	(760,664)	
Amortization of original issue discount	(5,995)	
		(242,290)
The governmental funds report note proceeds as financing sources, while repayment of note principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. The net effect of these differences in the treatment of notes payable is as follows:		
Principal payments on long-term debt		285,000
In the statement of activities, compensated absences (paid time off) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the change in the compensated absences liability from the prior year.		(8,975)
Change in Net Assets of Governmental Activities		$ 368,581

See accompanying notes to financial statements.

Avon Grove Charter School
Statement of Net Assets
Proprietary Fund
June 30, 2012

	Enterprise Fund Food Service Fund
Assets	
Current assets	
Accounts receivable	$ 12,401
Total current assets	12,401
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	12,368
Total current liabilities	12,368
Net Assets	
Unrestricted	$ 33

See accompanying notes to financial statements.

Avon Grove Charter School
Statement of Revenues, Expenditures, and Changes in Net Assets
Proprietary Fund
Year Ended June 30, 2012

	Enterprise Fund Food Service Fund
Operating Income	$ 209,382
Operating Expenses	
Food	129,914
Salaries and benefits	188,958
Supplies	11,309
	330,181
Operating loss	(120,799)
Interfund transfers in	125,541
Change in Net Assets	4,742
Net Deficit - Beginning of Year	(4,709)
Net Assets - End of Year	$ 33

See accompanying notes to financial statements.

Avon Grove Charter School
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2012

	Enterprise Fund Food Service Fund
Cash Flows From Operating Activities	
Cash received for food service	$ 227,571
Payments to suppliers	(164,154)
Payments to employees	(188,958)
Net cash used in operating activities	(125,541)
Cash Flows From Noncapital Financing Activities	
Transfer from other fund	125,541
Net cash provided by noncapital financing activities	125,541
Net increase in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	$ -
Reconciliation of Operating Income to Net Cash Used In Operating Activities	
Operating loss	$ (120,799)
Adjustments to reconcile operating loss to net cash used in operating activites:	
Changes in operating assets and liabilties:	
Accounts receivable	18,189
Accounts payable and accrued expenses	(22,931)
Net cash used in operating activites	$ (125,541)

See accompanying notes to financial statements.

Avon Grove Charter School
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2012

	Agency Fund
Assets	
Cash and cash equivalents	$ 20,454
Liabilities	
Other current liabilities	$ 20,454

See accompanying notes to financial statements.

Note 1 Background and Summary of Significant Accounting Policies

Avon Grove Charter School (the School) is a charter school located in West Grove, Pennsylvania. The School was established and operates under the provisions enacted by the General Assembly of the Commonwealth of Pennsylvania in 1997 and is operating under a charter school contract expiring April 11, 2017.

On June 30, 2010, the Avon Grove Foundation (the Foundation) merged into and became a part of the School by reason of a statutory merger entered into by the respective Boards of the Foundation and the School and filed with the Pennsylvania Department of the State Corporation Bureau.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's function are offset by program revenues.

The fund financial statements (governmental fund balance sheet and statement of governmental fund revenues, expenditures and changes in fund balance) report on the School's general fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 90 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The funds utilized by the School and brief descriptions of their accounting purposes are as follows:

> *Governmental Fund* - The fund listed below is the fund through which most governmental functions are furnished.

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

General Fund – The General Fund is the operating fund of the School and accounts for all revenues and expenditures of the School.

Proprietary Fund - The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the School:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services, and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the School in a trustee capacity or as an agent for individuals. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School's own programs. The School does not maintain any Trust Funds, but maintains Agency Funds for the Activity Funds of student clubs, classes and organizations.

Amounts reported as program revenues include a per-student subsidy from local school districts as well as federal and state grants. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Method of Accounting

The School has adopted the provision of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements – and Managements' Discussion and Analysis – for State and Local Governments*." Statement 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets, a statement of activities and changes in net assets. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These calculations are defined as follows:

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Method of Accounting (Continued)

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed for the included program.

Fund Balances - Governmental Funds

The School elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Type Definition* during the year ended June 30, 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The School classified prepaid expenses as being nonspendable as these items are not expected to be converted to cash.

- Restricted - included amounts restricted by external sources, such as creditors or grantors, or by constitutional provision or enabling legislation.

- Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees.

- Assigned - includes amounts that the School intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Fund Balances - Governmental Funds (Continued)

- Unassigned - includes all amounts that are not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the General Fund.

The Budgetary Comparison Schedule should present both the original and the final appropriated budgets for the reporting period. The School only has a general fund budget; therefore, the original budget filed and accepted by the Pennsylvania Department of Education is the final budget as well.

Use of Estimates

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

Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Concentration of Credit Risk

The School maintains cash balances with two banks. As of June 30, 2012 the cash balances are fully insured by the Federal Deposit Insurance Corporation (FDIC). Effective January 1, 2013 the FDIC reduced coverage on non-interest bearing accounts for each bank to $250,000.

Note 1 Background and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the School's cash and cash equivalents is considered to be cash on hand and demand deposits.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. The School does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The School's capitalization level is $2,500. All assets purchased with debt proceeds are capitzlized regardless of cost. Capital assets of the School are depreciated using the straight-line method over the useful lives of the assets; leasehold improvements (20-39 years), furniture and fixtures (5 years) and equipment (5 years).

Deferred Expenses

The Foundation issued bonds in December 2007. Costs incurred in connection with the bond issuances amounted to $587,062. The costs are deferred and amortized on a straight-line basis over the life of the debt (30 years).

The School incurred legal fees in connection with the June 30, 2011 merger with the Foundation. The costs are being amortized on a straight-line basis over 5 years.

Advertising Costs

All costs associated with advertising and promotions are recorded as expenditures in the year incurred.

Income Tax Status

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The School adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes.* Management evaluated the School's tax positions and concluded that the School had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The School files a Return of Organizations Exempt from Income Tax annually. The School's returns for 2008, 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed.

Note 2 Cash

The School's cash and cash equivalents balance at June 30, 2012, was $1,179,584. The actual amount of cash on deposit in the School's bank accounts at June 30, 2012 was $1,633,110. The entire amount held at the bank was insured by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk-Deposits
Custodial credit risk is the risk than in the event of a bank failure, the School's uninsured deposits may not be returned. The School does not have a policy for custodial credit risk.

Note 3 Receivables

Receivables as of June 30, 2012 consist primarily of subsidies from federal and state authorities. All receivables are considered collectible due to the stable condition of these programs.

Note 4 Capital Assets

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

	Balance, 7/1/11	Additions	Deletions	Balance, 6/30/12
Buildings and improvements	$19,050,784	$ 326,356	$ -	$ 19,377,140
Books	1,035,242	-	-	1,035,242
Furniture and equipment	858,637	198,013	-	1,056,650
	20,944,663	524,369	-	21,469,032
Less: accumulated depreciation and amortization	2,932,572	723,614		3,656,186
	$18,012,091	$ (199,245)	$ -	$ 17,812,846

Depreciation and amortization expense was $723,614 for the year ended June 30, 2012.

Note 5 Deferred Expenses

Deferred charges consist of the following as of June 30, 2012:

Bond issuance costs	$ 587,062
Legal fees	87,409
	674,471
Less: accumulated amortization	140,505
	$ 533,966

Note 5 Deferred Expenses (Continued)

Amortization expense was $37,051 for the year ended June 30, 2012.

Note 6 Line of Credit

The School maintains a $1,000,000 line of credit agreement (line) with PNC Bank for working capital, which accrues interest at 1% over prime. As of June 30, 2012, the entire amount was available to be drawn upon.

Changes in short-term debt are as follows:

Balance, July 1, 2011	$ -
Borrowings	970,910
Repayments of principal	(970,910)
Balance, June 30, 2012	$ -

Note 7 Bonds Payable

In December 2007, the Foundation (which merged into the School effective June 30, 2010) issued Series 2007A Bonds totaling $20,695,000 and Series 2007B (subordinated) Bonds totaling $205,000. The bonds were issued for the purpose of providing funds to refinance existing indebtedness, paying for costs of issuing and insuring the bonds and to finance the acquisition and renovation of property in Chester County, PA.

The annual principal amounts and sinking fund requirements on the Series 2007A and Series 2007B Bonds will be paid December 15 each year beginning December 15, 2009 and the interest on the bonds will be payable on June 15 and December 15 at rates ranging from 5.65% to 7.58%. The Series 2007A Bonds are senior in right, payment and security to the Series 2007B (subordinated) Bonds. The School granted a security interest in its revenues to the Trustee as security for the obligations, is required to maintain a debt service coverage ratio of 1.1 to 1.0, and have at least 5% of operating expenses (not including debt service or depreciation and amortization) as of the end of the previous fiscal year in unrestricted cash balances.

At June 30, 2012, bonds payable consists of the following:

Bonds payable	$ 20,095,000
Less: Unamortized original issue discount	(152,883)
	$ 19,942,117

Original issue discount is shown as a reduction of the carrying amount of the bonds payable; this contra asset, which amounted to $179,862, is being amortized on a straight-line basis as a component of interest expense over the life of the bonds (30 years). Amortization expense was $5,995 for the year ending June 30, 2012.

Note 7 Bonds Payable (Continued)

The following is a schedule of required bond principal and interest payments as of June 30, 2012:

Year Ending June 30,	Principal	Interest	Total
2013	$ 300,000	$ 1,250,346	$ 1,550,346
2014	320,000	1,232,831	1,552,831
2015	335,000	1,214,328	1,549,328
2016	355,000	1,194,835	1,549,835
2017	375,000	1,174,213	1,549,213
2018-2022	2,265,000	5,492,175	7,757,175
2023-2027	3,090,000	4,662,906	7,752,906
2028-2032	4,225,000	3,521,884	7,746,884
2033-2037	5,815,000	1,934,972	7,749,972
2038	3,015,000	-	3,015,000
	$20,095,000	$21,678,490	$ 41,773,490

Changes in long-term debt are as follows:

	Bonds Payable	Compensated Absences	Total
Balance, July 1, 2011	$20,380,000	$ 64,825	$ 20,444,825
Additions	-	8,975	8,975
Reductions	(285,000)	-	(285,000)
Balance, June 30, 2012	$20,095,000	$ 73,800	$ 20,168,800

Note 8 Restricted Assets

In accordance with the terms of the issued bonds, the School has established funds that are segregated for specific use and for security of the bondholders and are maintained by an independent trustee. These funds are presented as "restricted cash" in the accompanying statement of net assets and governmental fund balance sheet.

