

**CAMARILLO ACADEMY OF
PROGRESSIVE EDUCATION**

ANNUAL FINANCIAL REPORT

JUNE 30, 2013

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

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INDEPENDENT AUDITORS' REPORT

Governing Board
Camarillo Academy of Progressive Education
(A California Non-Profit Public Benefit Corporation)
Camarillo, California

Report on the Financial Statements

We have audited the accompanying financial statements of Camarillo Academy of Progressive Education (the Charter School) (A California Non-Profit Public Benefit Corporation), which are comprised of the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-2013*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charter School as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Charter School's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as referenced in the previous paragraph is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013, on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

Vannink, Tein, Day & Co., LLP

Rancho Cucamonga, California
November 18, 2013

FINANCIAL STATEMENTS

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

ASSETS

Current Assets

Cash	\$ 1,786,623	
Accounts receivable	1,200,475	
Prepaid expenses	<u>12,060</u>	
Total Current Assets		\$ 2,999,158

Non-Current Assets

Fixed assets	88,053	
Less: Accumulated depreciation	<u>21,239</u>	
Total Non-Current Assets		<u>66,814</u>

Total Assets		<u>\$ 3,065,972</u>
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LIABILITIES

Current Liabilities

Accounts payable	<u>371,515</u>	
Total Current Liabilities		\$ 371,515

NET ASSETS

Unrestricted

Undesignated	<u>2,694,457</u>	
Total Net Assets		<u>2,694,457</u>
Total Liabilities and Net Assets		<u>\$ 3,065,972</u>

The accompanying notes are an integral part of these financial statements.

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013

REVENUES

Revenue limit sources	
State apportionment	\$ 1,464,898
In-lieu property taxes	1,378,333
Federal revenue	588
State revenue	619,053
Local revenues	91,144
Interest	2,896
Total Revenue	<u>3,556,912</u>

EXPENSES

Program services	
Teacher salaries and benefits	1,887,408
Other instructional salaries and benefits	117,861
Other student services	184,224
Educational programs	32,592
Student supplies	30,596
Depreciation	8,913
Equipment	226,401
Subtotal	<u>2,487,995</u>
Management and general	
Clerical salaries and benefits	340,012
District supervisory fee	30,558
Occupancy	30,328
Insurance	15,275
Operating expenses	286,124
Subtotal	<u>702,297</u>
Total Expenses	<u>3,190,292</u>

INCREASE IN UNRESTRICTED NET ASSETS	366,620
NET ASSETS, BEGINNING OF YEAR	<u>2,327,837</u>
NET ASSETS, END OF YEAR	<u>\$ 2,694,457</u>

The accompanying notes are an integral part of these financial statements.

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in unrestricted net assets	
Adjustments to reconcile increase in net assets to net cash provided by operating activities	\$ 366,620
Depreciation expense	8,913
Changes in operating assets and liabilities	
Increase in accounts receivable	(263,102)
Decrease in prepaid expenditures	3,341
Decrease Increase in deferred revenue	(50)
Increase in accounts payable	40,423
Net Cash Provided by Operating Activities	<u>156,145</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures	<u>(37,632)</u>
Net Cash Used by Investing Activities	<u>(37,632)</u>

NET INCREASE IN CASH	118,513
CASH, BEGINNING OF YEAR	<u>1,668,110</u>
CASH, END OF YEAR	<u><u>\$ 1,786,623</u></u>

The accompanying notes are an integral part of these financial statements.

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - ORGANIZATION AND MISSION

The Camarillo Academy of Progressive Education (the Charter School) is a non-profit public benefit corporation and was approved for a charter by the Oxnard Union High School District on June 20, 2007, for a period of five years ending in 2012. On October 10, 2012, the charter was renewed by Oxnard Union High School District for an additional five years.

Charter school number authorized by the State: 0943

The Charter School located at 777 Aileen Street, Camarillo, opened on September 5, 2007, and currently serves 563 students in grades kindergarten through eight. The Charter School is teaching students with an educational philosophy that expands upon the "Open" philosophy that thrived in Camarillo for over 30 years, first at Bedford Open and then at Los Senderos Open.