Note 9 Interfund Transfers

Operating transfers in/out to other funds consists of the following:

Note 9 Interfund Transfers (Continued)

	Transfer In	Transfer Out
General fund	$ -	$ 125,541
Food service fund	125,541	-
	$ 125,541	$ 125,541

Note 10 Funding

The School receives funding from local public school districts on a monthly basis based on enrollment. The rate of funding per student is determined on an annual basis.

Note 11 Commitments

Operating Leases
The School leases various modular buildings under operating lease agreements expiring September 2015. The School also leases office space under an operating lease expiring June 30, 2016. Rent expense was $212,772 for the year ended June 30, 2012.

Special Education Outplacement
The School has agreed to fund the special education outplacement of multiple special education students pursuant to legal settlement agreements resulting from claims that the School failed to provide the proper education required.

Future tuition and minimum lease payments are as follows as of June 30, 2012:

Year Ending June 30,	Leases	Special Education	Total
2013	$ 208,926	$ 57,000	$ 265,926
2014	210,310	37,000	247,310
2015	144,728	-	144,728
2016	77,900	-	77,900
	$ 641,864	$ 94,000	$ 735,864

Note 12 Retirement Plan

The School contributes to the Public School Employees' Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Pennsylvania Public School Employees' Retirement System, which provides retirement and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and health care insurance premium assistance to qualifying annuitants.

Note 12 Retirement Plan

The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 PA.C.S. 8101-8535) assigns the authority to establish and amend benefit provisions to the System. The System issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to the Office of Financial Management, Public School Employees' Retirement System, PO Box 125, Harrisburg, PA 17108-0125. This publication is also available on the PSERS website at www.psers.state.pa.us/publications/cafr/index.htm.

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members, employers, and the Commonwealth. The rate of contribution for employees ranges from 5.25% - 7.5% depending upon classification and elections of employees. The School's contribution is 8.65%. In accordance with Act 29 of 1994, the Commonwealth of Pennsylvania will pay school entities for contributions made to the System based on the formula in Act 29 of 1994, but not less than one-half of the school entities contributions. The School's contributions to the Plan were $740,974, $451,444 and $351,055 for the years ended June 30, 2012, 2011 and 2010, respectively, which equals 100% of the contractually required contribution as set by State statutes.

Note 13 Grants

The School participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 14 Risk Management

The 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. The School carries commercial insurance for such risks. There has been no significant reduction in insurance coverage of the School's policies.

Note 15 Litigation

The School is, from time to time, involved in claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, at this time, the ultimate resolution of these matters will not have an adverse effect of the financial position of the School.

Supplementary Information

Avon Grove Charter School
Governmental Fund Budgetary Comparison Schedule
Year Ended June 30, 2012

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Revenues/ Expenditures	Variance With Budget
Revenues				
Local educational agency assistance	$ 16,366,450	$ 15,932,465	$ 16,153,047	$ 220,582
Federal sources	693,582	693,582	612,795	(80,787)
State sources	654,993	392,028	369,210	(22,818)
Other sources	149,550	174,800	224,264	49,464
Total revenues	17,864,575	17,192,875	17,359,316	166,441
Expenditures				
Instruction	10,391,889	10,161,755	10,250,699	(88,944)
Support service	4,598,225	4,408,352	4,445,039	(36,687)
Noninstructional services	55,000	59,235	125,502	(66,267)
Capital outlay	331,749	233,377	524,369	(290,992)
Debt service	2,113,889	2,113,729	1,553,320	560,409
Total expenditures	17,490,752	16,976,448	16,898,929	77,519
Revenues in Excess of Expenditures	373,823	216,427	460,387	243,960
Other Financing Uses				
Interfund transfers out	(100,815)	(108,088)	(125,541)	(17,453)
Excess of Revenues Over Expenditures and Other Financing Uses	273,008	108,339	334,846	226,507
Fund Balance, Beginning	2,603,039	2,603,039	2,603,039	-
Fund Balance, Ending	$ 2,876,047	$ 2,711,378	$ 2,937,885	$ 226,507

See accompanying notes to financial statements.

Avon Grove Charter School
Balance Sheet
As of June 30, 2012

				Jun 30, 12
ASSETS				
Current Assets				
Checking/Savings				
0101000 - Cash Accounts				
0101001-General Checking (1456)			1,058,227.81	
0101002-Payroll (1464)			23,814.83	
0101003-Savings (3691)			72,990.77	
0101004-Bancorp HSA Account			19,500.00	
0101005-Petty Cash Check (1472)			394.00	
0101005A-Petty Cash - State Rd.			500.00	
0101005B-Petty Cash - KES			500.00	
0101006-Performing Arts Fund			3,656.96	
Total 0101000 - Cash Accounts				1,179,584.37
Total Checking/Savings				1,179,584.37
Accounts Receivable				
0141 - Intergovernmental Rec				992,836.77
0150 - Other Receivables				40,495.67
Total Accounts Receivable				1,033,332.44
Other Current Assets				
0142- State Revenue Receivable				
0142-3 - State Receivable-PSERS			134,513.90	
Total 0142- State Revenue Receivable				134,513.90
0143-Federal Revenue Receivable				
0143-01 Federal Rev Receivable			21,060.50	
0143-2 - IDEA Funds Receivable			24,539.06	
0143-4 - Med Access Receivable			335,885.66	
Total 0143-Federal Revenue Receivable				381,485.22
0180 - Prepaid expenses				41,371.43
0191 - Security Deposits				13,598.00
0192 Asset Whose use is limited				
01920001-Bank of NY - DS FD			150,018.47	
01920002-Bank of NY-Project FD			30,929.22	
Total 0192 Asset Whose use is limited				180,947.69
Total Other Current Assets				751,916.24
Total Current Assets				2,964,833.05
Fixed Assets				
0200 - Fixed Assets Foundation				
0212 - Site Improvements				
0212 Improvements- State Rd Lot				
0212-01 Improvements- SR Lot	848,394.00			
0212-02 A/D Improvements-SR Lot	-274,966.75			
Total 0212 Improvements- State Rd Lot		573,427.25		
0214-01 State Road Improvements				
0214-01 State Road Improvements	3,364,375.09			
0214-02 A/D State Road Improve	-368,173.28			
Total 0214-01 State Road Improvements		2,996,201.81		
0220 Improvements-State Rd Roof				
0220-01 Improvements - SR Roof	546,328.75			
0220-02 A/D-Improvement-SR Roof	-215,294.08			
Total 0220 Improvements-State Rd Roof		331,034.67		
Total 0212 - Site Improvements			3,900,663.73	
0230 Equipment - KES Campus				
0230-01 Equipment - KES Campus		22,069.22		
0230-02 A/D KES Equipment		-17,655.47		
Total 0230 Equipment - KES Campus			4,413.75	

Avon Grove Charter School
Balance Sheet
As of June 30, 2012

				Jun 30, 12
0250 Building - Kemblesville				
0250-01 Building - Kemblesville		12,015,828.35		
0250-02 A/D Kemblesville Build		-1,272,471.67		
0250-03 Capitalized Interest		1,643,852.23		
Total 0250 Building - Kemblesville			12,387,208.91	
0250 Building - State Road				
0250-01 Building - State Road		1,222,690.07		
0250-02 A/D State Road Bldg.		-278,085.68		
Total 0250 Building - State Road			944,604.39	
Total 0200 - Fixed Assets Foundation				17,236,890.78
0201 Fixed Assets - AGCS				
0201-01 Books			1,035,242.36	
0201-02 Fixtures & Equipment			770,253.22	
0201-03 Merger Expenses			87,409.00	
0201-04 Accumulated Amort.			-52,445.37	
0201-05 Accumulated Deprec.			-1,229,538.30	
Total 0201 Fixed Assets - AGCS				610,920.91
Total Fixed Assets				17,847,811.69
Other Assets				
0194-2007 Bonds Orig Issue Dis				
2007 Bonds - Orig. Issue Discou			179,862.45	
A/A - OID			-26,979.39	
Total 0194-2007 Bonds Orig Issue Dis				152,883.06
0195-Bank of NY-Debt Serv Acct				
Bank of NY - Debt Service Acct.			1,593,689.21	
Total 0195-Bank of NY-Debt Serv Acct				1,593,689.21
0196-Bank of NY-Repair Account				225,921.21
0197-Deferred Financing Costs				
AA - Def Financing Costs 2007			499,002.38	
Total 0197-Deferred Financing Costs				499,002.38
Total Other Assets				2,471,495.86
TOTAL ASSETS				**23,284,140.60**
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
0400-Interfunds Payables				
0420000-Accounts Payable			297,152.00	
Total 0400-Interfunds Payables				297,152.00
Total Accounts Payable				297,152.00
Other Current Liabilities				
0461-Accrued Salary & Benefit				
0461-Accrued Salary & Benefit			36,941.61	
0461 - Summer Pay Teachers				
0461-1-Summer Teacher Salaries		795,174.27		
0461-2-Summer Teacher S/S		49,804.38		
0461-3-Summer Teacher Medicare		11,279.04		
0461-4-Summer Teacher Unemp Com		148.17		
0461-5-PSERS - Employer Contrib		98,320.01		
0461-6-Summer Teacher Benefits		240,656.36		
Total 0461 - Summer Pay Teachers			1,195,382.23	
0462-Payroll Deductions & W/H				
0462014 125 Medical Plan		2,534.74		
Total 0462-Payroll Deductions & W/H			2,534.74	
Total 0461-Accrued Salary & Benefit				1,234,858.58

Avon Grove Charter School
Balance Sheet
As of June 30, 2012

	Jun 30, 12	
0490 - Accrued Expense		
0403 Accrued Expenses	73,791.56	
0490-1 PSERS Employer Share	188,272.16	
Total 0490 - Accrued Expense		262,063.72
0495 Accrued Bond Series A Int		52,450.95
Total Other Current Liabilities		1,549,373.25
Total Current Liabilities		1,846,525.25
Long Term Liabilities		
0510 - 2007 Bonds Series A		20,095,000.00
Compensated Absences		73,800.00
Total Long Term Liabilities		20,168,800.00
Total Liabilities		22,015,325.25
Equity		
Unrestrict (retained earnings) (990 line 21 & 67)		895,490.34
Net Income		373,325.01
Total Equity		1,268,815.35
TOTAL LIABILITIES & EQUITY		**23,284,140.60**

Avon Grove Charter School
Statement of Revenue and Expenses
July 2011 through June 2012

	Jul '11 - Jun 12	
Ordinary Income/Expense		
Income		
6000-Revenue from Local Sources		
6510000-Income		
6510001-Interest Income	-5,415.60	
6510002 Unrealized gain/loss (Unrealized gain/loss on invest.)	292.32	
Total 6510000-Income	-5,123.28	
6920000-Contributions-Private	7,120.12	
6944000-Receipts from PA LEA		
Avon Grove School District	6,430,352.18	
Coatesville Area School Distr	1,587,200.56	
Downingtown Area School	28,914.69	
Kennett Consolidated School Dis	1,801,959.36	
Octorara Area School District	1,425,162.60	
Oxford Area School District	4,664,055.13	
Solanco School District	105,557.90	
Unionville-Chadds Ford SD	107,871.60	
West Chester Area SD	0.00	
Total 6944000-Receipts from PA LEA	16,151,074.02	
69441000 PA LEA Reconciliation	1,972.93	
Total 6000-Revenue from Local Sources		16,155,043.79
6600-Food Service Revenue		
6613-Milk Money Received	109.12	
6630-A La Carte Revenue	152,610.07	
6640-Nutritional Development Se	56,662.92	
Total 6600-Food Service Revenue		209,382.11
6700-Revenue-Student Activities		80,803.18
6830-Revenue Intermediary Sourc		
6832000-IDEA Pass Through Funds	183,808.61	
Total 6830-Revenue Intermediary Sourc		183,808.61
6900-Revenue from Local Sources		
6910-Rentals	90.00	
Total 6900-Revenue from Local Sources		90.00
6999-Misc. Income		
69990-Misc Income	141,373.63	
Total 6999-Misc. Income		141,373.63
7000-Revenue from State Sources		
7330000-Dept of Health Reimburs	27,751.95	
7820000-Retirement Reimb.	341,458.29	
Total 7000-Revenue from State Sources		369,210.24
8000-Revenue from Fed. Sources		
8514000-ESEA,Title I Impr Basic	140,827.00	
8515000-Title II Improving T Q	12,452.00	
8516000-Title III ESL Instruc	4,579.70	
8910000-Dollar a Day Migrant	40.00	
Total 8000-Revenue from Fed. Sources		157,898.70
8800-Medical Assistance Reimbur		
88100-Medical Access (SBAP)	263,746.62	
88200-Medical Access Title 19	7,341.13	
Total 8800-Medical Assistance Reimbur		271,087.75
Total Income		17,568,698.01
Gross Profit		17,568,698.01
Expense		
1000-Instruction		
1100-Instruction-Regular		
100-Reg Program Salaries	4,199,935.32	

Avon Grove Charter School
Statement of Revenue and Expenses
July 2011 through June 2012

	Jul '11 - Jun 12	
200-Employee Benefits		
211-Health Insurance	1,112,552.08	
212-Dental Insurance	62,674.47	
220-1-Soc Security-Employer	302,412.55	
220-2-Medicare-Employer	59,806.27	
230-PSERS-Employer Contrib	399,296.76	
240-Tuition Reimbursement	38,514.42	
250-Unemployment Comp-Employer	48,160.27	
290-Staff Development	16,011.22	
Total 200-Employee Benefits	2,039,428.04	
300-Professional Services	426,396.45	
500-Field Trips	-4,889.65	
610-Supplies	120,707.59	
640-Books	84,149.86	
650-Supplies-Technology Related	324.42	
700-Property		
700-Computers	59.09	
701- Computer Software	47,903.70	
710-Furniture & Equipment	52,517.18	
Total 700-Property	100,479.97	
Total 1100-Instruction-Regular		6,966,532.00
1200-Special Ed Programs		
100-Salaries	1,690,106.21	
200-Employee Benefits		
211-Health Insurance	232,527.24	
212-Dental Insurance	13,032.04	
220-1-Soc Security-Employer	103,142.65	
220-2-Medicare-Employer	24,112.47	
230-PSERS-Employer Contrib	150,353.34	
240-Tuition Reimbursement	9,247.22	
250-Unemployment Comp-Employer	24,021.32	
290-Staff Development	4,629.88	
Total 200-Employee Benefits	561,066.16	
300-Professional Services		
300-Professional Services	602,631.90	
301-Clinical & Therapuetic Serv	367,266.66	
302-Psychological Services	23,559.15	
Total 300-Professional Services	993,457.71	
500-Other Purchased Services		
580-Travel	422.32	
Total 500-Other Purchased Services	422.32	
610-Supplies	21,911.25	
640-Books	3,652.50	
650-Supplies-Technology Related	83.77	
700-Property		
700-Computers	599.00	
701-Computer Software	13,380.72	
710-Furniture & Equipment	8,461.45	
Total 700-Property	22,441.17	
Total 1200-Special Ed Programs		3,293,141.09
Total 1000-Instruction		10,259,673.09
2000-Support Services		
2100-Supt Svc-Pupil Personnel		
2110 Attendance and Enrollment		
100-Salaries	63,372.66	

Avon Grove Charter School
Statement of Revenue and Expenses
July 2011 through June 2012

	Jul '11 - Jun 12	
200-Employee Benefits		
211-Health Insurance	16,740.38	
212-Dental Benefits	1,103.28	
220-1-Social Security-Employer	3,471.97	
220-2-Medicare Employer	891.63	
230-PSERS Employer Contribution	5,314.27	
250-Unemployment Comp-Employer	1,028.28	
290-Staff Development	336.02	
Total 200-Employee Benefits	28,885.83	
300-Professional Services	844.50	
610-Supplies	63.37	
700-Property		
702-Computer Software	35.24	
710- Furniture & Equipment	139.19	
Total 700-Property	174.43	
Total 2110 Attendance and Enrollment		93,340.79
2120-Guidance Services		
100-Salaries	205,980.37	
200-Employee Benefits		
211-Health Insurance	18,593.54	
212-Dental Insurance	1,134.70	
220-1-Soc Security-Employer	12,673.16	
220-2-Medicare-Employer	2,938.62	
230-PSERS-Employer Contrib	18,001.19	
240-Tuition Reimbursement	1,594.50	
250-Unemployment Comp-Employer	1,800.11	
290-Staff Development	1,574.72	
Total 200-Employee Benefits	58,310.54	
300-Professional Services	3,000.00	
610-Supplies	892.54	
700-Property		
701-Computer Software	79.31	
710-Furniture & Equipment	7,166.46	
Total 700-Property	7,245.77	
Total 2120-Guidance Services		275,429.22
2160-Social Services		
100-Salaries	35,830.96	
200-Employee Benefits		
211-Health Insurance	6,336.66	
212-Dental Insurance	336.32	
220-1-Soc Security-Employer	2,053.54	
220-2-Medicare-Employer	501.72	
230-PSERS-Employer Contribution	3,294.06	
250-Unemployment Comp-Employer	313.84	
290-Staff Development	67.76	
Total 200-Employee Benefits	12,903.90	
700-Property		
701-Computer Software	8.34	
Total 700-Property	8.34	
Total 2160-Social Services		48,743.20
Total 2100-Supt Svc-Pupil Personnel		417,513.21
2200-Supt Serv-Instruct Phy Ed		
2250-School Library Services		
100-Salaries	40,711.23	

Avon Grove Charter School
Statement of Revenue and Expenses
July 2011 through June 2012

	Jul '11 - Jun 12	
200-Employee Benefits		
211-Health Insurance	7,153.18	
212 Dental Insurance	352.38	
220-1-Soc Security-Employer	2,536.07	
220-2-Medicare-Employer	584.42	
230-PSERS Employer Contrib	3,700.84	
250-Unemployment Comp-Employer	447.08	
290-Staff Development	79.96	
Total 200-Employee Benefits	14,853.93	
300-Professional Services	618.25	
610-Supplies	484.93	
700-Property		
701-Computer Software	966.47	
710- Furniture & Equipment	1,424.70	
Total 700-Property	2,391.17	
Total 2250-School Library Services	59,059.51	
Total 2200-Supt Serv-Instruct Phy Ed		59,059.51
2310-Elected Board of Trustees		
2311-Board Treasurer Services		
300-Purchased Prof & Tech Serv	36,500.00	
Total 2311-Board Treasurer Services	36,500.00	
2312-Legal Services		
300-Professional Services	92,602.45	
Total 2312-Legal Services	92,602.45	
Total 2310-Elected Board of Trustees		129,102.45
2380-Administrative		
100-Salaries	871,579.24	
200-Employee Benefits		
211-Health Insurance	187,961.40	
212-Dental Insurance	11,434.88	
220-1-Soc Security-Employer	51,337.79	
220-2-Medicare-Employer	12,011.23	
230-PSERS-Employer Contrib	71,737.50	
250-Unemployment Comp-Employer	8,665.19	
290-Staff Development	2,921.84	
Total 200-Employee Benefits	346,069.83	
300-Professional Services	28,089.25	
500-Other Purchased Services		
540-Advertising	5,902.36	
550-Printing & Binding	1,023.83	
580-Travel	43.30	
590-Miscellaneous Purchases	4,167.87	
591-Postage	14,446.91	
Total 500-Other Purchased Services	25,584.27	
610-General Supplies	35,045.83	
640-Books & Periodicals	76.73	
700-Property		
701-Computer Software	2,352.16	
710-Furniture & Equipment	20,874.04	
Total 700-Property	23,226.20	
800-Recruitment & Place Ser	4,229.82	
Total 2380-Administrative		1,333,901.17
2400-Support Svc-Pupil Health		
100-Salaries	155,253.54	