Other Related Entities

Joint Powers Agency and Risk Management Pools - The Corporation is associated with the Ventura County Schools Self-Funding Authority (VCSSFA) a Joint Powers Authority (JPA). The JPA does not meet the criteria for inclusion as a component unit of the Corporation. Additional information is presented in Note 11 of the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies followed by the Charter School are described below to enhance the financial statements.

Financial Statement Presentation

The Charter School is required to report information about its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. The Charter School had no temporarily or permanently restricted net assets as of June 30, 2013. In addition, the Charter School is required to present a statement of cash flows.

Accounting Method - Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Basis of accounting refers to the situation when revenues and expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. The Charter School uses the accrual basis of accounting. Revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending upon the existence and/or nature of any donor restrictions.

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, either by the passage of time or the purpose is satisfied, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the *Statement of Activities* as "net assets released from restrictions." During 2012-2013, the Charter School did not receive any donor-restricted contributions.

Income Taxes

The Charter School is a non-profit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and classified by the Internal Revenue Service as other than a private foundation. It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. Income tax returns for 2009 and forward may be audited by regulatory agencies, however, the Charter School is not aware of any such actions at this time.

The Charter School has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

Cash

For purposes of the Statement of Cash Flows, the Charter School considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from the outstanding balance. Management provides an analysis of the probable collection of the accounts through a provision for bad debt expense and an adjustment to a valuation allowance. At June 30, 2013, management has determined that all accounts receivable are fully collectible, and no allowance for bad debts has been established.

Prepaid Expenses

Prepaid expenses represent amounts paid in advance of receiving goods or services. The Charter School has reported prepaid items either when purchased or during the benefiting period.

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Fixed Assets

It is the Charter School's policy to capitalize individual property and equipment purchases over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Tenant improvement, furniture and equipment are depreciated using the straight-line method, over 2 to 5 years. As of June 30, 2013, depreciation expense was \$8,913.

Donated Services, Goods, and Facilities

A substantial number of volunteers have donated their time and experience to the Charter School's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

Unrestricted/Designated Net Assets

Designations of the ending net assets indicate tentative plans for financial resource utilization in a future period. As of June 30, 2013, the Charter School has no designation balance.

NOTE 3 - CASH

Cash at June 30, 2013, consisted of the following:

	<u>Reported Amount</u>	<u>Bank Balance</u>
Deposits		
Cash on hand and in credit union	<u>\$ 1,786,623</u>	<u>\$ 1,795,259</u>

Cash balances held in banks and credit unions are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Association (NCUA), respectively. The Charter School maintains its cash in bank and credit union deposit accounts that at times may exceed insured limits. The Charter School has not experienced any losses in such accounts. At June 30, 2013, the Charter School had \$1,045,259 in excess of insured limits.

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013, consisted of the following:

Revenue limit sources	
General purpose block grant	\$ 885,596
In-lieu property taxes	114,914
Categorical block grant	78,116
Total Revenue Limit Sources	<u>1,078,626</u>
Federal receivable	4,300
State receivable	75,849
Lottery	39,699
Local receivable	2,001
Total Accounts Receivable	<u>\$ 1,200,475</u>

NOTE 5 - PREPAID EXPENSES

Prepaid expenses at June 30, 2013, consisted of the following:

Prepaid rent, insurance, and miscellaneous vendors	<u>\$ 12,060</u>
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NOTE 6 - FIXED ASSETS

Fixed assets at June 30, 2013, consisted of the following:

Computer equipment	\$ 63,921
Leasehold improvements	24,132
	<u>88,053</u>
Less: accumulated depreciation	(21,239)
Total Fixed Assets	<u>\$ 66,814</u>

During the year ended June 30, 2013, \$8,913 was charged to depreciation expense.

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2013, consisted of the following:

Payroll and benefits	\$ 6,509
Compensated absences	212,680
Vendor payables	106,159
Due to Oxnard Union High School District	30,855
Due to grantor	<u>15,312</u>
Total Accounts Payable	<u>\$ 371,515</u>

NOTE 8 - OPERATING LEASE

The Charter School renewed a Facilities Use Agreement with Pleasant Valley School District for the sole purpose of operating the Charter School educational programs and related Charter School activities. The term of this agreement are through June 30, 2018. The Pro-Rata Share of Facilities Cost for 2012-2013 was \$30,328 and shall be paid on the first of every month. For the remaining fiscal years, the Pro-Rata Share increases by 3.5 percent annually, will be as follows:

Year Ending <u>June 30,</u>	Facility Lease <u>Payments</u>
2014	\$ 31,266
2015	32,360
2016	33,496
2017	34,665
2018	<u>35,878</u>
	<u>\$ 167,665</u>

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees Retirement System (CalPERS).

CalSTRS

Plan Description

The Charter School contributes to CalSTRS through the Ventura County Office of Education, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the California State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 100 Waterfront Place, West Sacramento, California, 95605.

Funding Policy

Active plan members are required to contribute 8.0 percent of their salary and the Charter School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-2013 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The Charter School's contribution to CalSTRS for the fiscal year ending June 30, 2013, 2012, and 2011, was \$116,736, \$115,911, and \$124,254, respectively, and equal to 100 percent of the required contributions for the year.

CalPERS

Plan Description

The Charter School contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the California Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California, 95811.

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary and the Charter School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-2013 was 11.417 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The Charter School's contribution to CalPERS for the fiscal year ending June 30, 2013, 2012, and 2011, was \$32,026, \$28,596, and \$27,283, respectively, and equal to 100 percent of the required contributions for the year.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the Charter School. These payments consist of State General Fund contributions to CalSTRS in the amount of \$80,281 (5.176 percent of the Charter's 2010-2011 creditable compensation subject to CalSTRS). Contributions are no longer appropriated in the Annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contributions rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves.

NOTE 10 - CONTINGENCIES

The Charter School has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

Litigation

The Charter School has no outstanding claims or litigation.

NOTE 11 - PARTICIPATION IN JOINT POWERS AUTHORITY

The Corporation is a participant in the Ventura County Schools Self-Funding Authority (VCSSFA) for risk management services for workers' compensation insurance and charter school liability insurance. The relationship between the Corporation and the VCSSFA is such that the VCSSFA is not considered a component unit of the Corporation for financial reporting purposes.

The VCSSFA has budgeting and financial reporting requirements independent of member units and the VCSSFA's financial statements are not presented in these financial statements; however, transactions between VCSSFA and the Corporation are included in these statements. Audited financial statements for VCSSFA were not available for fiscal year 2012-2013 at the time this report was issued. However, financial statements should be available from the respective agency.

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

During the year ended June 30, 2013, the Corporation made payments of \$52,430 to VCSSFA for services received. At June 30, 2013, the Corporation had no recorded accounts receivable or accounts payable to the VCSSFA.

NOTE 12 - SUBSEQUENT EVENTS

The Charter School's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through November 18, 2013, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions other than those noted below that would have a material impact on the current year financial.

The Charter School renewed its Facilities Use Agreement with Pleasant Valley School District for the sole purpose of operating the Charter School educational programs and related Charter School activities. The term of this agreement shall begin as of July 1, 2013 through June 30, 2018. The Pro-Rata Share of Facilities Cost is equal to \$31,266 for the first year with an increase of 3.50 percent will be applied every year thereafter.

SUPPLEMENTARY INFORMATION

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2013**

ORGANIZATION

The Camarillo Academy of Progressive Education (the Charter School) (Charter School No. 0943) was granted on June 20, 2007, by the Oxnard Union High School District and opened on September 5, 2007. The Charter School operates one school, grades kindergarten through eight.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM</u>
Richard Busse	President	2012-2014
Ada Lee Sullivan	Secretary	2012-2014
Michelle Keefer	Member	2013-2016
Chris Parker	Member	2012-2014
Brian Roberts	Member	2013-2016

ADMINISTRATION

Maryellen Lang	Director of Education
Doreen Learned	Director of Operations

See accompanying note to supplementary information.

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2013

	Final Report	
	P2 Report	Annual Report
<u>Grade Level - Total</u>		
Kindergarten	56.98	57.26
Grades 1 - 3 *	178.76	179.14
Grades 4 - 6 *	192.21	192.57
Grades 7 - 8 *	116.31	115.75
Total	<u>544.26</u>	<u>544.72</u>
<u>Grade Level - Classroom Based</u>		
Kindergarten	56.68	56.98
Grades 1 - 3	178.15	178.14
Grades 4 - 6	191.77	192.09
Grades 7 - 8	116.25	115.73
Total - Classroom based	<u>542.85</u>	<u>542.94</u>
<u>Grade Level - Non-Classroom Based</u>		
Kindergarten	0.30	0.28
Grades 1 - 3	0.61	1.00
Grades 4 - 6	0.44	0.48
Grades 7 - 8	0.06	0.02
Total - Non-Classroom based	<u>1.41</u>	<u>1.78</u>

* Includes short-term independent study.