Avon Grove Charter School
Statement of Revenue and Expenses
July 2011 through June 2012

		Jul '11 - Jun 12
200-Employee Benefits		
211-Health Insurance	19,580.25	
212-Dental Insurance	1,009.00	
220-1-Soc Security-Employer	9,477.33	
220-2-Medicare-Employer	2,216.41	
230-PSERS-Employer Contrib	14,113.94	
240-Tuition Reimbursement	2,000.00	
250-Unemployment Comp-Employer	1,353.76	
290-Staff Development	560.08	
Total 200-Employee Benefits		50,310.77
500-Other Purchased Services		
580-Travel	22.20	
Total 500-Other Purchased Services		22.20
610-Supplies		2,933.05
700-Property		
701-Computer Software	25.02	
710-Furniture & Fixtures	1,646.66	
Computer Software	27.55	
Total 700-Property		1,699.23
Total 2400-Support Svc-Pupil Health		210,218.79
2510-Support Svc-Fiscal Service		
100-Salaries		290,915.20
200-Employee Benefits		
211-Health Insurance	30,839.11	
212-Dental Insurance	1,849.76	
220-1-Medicare-Employer	4,174.88	
220-1-Soc Security-Employer	16,173.13	
230-PSERS-Employer Contrib	24,333.94	
250-Unemployment Comp-Employer	4,182.15	
Total 200-Employee Benefits		81,552.97
290-Staff Development		4,729.91
300-Professional Services		14,995.54
340-2-Audit Services		15,000.00
340-3-Other		1,192.23
340-4-Payroll Services		15,006.82
340-5-Bank Fees		5,314.66
340-6-Bond Fees		6,795.00
350-1 Professional Services		700.96
350-2 IT Professional Services		241,809.02
440-Building Rental Fees		48,000.00
500-Other Purchased Services		
520-Insurance	127,591.00	
530-Telephone	17,875.03	
540-Advertising	1,149.41	
580-Travel	2,368.16	
590-Miscellaneous Purchases	364.22	
591-Postage	1,953.74	
Total 500-Other Purchased Services		151,301.56
610-Supplies		8,761.29
610-Supplies-Technology Related		1,615.61
700-Property		
700-Computers	329.00	
701-Computer Software	4,195.58	
710- Furniture & Equipment	2,339.65	
Total 700-Property		6,864.23
Total 2510-Support Svc-Fiscal Service		894,555.00
2600-Operation & Maint of Pl		
100-Salaries		442,546.34

Avon Grove Charter School
Statement of Revenue and Expenses
July 2011 through June 2012

	Jul '11 - Jun 12	
200-Employee Benefits		
211-Health Insurance	128,628.49	
212-Dental Insurance	6,875.99	
220-1-Soc Security-Employer	26,045.68	
220-2-Medicare-Employer	6,113.24	
230-PSERS-Employer Contrib	35,705.33	
250-Unemployment Comp-Employer	8,204.68	
290-Staff Development	720.47	
Total 200-Employee Benefits		212,293.88
300 - Professional Services		3,881.51
301-Security Services		1,500.00
400-Property Services		
400-1-Construction	0.00	
400-7-Other	25,000.00	
Total 400-Property Services		25,000.00
410-1-Utilities		265,802.97
410-2-Trash Removal		17,207.11
430-Repair & Maint Services		
431-Repair&Maint Serv of Bldgs	94,403.79	
Total 430-Repair & Maint Services		94,403.79
440-Bldg Rental/Mortgage		
400-5 Building Rental	1,250.00	
400-5A-Rental of Module Bldgs	164,772.00	
400-5B-Rental of Equip/Storage	5,102.13	
Total 440-Bldg Rental/Mortgage		171,124.13
610-Supplies		96,957.12
700-Property		
701-Computer Software	34.94	
710- Furniture & Equipment	4,305.77	
Total 700-Property		4,340.71
Total 2600-Operation & Maint of Pl		1,335,057.56
2800-Support Services		
432-Repair & Maint of Equip	65,631.03	
Total 2800-Support Services		65,631.03
Total 2000-Support Services		4,445,038.72
3000-Operation of Noninstruct		
3100-Food Services		
100-Salaries	156,380.80	
200-Employee Benefits		
211-Health Insurance	1,627.32	
212-Dental Insurance	0.00	
220-1-Soc Security-Employer	9,685.55	
220-2-Medicare-Employer	2,265.11	
230-PSERS-Employer Contrib	13,427.79	
250-Unemployment Comp-Employer	4,522.95	
290-Staff Development	1,047.87	
Total 200-Employee Benefits		32,576.59
572-Non-Food Expenditures		3,639.68
610-Supplies		90,545.95
630 Food Purchases		39,367.60
700-Property		
701-Computer	100.91	
710-Furniture & Equipment	7,568.51	
Total 700-Property		7,669.42
Total 3100-Food Services		330,180.04

Avon Grove Charter School
Statement of Revenue and Expenses
July 2011 through June 2012

	Jul '11 - Jun 12	
3200-Student Activities		
100-Salaries	19,593.75	
220-1-Soc Security-Employer	801.93	
220-2-Medicare-Employer	276.88	
230-PSERS-Employer Contrib	1,694.89	
300-Professional Fees	32,065.79	
600-Supplies	44,869.34	
610-General Supplies	17,943.95	
700-Furniture & Equipment	987.68	
810-Dues & Membership Fees	741.50	
840-Uniforms	1,526.49	
Total 3200-Student Activities		120,502.20
3210-School Sponsored Activity		
650-Scholarships	5,000.00	
Total 3210-School Sponsored Activity		5,000.00
Total 3000-Operation of Noninstruct		455,682.24
5000-830-Debt Service		
5000-8300-Interest	5,659.77	
5000-8304-Interest 2007 A	1,262,660.46	
5100-7901-Depreciation	723,612.77	
5100-8902-Amortization	43,045.95	
Total 5000-830-Debt Service		2,034,978.95
Total Expense		17,195,373.00
Net Ordinary Income		373,325.01
Net Income		**373,325.01**

Other Reports Required By Government Auditing Standards

Siegal & Drossner, PC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Avon Grove Charter School
West Grove, Pennsylvania

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Avon Grove Charter School (the School) as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements and have issued our report thereon, dated October 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's 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 School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

tel 215.517.5600 ▪ fax 215.517.5610 ▪ 300 Yorktown Plaza ▪ Elkins Park, PA 19027 ▪ www.siegaldrossner.com

This report is intended for the information and use of the audit committee, management 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.

Siegel & Drossner, P.C.

Certified Public Accountants
Elkins Park, Pennsylvania

October 22, 2012

Staff No.	Name of employee	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assignment Subject Areas Teaching or Services Provided	Number of Hours Annually Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
1	Jessica Abernety	Yes	Math 7-12	HS Math	HS Math	7,012.50	100	
2	Amanda Armstrong	Yes	Elementary K-6	3rd	3rd	7,012.50	100	
3	Amy Ault	Yes	Elementary K-6	K	K	7,012.50	100	
4	Sonya Bannon	Yes	Art K-12	Art - K-2	Art - K-2	7,012.50	100	
5	Diane Bertolino	Yes	Elementary K-6	1st	1st	7,012.50	100	
6	Krista Biedrzycki	Yes	Art K-12	Art 9-12	Art 9-12	7,012.50	100	
7	Robyn Birnbrauer	Yes	English 7-12	8th & 9th English	8th & 9th English	7,012.50	100	
8	Doreen Brady	Yes	Elementary K-6, Mid-level Math 7-9, Family	7th Math	7th Math	7,012.50	100	
9	Ashley Bramble	Yes	Elementary K-6	6th special ed	6th special ed	7,012.50	100	
10	Christopher Brinton	Yes	Biology	HS Science	HS Science	7,012.50	100	
11	Melissa Brown	Yes	Elementary K-6	K special ed	K special ed	7,012.50	100	
12	Kristy Cameron	Yes	Elementary K-6	3rd special ed	3rd special ed	7,012.50	100	
13	Joan Chien	No		HS Chinese	HS Chinese	7,012.50	0	100
14	Brian Cotter	Yes	English 7-12	MS Drama	MS Drama	7,012.50	100	
15	Mary Culler	Yes	Elementary K-6, Special ed N-12, Mid-level I	10th special ed	10th special ed	7,012.50	100	
16	Lauren Daniel	Yes	English 7-12	HS English	HS English	7,012.50	100	
17	Jill Deshullo	Yes	Early Childhood N-3	1st	1st	7,012.50	100	
18	Bonnie Dickson	Yes	Expired French, Expired Elementary Science	Elem/MS Environmental Science	Elem/MS Environmental Science	7,012.50	0	100
19	Joanne Dilonno	Yes	Social Studies	HS History	HS History	7,012.50	100	
20	Laura Duff	Yes	Elementary K-12	Austistic Support/Special ed teacher	Austistic Support/Special ed teacher	7,012.50	100	
21	Cheryl Durante	Yes	Elementary K-6	5th	5th	7,012.50	100	
22	Elizabeth Ferris	Yes	Elementary K-6,	5th	5th	7,012.50	100	
23	Mark Fischer	Yes	Social Studies	8-9 history	8-9 history	7,012.50	100	
24	Elizabeth Fish	Yes	Elementary K-6, Environmental Ed K-12, Mi	3rd	3rd	7,012.50	100	
25	Jennifer Florschutz	Yes	Elementary K-6, Special ed N-12, PrincipalK-	4th	4th	7,012.50	100	
26	Laura Franks	Yes	Elementary K-6	3rd	3rd	7,012.50	100	
27	Christina Franks	Yes	Elementary K-6	Federal Program Teacher	Federal Program Teacher	7,012.50	100	
28	Melissa Frawley	Yes	Early Childhood N-3, Elementary K-6, Specia	Special ed 7th	Special ed 7th	7,012.50	100	
29	Lisa Gonzalez	Yes	Elementary K-6	4th	4th	7,012.50	100	
30	Katherine Gortvay	Yes	Elementary K-6	Librarian K-2	Librarian K-2	7,012.50	100	
31	Joan Gravatt	Yes	Elementary, Ment and/or Phys Handicappe	HS Spec ed	HS Spec ed	7,012.50	100	
32	Jeannine Gray	Yes	Elementary K-6	K	K	7,012.50	100	
33	Sandra Haftl	Yes	Elementary K-6	8th Math	8th Math	7,012.50	100	
34	John Hashhagen	Yes	Citizenship 7-12	HS History	HS History	7,012.50	100	
35	Kelly Hendrickson	Yes	Spanish, Mid-level Math 7-9, Mid-level Citiz	Spanish 3-5	Spanish 3-5	3,506.25	100	0
36	Carrie Herman	Yes	Elementary K-6	6th Math & Science	6th Math & Science	7,012.50	100	
37	Susan Howard	Yes	Elementary K-6	6th Math & Science	6th Math & Science	7,012.50	100	
38	Carol Ann Hudson	Yes	Elementary K-6	CAAP Teacher 2	CAAP Teacher 2	7,012.50	100	
39	Jennifer Johnson	Yes	Elementary K-6, Special ed N-12, Mid-level I	HS Spec ed	HS Spec ed	7,012.50	100	
40	Melanie Kahler	Yes	Elementary K-6	K	K	7,012.50	100	
41	Joanne Kalmbach	No		MS/HS Dance	MS/HS Dance	7,012.50	0	100
42	Meghan Kammerer	Yes	Elementary K-6	K	K	7,012.50	100	
43	Anna Karas	Yes	Elementary K-6	CAAP Teacher 3	CAAP Teacher 3	7,012.50	100	
44	Daniel Kellie	Yes	Health & Phys ed	Phys ed 3-5	Phys ed 3-5	7,012.50	100	
45	Karen Kenny	Yes	Elementary K-6	6th Math & Science	6th Math & Science	7,012.50	100	
46	Amanda Kerr	Yes	Elementary K-6	5th	5th	7,012.50	100	
47	Jaime Kullman	Yes	Elementary K-6	2nd	2nd	7,012.50	100	
48	Kimberlea Latsha	Yes	Elementary K-6	Special ed 2nd	Special ed 2nd	7,012.50	100	
49	Bethanne Lindenbaum	Yes	English 7-12	MS English	MS English	7,012.50	100	

Staff No.	Name of employee	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assignment Subject Areas Teaching or Services Provided	Number of Hours Annually Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
50	Kathleen Logullo	Yes	Elementary K-6	Elem/MS Environmental Science	Elem/MS Environmental Science	7,012.50	100	
51	Lauren Mack	Yes	Elementary K-6, Mid-level English 7-9, Mid-l	K	K	7,012.50	100	
52	Melissa Manrique	Yes	Elementary K-6, Program Specialist ESL	5th	5th	7,012.50	100	
53	Jason McGehean	Yes	Health & Phys ed	MS/HS Phys Ed	MS/HS Phys Ed	7,012.50	100	
54	Patricia McGlone	Yes	Elementary K-6	K	K	7,012.50	100	
55	Helen McNicholl	Yes	Elementary K-6	Federal Program Title III	Federal Program Title III	7,012.50	100	
56	Paul Milburn	Yes	Elementary K-6	6th English & History	6th English & History	7,012.50	100	
57	Judith Miller	Yes	Math 7-12	HS Math	HS Math	7,012.50	100	
58	Meghan Moore	Yes	Music	MS Music	MS Music	7,012.50	100	
59	Michael Mostello	Yes	Social Studies, Environmental Ed K-12	HS History	HS History	7,012.50	100	
60	Lisa Murray	Yes	Art K-12	Art 3-5	Art 3-5	7,012.50	100	
61	Heahter Nardozzi	Yes	Elementary K-6	3rd	3rd	7,012.50	100	
62	Gabe Neeld	No	Art K-12	HS Art	HS Art	7,012.50	0	100
63	Pam Neeld	Yes	Elementary K-6	K	K	7,012.50	100	
64	Rebecca Neirotti	Yes	Elementary K-6, Mid-level Science 7-9	7th Science	7th Science	7,012.50	100	
65	Paul Parente	Yes	English 7-12	HS Drama	HS Drama	7,012.50	100	
66	Carrie Paul-Stein	Yes	Early Childhood N-3, Special Ed N-12, Eleme	2nd	2nd	7,012.50	100	
67	Dylan Pennell	Yes	English 7-12	HS English	HS English	7,012.50	100	
68	Laura Pepe	Yes	Elementary K-6	1st	1st	7,012.50	100	
69	Joseph Petraitis	Yes	Chemistry	HS Physics	HS Physics	7,012.50	100	
70	Laura Piperis	Yes	Special ed N-12	1st	1st	7,012.50	100	
71	Keri Pomante	Yes	Elementary K-6	4th	4th	7,012.50	100	
72	Kelly Price	Yes	Elementary K-6	3rd	3rd	7,012.50	100	
73	Susan Raike	Yes	Elementary K-6, Mid-level English 7-9, Speci	special ed 8th	special ed 8th	7,012.50	100	
74	Kristin Reph	Yes	Chemistry	HS Chemistry	HS Chemistry	7,012.50	100	
75	Paula Reynolds	Yes	Elementary K-6, Mid-level English 7-9, Read	5th	5th	7,012.50	100	
76	Carolyn Reynolds	Yes	Music	Music K-2	Music K-2	7,012.50	100	
77	Erika Robinson	Yes	Spanish	HS Spanish	HS Spanish	7,012.50	100	
78	Kelly Rodeheaver	Yes	Special ed N-12	1st	1st	7,012.50	100	
79	Patrick Rodeheaver	Yes	Citizenship 7-12	7th History	7th History	7,012.50	100	
80	Jessica Scalise	Yes	Elementary K-6	CAAP Teacher 3	CAAP Teacher 3	7,012.50	100	
81	Joseph Scheller	Yes	Music	Elem Music	Elem Music	7,012.50	100	
82	Esther Shutz	Yes	Music	HS Music	HS Music	7,012.50	100	
83	Phil Sechrist	Yes	Elementary K-6	4th Special Ed	4th Special Ed	7,012.50	100	
84	Lisa Sellers	Yes	Elementary K-6. special ed N-12	Special ed 4th	Special ed 4th	7,012.50	100	
85	Jerald Singer	Yes	Elementary K-6	5th	5th	7,012.50	100	
86	Rebecca Smith	Yes	Elementary, Special education N-12	2nd	2nd	7,012.50	100	
87	Burnell Smucker	Yes	Health & Phys ed	Phys ed K-2	Phys ed K-2	7,012.50	100	
88	Megan Springer	Yes	Elementary K-6	2nd	2nd	7,012.50	100	
89	Julie Stephenson	Yes	Elementary K-6	6th English & History	6th English & History	7,012.50	100	
90	Jeremiah Stone	Yes	Math 7-12	HS Math	HS Math	7,012.50	100	
91	Kelly Sweeney	Yes	Elementary K-6, Mid-level Science 7-9, Gene	8th Science	8th Science	7,012.50	100	
92	Marie Sycalik	Yes	Mid-level English, Mid-level Math 7-9, Mid-l	7th & 8th English, History, and Math	7th & 8th English, History, and Math	7,012.50	100	
93	Sylvo Szabo	Yes	Art K-12	MS/HS Art	MS/HS Art	7,012.50	100	
94	Gwenn Tellman	Yes	Mid-level English 7-9	7th English	7th English	7,012.50	100	
95	Jason Thompson	Yes	Elementary K-6, Mid-level English 7-9	4th	4th	7,012.50	100	
96	Colleen Urbine	Yes	Elementary K-6	2nd	2nd	7,012.50	100	
97	Margaret Vidumsky	Yes	Early childhood N-3, Special Ed N-12	3rd	3rd	7,012.50	100	
98	Brian Wallace	Yes	Elementary K-6, special ed N-12	HS Spec ed	HS Spec ed	7,012.50	100	

Staff No.	Name of employee	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assignment Subject Areas Teaching or Services Provided	Number of Hours Annually Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
99	Katherine Ward	Yes	Early Childhood, Elementary	4th	4th	7,012.50	100	
100	Kristin Wills	Yes	Elementary K-6, Special Education N-12	2nd	2nd	7,012.50	100	
101	Janessa Worthington	Yes	Elementary K-6	1st	1st	7,012.50	100	
102	Kendal Yarosh	Yes	Elementary K-6, mid-level Math 7-9	6th	6th	7,012.50	100	
103	Donna Hall	Yes	Bus. Computer Info Tech K-12	Elem/MS Technology	Elem/MS Technology	7,102.50	100	
104	Patricia Snader	Yes	French and Spanish	HS French/Spanish	HS French/Spanish	7,102.50	100	
105	Patricia Sharpe	Yes	Elementary K-6, Special Ed N-12	5th Grade Special Ed	5th Grade Special Ed	7,102.50	100	

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2013

Name of School Avon Grove Charter School

Address of School : 110 East State Road, West Grove PA 19390

CEO Signature _____

REVENUES

6000			**REVENUE FROM LOCAL SOURCES**	16,914,826.23
6500			**EARNINGS ON INVESTMENTS**	
	6510		Interest on Investments and Interest-Bearing Checking Accounts	3,270.86
	6520		Dividends on Investments	2,032.00
	6530		Gains or Losses on Sale of Investments	
	6540		Earnings on Investments in Real Property	
	6590		Other Earnings or Investments	
6600			**FOOD SERVICE REVENUE**	
	6610		Daily Sales - Reimbursable Programs	114,711.58
	6620		Daily Sales - Non-Reimbursable Programs	240,764.37
	6630		Special Functions	
	6640		Non-Cash Contributions	
	6650		Price Reduction for Reduced Price and Free Meals (Debit)	
	6690		Other Food Service Revenues	
6700			**REVENUES FROM STUDENT ACTIVITIES**	
	6710		Admissions	
	6720		Bookstore Sales	
	6730		Student Organization Membership Dues and Fees	
	6740		Fees	2,940.00
	6750		Student Activity - Special Events	
	6790		Other Student Activity Income	50,910.44
6800			**REVENUES FROM INTERMEDIARY SOURCES / PASS THROUGH**	
	6810		Revenue from Local Governmental Units	
	6820		Revenue from Intermediary Sources - Commonwealth Funds	
	6830		Revenues from Intermediary Sources - Federal Funds	226,475.00
	6890		Other Revenues from Intermediary Sources	
6900			**OTHER REVENUE FROM LOCAL SOURCES**	
	6910		Rentals	360.00
	6920		Contributions & Donations from Private Sources / Capital Contributions	9,093.58
	6930		Gains or Losses on Sale of Fixed Assets (Economic Resource Measurement Focus Only)	
	6940		Tuition from Patrons	
		6941	Regular Day School Tuition	
		6942	Summer School Tuition	
		6943	Adult Education Tuition	
		6944	Receipts From Other LEAs in Pennsylvania - Education	
		6945	Receipts from Out-of-State LEAs	
		6946	Receipts from Member Districts - AVTS / Special Program Jointure only	
		6947	Receipts from Members of Intermediate Units for Education by Withholding	
		6948	Receipts from Members of Intermediate Units for Direct Contributions	
		6949	Other Tuition from Patrons	
	6950		Unassigned	
	6960		Services Provide Other Local Governmental Units / LEAs	
		6961	Transportation Services Provided Other Pennsylvania LEAs	
		6969	All Other Services Provided Other Governments and LEAs Not Specified Above	
	6970		Services Provided Other Funds	
	6980		Revenue from Community Service Activities	
	6990		Refunds and Other Miscellaneous Revenue	77,804.00
		6991	Refunds of a Prior Year Expenditure	
		6999	Other Revenues Not Specified Above	

7000			**REVENUE FROM STATE SOURCES**	
7100			BASIC INSTRUCTIONAL AND OPERATING SUBSIDIES	
	7150		Unassigned	
	7160		Tuition for Orphans and Children Placed in Private Homes	
	7180		Staff and Program Development	
7200			REVENUE FOR SPECIFIC EDUCATIONAL PROGRAMS	
	7210		Homebound Instruction	
	7220		Vocational Education	
	7230		Alternative Education	
	7240		Driver Education - Student	
	7250		Migratory Children	
	7260		Workforce Investment Act (WIA)	
	7270		Specialized Education of Exceptional Pupils	
	7280		Adult Literacy	
	7290		Additional Educational Program Revenues	
7300			REVENUES FOR NON-EDUCATIONAL PROGRAMS	
	7310		Transportation (Regular and Additional)	
	7320		Rental and Sinking Fund Payments / Building Reimbursement Subsidy	
	7330		Health Services (Medical, Dental, Nurse, Act 25)	
	7340		Unassigned	
	7350		Sewage Treatment Operations / Environmental Subsidies	
	7360		Safe Schools	
7400			VOCATIONAL TRAINING OF THE UNEMPLOYED	
7500			STATE REVENUE NOT LISTED ELSEWHERE IN THE 7000 SERIES OF ACCOUNTS	
		7502	Dual Enrollment Grants	
		7503	Project 720/High School Reform	
		7599	Other State Revenue Not Listed Elsewhere in the 7000 Series	27,751.95
7600			REVENUE FOR MILK, LUNCH AND BREAKFAST PROGRAMS	
7800			REVENUE FOR THE COMMONWEALTH'S SHARE OF PAID BENEFITS	
	7810		State Share of Social Security and Medicare Taxes	
	7820		State Share of Retirement Contributions	631,058.93
7900			REVENUE FOR TECHNOLOGY	
	7910		Educational Technology	
	7990		Other Technology Grants	
8000			**REVENUE FROM FEDERAL SOURCES**	
8100			UNRESTRICTED GRANTS-IN-AID DIRECT FROM THE FEDERAL GOVERNMENT	
	8110		Payments for Federally Impacted Areas - P.L. 81-874	
	8190		Other Unrestricted Federal Grants-in-Aid Direct from the Federal Government	
8200			UNRESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH	191,277.61
8300			RESTRICTED GRANTS-IN-AID DIRECTLY FROM THE FEDERAL GOVERNMENT	
	8310		Payments for Federally Impacted Areas - P.L. 81-815	
	8320		Energy Conservation Grants - TA and ECM	
	8390		Other Restricted Federal Grants-in-Aid Directly from the Federal Government	
8500			RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA), NO CHILD LEFT BEHIND (NCLB), VOCATIONAL EDUCATION, CHILD NUTRITION AND CAREER EDUCATION PROGRAMS	
	8510		Individuals with Disabilities Education Act (IDEA) and No Child Left Behind (NCLB)	
	8520		Vocational Education	

	8530		Child Nutrition Program	
	8540		Nutrition Education and Training	
	8560		Federal Block Grants	
	8570		Unassigned	
	8580		Child Care and Development Block Grants	
	8590		Unassigned	
8600			RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR DRIVER EDUCATION, ADULT EDUCATION, CETA, HEADSTART, ENERGY CONSERVATION, WORKFORCE INVESTMENT ACT AND OTHER PROGRAMS	
	8610		Homeless Assistance Act	
	8620		Adult Basic Education	
	8640		Headstart	
	8650		Unassigned	
	8660		Workforce Investment Act (WIA)	
	8670		Unassigned	
	8680		Unassigned	
	8690		Other Restricted Federal Grants-in-Aid through the Commonwealth	
8800			MEDICAL ASSISTANCE REIMBURSEMENTS	69,048.65
9000			**OTHER FINANCING SOURCES**	
9100			SALE OF BONDS	
	9110		Bond Issue Proceeds (Gross)	
	9120		Proceeds from Refunding of Bonds	
9200			PROCEEDS FROM EXTENDED TERM FINANCING	
9300			INTERFUND TRANSFERS	
	9310		General Fund Transfers	
	9320		Special Revenue Fund Transfers	
	9330		Capital Projects Funds Transfers	
	9340		Debt Service Fund Transfers	
	9350		Enterprise Fund Transfers	
	9360		Internal Service Fund Transfers	
	9370		Trust and Agency Fund	
	9380		Activity Fund Transfers	
	9390		Permanent Fund Transfers	
9400			SALE OF OR COMPENSATION FOR LOSS OF FIXED ASSETS	
9500			Unassigned	
9600			Unassigned	
9700			TRANSFERS INVOLVING COMPONENT UNITS AND PRIMARY GOVERNMENTS	
	9710		Transfers from Component Units	
	9720		Transfers from Primary Governments	
9800			INTRAFUND TRANSFERS IN	
	9810		General Fund Intrafund Transfers	
	9820		Special Revenue Intrafund Transfers	
	9840		Debt Service Intrafund Transfers	
	9850		Enterprise Intrafund Transfers	
	9860		Internal Service Intrafund Transfers	
	9870		Trust and Agency Intrafund Transfers	
	9880		Activity Interfund Transfers	
TOTAL REVENUES				18,562,325.20

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2013

Name of School Avon Grove Charter School

Address of School : 110 East State Road, West Grove PA. 19390

CEO Signature _____

Note-Expenditures may be submitted EITHER as accrual or cash basis

EXPENDITURES

1000		**INSTRUCTION**	
1100		REGULAR PROGRAMS - ELEMENTARY / SECONDARY	7,442,617.78
1200		SPECIAL PROGRAMS - ELEMENTARY / SECONDARY	3,167,538.38
1300		VOCATIONAL EDUCATION	
1400		OTHER INSTRUCTIONAL PROGRAMS - ELEMENTARY / SECONDARY	
1600		ADULT EDUCATION PROGRAMS	
1700		HIGHER EDUCATION PROGRAMS	
1800		PRE-KINDERGARTEN	
2000		**SUPPORT SERVICES**	
2100		SUPPORT SERVICES - PUPIL PERSONNEL	
	2110	Supervision of Pupil Personnel Services	
	2120	Guidance Services	318,676.80
	2130	Attendance Services	106,430.80
	2140	Psychological Services	
	2150	Speech Pathology and Audiology Services	
	2160	Social Work Services	7,273.32
	2170	Student Accounting Services	
	2190	Other Pupil Personnel Services	
2200		SUPPORT SERVICES - INSTRUCTIONAL STAFF	
	2210	Supervision of Educational Media Services	
	2220	Technology Support Services	
	2230	Educational Television Services	
	2240	Computer-Assisted Instruction Support Services	
	2250	School Library Services	65,158.34
	2260	Instruction and Curriculum Development Services	
	2270	Instructional Staff Professional Development Services	
	2280	Nonpublic Support Services	
2300		SUPPORT SERVICES - ADMINISTRATION	
	2310	Board Services	
	2320	Board Treasurer Services	36,600.00
	2340	Staff Relations and Negotiations Services	
	2350	Legal Services	146,244.50
	2360	Office of the Superintendent (Executive Director) Services	
	2370	Community Relations Services	
	2380	Office of the Principal Services	
	2390	Other Administration Services	1,330,079.29
2400		SUPPORT SERVICES - PUPIL HEALTH	221,762.38
2500		SUPPORT SERVICES - BUSINESS	999,502.94
	2510	Fiscal Services	
	2520	Purchasing Services	
	2530	Warehousing and Distributing Services	
	2540	Printing, Publishing and Duplicating Services	
	2590	Other Support Services - Business	
2600		OPERATION AND MAINTENANCE OF PLANT SERVICES	1,281,178.64
	2610	Supervision of Operation and Maintenance of Plant Services	

	2620	Operation of Buildings Services	
	2630	Care and Upkeep of Grounds Services	
	2640	Care and Upkeep of Equipment Services	
	2650	Vehicle Operations and Maintenance Services (Other than Student Transportation Vehicles)	
	2660	Security Services	
	2690	Other Operation and Maintenance of Plant Services	28,612.54
2700		STUDENT TRANSPORTATION SERVICES	
	2710	Supervision of Student Transportation Services	
	2720	Vehicle Operation Services	
	2730	Monitoring Services	
	2740	Vehicle Servicing and Maintenance Services	
	2750	Nonpublic Transportation	
	2790	Other Student Transportation Services	
2800		SUPPORT SERVICES - CENTRAL	
	2810	Planning, Research, Development and Evaluation Services	
	2820	Information Services	
	2830	Staff Services	
	2840	Data Processing Services	
	2850	State and Federal Agency Liaison Services	
	2860	Management Services	
	2890	Other Support Services Central	
2900		OTHER SUPPORT SERVICES - CENTRAL	
	2990	Pass-Thru Funds	
3000		**OPERATION OF NON-INSTRUCTIONAL SERVICES**	
3100		FOOD SERVICES	357,366.50
3200		STUDENT ACTIVITIES	
	3210	School Sponsored Student Activities	113,408.94
	3250	School Sponsored Athletics	
3300		COMMUNITY SERVICES	
	3310	Community Recreation	
	3320	Civic Services	
	3330	Public Library Services	
	3340	Custody and Child Care	
	3350	Welfare Activities	
	3390	Other Community Services	
3400		SCHOLARSHIPS AND AWARDS	
4000		**FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES**	
4100		SITE ACQUISITION SERVICES - ORIGINAL AND ADDITIONAL	
4200		EXISTING SITE IMPROVEMENT SERVICES	
4300		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPEICIFICATIONS DEVELOPMENT - ORIGINAL AND ADDITIONAL	
4400		ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS - IMPROVEMENTS	
4500		BUILDING ACQUISITION AND CONSTRUCTION SERVICES - ORIGINAL AND ADDITIONAL	
4600		EXISTING BUILDING IMPROVEMENT SERVICES	
5000		**OTHER EXPENDITURES AND FINANCING USES**	1,013,657.15
5100		DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES	1,249,640.06
5200		FUND TRANSFERS	
5300		TRANSFERS INVOLVING COMPONENT UNITS	
5400		INTRAFUND TRANSFERS OUT	

5800		SUSPENSE ACCOUNT	
5900		BUDGETARY RESERVE	
TOTAL EXPENDITURES			17,885,748.36

TOTAL REVENUES MINUS TOTAL EXPENDITURES = CURRENT FUND BALANCE AS OF JUNE 30, 2013 **676,576.84**

The Avon Grove Charter School
Fiscal Solvency Procedure

1. Introduction

The Budgetary process at the Avon Grove Charter School is an integral part of carrying out the mission of the school. The budget is prepared prior to the beginning of the fiscal year and is approved by the Board of Trustees in advance of its implementation.

2. Accountability

The school has a fiduciary responsibility to effectively manage and use its financial resources. The Board of Trustees and Administration are ultimately responsible for the fiscal solvency of the school.

The school is committed to effective resource management and accountability. Ongoing budget oversight is provided to ensure that resources and expenditures are occurring in general conformity with the approved budget. Throughout the fiscal year, the Accounting/Business Office, Principal, Directors and Department Managers shall monitor and oversee operating budgets ensuring that:

- Year-to-date resources and expenditures are occurring in a meaner consistent with the departmental budget.
- Resource shortfalls and expenditure overages are identified and resolved.
- Deficit spending at the department level does not occur.

3. Employee Hiring and Compensation

Salaries and benefits represent the largest expenditure for the academic entity. It is important to mange this expense effectively. A staff list is provided to each department in their budget packet. The staff list is an effective tool used to provide each Academic Director and Administration with the necessary information required to make decisions on whether to recruit and /or refill a position vacancy.

4. Fiscal Year End Purchase Requisitions

Generally accepted accounting principles for the Not-for-Profit Organization require the school to record the expense at the time it was received or the service was rendered. Expense items incurred prior to June 30th will be expensed to the current fiscal year and not held and expensed against the following fiscal year.

Outstanding purchase orders on which delivery is not received before June 30th will be expensed against the following fiscal year.

5. Capital Expenditures

A capital expenditure is the purchase is the purchase of furniture, equipment, vehicles, facilities, etc., with a price (or fair market value in the case of a gift) of $ 5000 or more and a useful life of two or more years.

Capital Expenditures over $ 5000.00 or more required the approval of the Board of Trustees and are expensed to the departmental budget and charged to object codes

700 – Computers
710 – Furniture & Equipment

6. Budget Reallocations

The Board of Trustees approves the budget for each Department based on the initial allocations submitted; therefore, it is imperative that adherence to these budget allocations be maintained. During the course of the academic year, adjustments to allocations may need to be made due to unforeseen circumstances and changes. All budget reallocations must be approved by the Board of Trustees.

7. Departmental Account Deficits

Deficits in a school department budget account are not permitted. The budget is approved by the Board of Trustees and departments should not deviate from their budget. In all cases, Academic Directors and Department Managers are ultimately responsible for the financial management of their accounts and should take immediate action to prevent or correct any deficit problems.

Certain circumstances may require a written explanation explaining a current deficit or the necessity of deficit for an unforeseen event or situation at the budget was created and approved. Any deficit or planned deficit due to unforeseen circumstances requires the approval of the Board of Trustees.

AGCS BUSINESS OFFICE
PROCEDURE

"Purchase Order Process"

1. Employees request authorization to order from their Principal, Manager, or Supervisor.

2. The Principal, Manager, or Supervisor's administrative assistant creates and verifies the written request from their staff member/teacher in MS Excel using the two purchase order templates: One for State Road (White) and One for Kemblesville (Pale Yellow). Please include all of the following information:
   a) Vendor Name
   b) Address
   c) Phone Number
   d) Fax Number
   e) Item/Catalog number (ISBN number)
   f) Item description
   g) Quantity
   h) Unit (ex. Each, Dozen, etc)
   i) Price per item. The system will calculate the total and amount per line and per total items.
   j) Teacher's Name and their Room Number
   k) Shopping cart or order form.
   l) Any special instructions
3. The completed purchase order, upon approval by the Principal, should be emailed to Adrienne Malchione, copying Purchasing. Dr. Brady will review and approve. A hard copy will be provided to Purchasing.

4. Upon approval by Dr. Brady, the complete purchase order, along with the shopping cart is emailed to Donna Archer for a budget review.

5. Donna Archer will then forward the email, with her approval to Purchasing, where a Purchase Order number will be assigned. A hard copy of the Purchase Order is then sent to Dr. Brady to obtain his signature for auditing and vendor purposes.

6. Once the Purchase Order is returned, signed by Dr. Brady, the order is placed with the vendor.

7. The order along with the confirmation receipt will then be PDF to the Administrative assistant of that department, so that they know that the order has been placed and it is correct. A copy is then placed into the binder in the Accounting area that has all purchase orders for that fiscal year.
   .
8. The administrative assistant for K-2, 3-5, 6-8 and 9-12 should then print a copy of the final Purchase Order and place it into an accordion file folder which will be used to receive the order.
   .
9. The Accounting area will then place the original Purchase order with Dr. Brady's signature, along with the fax confirmation page, into an accordion file. Once the order has been received (see receiving process) the Purchase Order will be placed into a file to await payment (see invoice payment process).

Avon Grove Charter School
110 East State Road
West Grove, PA 19390

Board of Trustees Policy

INTERNAL CONTROLS POLICY

Internal controls are designed to safeguard assets and help to detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. Although the size of the Avon Grove Charter School's ("AGCS") accounting staff prohibits complete adherence to this concept, implementing the following practices will improve existing internal control without impairing efficiency.

Internal controls are hereby adopted in the following areas:

- **CASH RECEIPTS**
- **PETTY CASH**
- **CASH DISBURSEMENTS**
- **ACCOUNTING SYSTEM**
- **INSURANCE COVERAGE**
- **EXPENSE REPORTS**
- **ADDITIONAL MISCELLANEOUS ITEMS**

CASH RECEIPTS

An employee who is not responsible for accounting functions, such as the school secretary or administrative assistant, shall open all incoming mail. In addition, this individual shall be responsible for:

1. Recording the cash receipts
2. Preparing the daily bank deposit
3. Forwarding the cash receipts listing (along with remittance advice) to the "Accounting Staff" (The AGCS Business Manager/Bookkeeper)

Once the AGCS accounting staff has received the cash receipts listing, he/she will be responsible for posting incoming cash receipts to the general ledger and detail customer accounts. The AGCS accounting staff shall also be responsible for posting cash receipts for monies received for student lunches and all student activities such as summer camp, etc.

In addition, the accounting staff shall be responsible for depositing cash receipts intact on a daily basis. No cash receipts will be held for a weekly deposit as it exposes the AGCS to loss.

PETTY CASH

One petty cash fund shall be used instead of multiple miscellaneous cash accounts. Disbursements from the petty cash fund shall be controlled in the same manner as disbursements from the checking account.

To provide for proper control and recording of petty cash, an "imprest system" shall be established. An imprest system is an account set up to make change or pay small obligations for which the issuance of a formal voucher and check would be too expensive and/or time consuming. Imprest accounts derive their name from the fact that the account balance is maintained at a fixed level by regular reimbursement for the exact amount of the checks written.

Under such a system, the amount of cash in the petty cash fund shall be adequate to handle all petty cash transactions for a short period of time, but the balance shall not exceed $1000.

Formal petty cash vouchers are to be used for all working fund disbursements. Such vouchers shall be properly approved and supported, and shall be signed and dated by the payee. The maximum amount for individual fund disbursements shall be $250.

The petty cash fund shall be reimbursed periodically with a check made payable to the petty cash custodian (the CAO or his/her designee). Proper expense accounts shall be charged as reimbursements are made. In addition, the CAO along with the Board shall set restrictions concerning the type and amount of transactions that can be handled through the petty cash fund. All disbursements are to be approved by an authorized person (one or more Board members and/or the CAO), and supported by petty cash vouchers indicating the proper account distribution. To prevent possible reuse, petty cash vouchers and supportive documents shall be cancelled by stamping "PAID".

CASH DISBURSEMENTS

When paying bills, the AGCS accounting staff shall:

- Indicate on the invoice that the checking of prices, extension, footings and cash discounts are correct by initialing such.
- Cancel invoices by using a rubber stamp titled "PAID" which provides spaces to indicate the date paid, check number, etc. on the invoice.
- Have the persons signing the check (Board members or CAO) initial the invoice to indicate review of the invoice.
- Signed checks shall be handed over to the school secretary and/or administrative assistant to be mailed out. Such checks are to be mailed without allowing them to be returned to the employee(s) responsible for accounts payable.

ACCOUNTING SYSTEMS

No transaction shall be posted to a prior year or prior month by the AGCS accounting staff; nor shall any transaction be changed or deleted by the AGCS accounting staff. If deemed necessary, the AGCS accounting firm with prior board approval shall make such adjustments. Controls within accounting systems shall be modified to prevent such changes.

FIDELITY INSURANCE COVERAGE

Any employee who handles cash (either its receipt or disbursement) or who holds a position of financial trust must have fidelity bond insurance coverage. The adequacy of such coverage shall be subject to board review with the AGCS insurance agent on an annual basis at a minimum.

EXPENSE REPORTS

All seminars and/or professional development courses are subject to prior approval by the CAO and/or Board of Trustees. AGCS shall reimburse the employee for fees incurred as related to:

- conference fees
- hotel lodging
- travel to and from the conference
- meals (subject to a maximum reimbursement of $35 per day)

Upon returning from such seminars/training, if an employee wishes to be reimbursed for the types of expenses mentioned above, he/she must submit an AGCS Expense Report (with attached receipts) to the CAO. The expense report shall include any and all amounts paid by AGCS along with any out-of-pocket employee expenses which are to be reimbursed by AGCS. If the amount of the cash advanced exceeds the total allowable expenses, the employee shall owe AGCS the difference. If the total allowable expenses exceed the amount advanced, the employee shall be owed the difference.

ADDITIONAL MISCELLANEOUS ITEMS

The CAO or his/her designee (the designee must be someone other than the employee maintaining cash records) is responsible for opening bank statements, canceled checks, and appropriate advices. The CAO, designee, or other responsible Board member(s) shall periodically review such items, before turning them over for reconciliation. Unusual items noted during the review shall be investigated promptly.

The CAO, other responsible Board member(s), or a representative from the AGCS accounting firm shall approve journal entries.

The CAO or designee is responsible for implementing additional procedures where necessary to ensure proper internal controls.

TO THE EXTENT THAT ANYTHING IN THIS POLICY COULD BE CONSTRUED TO CONFLICT WITH APPLICABLE STATE AND/OR FEDERAL LAWS, THE APPLICABLE STATE AND/OR FEDERAL LAWS CONTROL. THIS POLICY IS NOT INTENDED TO CONFLICT WITH CHARTER REQUIREMENTS.

ADOPTED this day 21st of December, ~~2009~~ 2010

_____
President

_____
Secretary

Avon Grove Charter School
110 State Road
West Grove, PA 19390

Board of Trustees Policy

FINANCES POLICY

Date Adopted:

1. Purpose

   1.1 The Board of Trustees recognizes its responsibility to the taxpayers to be sure that public monies expended by Avon Grove Charter School ("AGCS") are utilized for the furtherance of pupil education in a manner that will ensure full value to the taxpayers, and that adequate constraints and records are established to ensure that end.

2. Authority

   2.1 The CEO has the authority and responsibility, in conjunction with the Board of Trustees to prepare the budget. The Board of Trustees has the authority and responsibility to approve the budget, the bids, and pass a resolution authorizing the expenditures of AGCS.

3. Responsibility

   3.1 To meet the goals of this policy, the Board of Trustees requires the CEO to establish sound accounting procedures based upon State and federal recommended accounting procedures and upon the recommendation of the local, state, and federal auditors, and to institute effective business practices and recommend suitable accounting equipment, where necessary.

   3.2 In accordance with State law, the Board of Trustees will authorize an annual audit by an independent auditor. In addition, a Board audit committee may be established.

TO THE EXTENT THAT ANYTHING IN THIS POLICY COULD BE CONSTRUED TO CONFLICT WITH APPLICABLE STATE AND/OR FEDERAL LAWS, THE APPLICABLE STATE AND/OR FEDERAL LAWS CONTROL. THIS POLICY IS NOT INTENDED TO CONFLICT WITH CHARTER REQUIREMENTS.

ADOPTED this day 19th of October, ~~2009~~ 2010

President

D.C.

Secretary

pennsylvania
DEPARTMENT OF EDUCATION

333 MARKET STREET
HARRISBURG, PA 17126-0333
www.pde.state.pa.us

October 4, 2011

Dr. Kevin Brady
CEO
Avon Grove CS
110 East State Street
West Grove, PA 19390

Dear Dr. Brady:

I thank you and your staff for participating in the Federal Programs Consolidated Review. We have received your corrective action plan. You are now in complete compliance with current statute, regulations and guidance released by the United States Department of Education.

If you have any questions, please feel free to contact your Regional Coordinator at (717) 783-2193. Thank you for your cooperation.

Sincerely,

Renee' Palakovic
Chief
Division of Federal Programs

cc: Project File

AGCS BUSINESS OFFICE
PROCEDURE

"Staff Deposit Procedure"

1. An AGCS Deposit Summary form is to be completed for **each** deposit, **by the individual submitting the funds for deposit**.

2. Please note what activity the funds were collected from. This will assist the Accounting Department in depositing & recording the funds into the correct account.

3. On the Deposit Summary Form, please do the following:

    a. Fill in the date and applicable amounts of currency & coinage.

    b. Notate the checks for deposit, as appropriate.

    c. Notate the Organization or Activity the Deposit was received from on the Deposit slip.

4. The deposit summary form and cash to be deposited must be delivered as follows:
    a. State Road Campus employees must deliver all deposits and accompanying paperwork to the Main Office.
    Please note the drop off time restrictions:
    The main office will not accept deposits from 6:30 am to 8:00 am and 2:00 pm to 3:00 pm daily. All deposits will be locked in the main office safe until the next day mail delivery to the administrative offices.
    b. Kemblesville Campus employees must deliver all deposits and accompanying paperwork to the Main Office.
    Please note:
    The employee is responsible for *signing in* their deposit and having office personnel verify the deposit has been received on the Kemblesville Campus Deposit Log. From there, the deposit will be locked in the campus safe until the next day mail delivery.

5. Please **<u>DO NOT</u>** hold cash/checks in your classroom. Bring deposits to the Accounting Office on a regular basis.

6. Please bring all deposits to each campus main office by 1:00pm on any given day as this will allow the Accounting Department the ability to pick up, prepare & make bank deposits in a timely fashion as required.

AGCS BUSINESS OFFICE
PROCEDURE

"Cash Disbursement Approval Process"

1. All accounts payable requests for cash disbursements must be approved by someone who is in a supervisory role to the requestor.

2. If the reimbursement amount is less than $500.00 approval can be given by appropriate Departmental Supervisors.

3. If the reimbursement request is more than $500.00 for less than $1,000.00, approval must be given by Academic Directors, Office Manager and Facilities Manager.

   List of appropriate signatures by unit/department:

   A. Jennifer Weaver, 3 - 5- Principal
   B. Dr. Suzanne Steadman, Director of Pupil Services
   C. Christine Riggio, Academic Unit: Special Education
   D. Lori Predmore, Office Manager – State Road Campus
   E. Sharon Brooks, Office Manager – Kemblesville Campus
   F. IT Administrator/Business Manager - Unit: IT Department
   G. Tony Durante, Facilities Manager - Unit: Facilities Management
   H. Ed Delfin, Dean Of Students - Unit: Guidance and Health Services

4. If the reimbursement request is more than $1,000.00 but less than $5,000.00, approval must be given by the Principal or Human Resources Director.

.

   A. Kristen Bishop, Lower School Principal – Unit Varies
   B. Shannon McElwain, Upper School Principal – Unit Varies
   C. Tosha Bowers, Human Resources Director - Unit: Varies

5. If the reimbursement request is more than $1,000.00 but less than $15,000.00, approval must be given by the Principal or the Business Manager.

   A. Dr. Kevin Brady, CEO/Principal - Unit: Varies
   B. Donna Archer, Business Manager - Unit: Varies

6. If the reimbursement request is $15,000.00 or more, approval must be given by the Board of Directors.