See accompanying note to supplementary information.

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2013**

Grade Level	1982-83	Reduced 1982-83	1986-87	Reduced 1986-87	2012-13	Number of Days		Status
	Actual Minutes	Actual Minutes	Minutes Requirement	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	*	*	36,000	34,971	35,910	180	N/A	Complied
AM and PM	*	*	36,000	34,971	35,910	180	N/A	Complied
Grades 1 - 3								
Grade 1	*	*	50,400	48,960	52,357	180	N/A	Complied
Grade 2	*	*	50,400	48,960	52,357	180	N/A	Complied
Grade 3	*	*	50,400	48,960	52,357	180	N/A	Complied
Grades 4 - 6								
Grade 4	*	*	54,000	52,457	54,600	180	N/A	Complied
Grade 5	*	*	54,000	52,457	54,600	180	N/A	Complied
Grade 6	*	*	54,000	52,457	56,680	180	N/A	Complied
Grades 7 - 8								
Grade 7	*	*	54,000	52,457	56,680	180	N/A	Complied
Grade 8	*	*	54,000	52,457	56,680	180	N/A	Complied

* The Charter School was not operating in 1982-83.

See accompanying note to supplementary information.

CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)

**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2013.

See accompanying note to supplementary information.

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2013**

NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the school operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance

This schedule presents information on the amount of instructional time offered by the Charter School and whether the Charter School complied with provisions of *Education Code* Sections 46200 and 46206. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made through the Ventura County Office of Education to Camarillo Academy of Progressive Education.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the Charter School and whether the Charter School complied with the provisions of *Education Code* Sections 46200 through 46206.

Charter schools must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirements; whichever is greater, as required by *Education Code* Section 46201.

Reconciliation of Annual Financial Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

INDEPENDENT AUDITORS' REPORTS



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

Governing Board
Camarillo Academy of Progressive Education
(A California Non-Profit Public Benefit Corporation)
Camarillo, California

We have audited, in accordance with the 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, the financial statements of Camarillo Academy of Progressive Education (the Charter School) (A California Non-Profit Public Benefit Corporation) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated November 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Charter School's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of This Report

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

Vannink, Tein, Day & Co., LLP

Rancho Cucamonga, California

November 18, 2013



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board
Camarillo Academy of Progressive Education
(A California Non-Profit Public Benefit Corporation)
Camarillo, California

Report on State Compliance

We have audited Camarillo Academy of Progressive Education's (the Charter School) (A California Non-Profit Public Benefit Corporation) compliance with the types of compliance requirements as identified in the *Standards and Procedures for Audit of California K-12 Local Educational Agencies 2012-2013* that could have a direct and material effect on each of the Charter School's State government programs as noted below for the year ended June 30, 2013.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Charter School's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-2013*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Charter School's compliance with those requirements.

Unmodified Opinion on Each of the Other Programs

In our opinion, the Charter School complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2013.

In connection with the audit referred to above, we selected and tested transactions and records to determine the Charter School's compliance with the State laws and regulations applicable to the following items:

	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance Accounting:		
Attendance Reporting	6	Not applicable
Teacher Certification and Misassignments	3	Not applicable
Kindergarten Continuance	3	Not applicable
Independent Study	23	Not applicable
Continuation Education	10	Not applicable
Instructional Time:		
School Districts	6	Not applicable
County Offices of Education	3	Not applicable
Instructional Materials:		
General Requirements	8	Not applicable
Ratios of Administrative Employees to Teachers	1	Not applicable
Classroom Teacher Salaries	1	Not applicable
Early Retirement Incentive	4	Not applicable
Gann Limit Calculation	1	Not applicable
School Accountability Report Card	3	Not applicable
Juvenile Court Schools	8	Not applicable
Class Size Reduction Program (including charter schools):		
General Requirements	7	Yes
Option One Classes	3	Yes
Option Two Classes	4	Not applicable
Districts or Charter Schools With Only One School Serving K-3	4	Not applicable
After School Education and Safety Program:		
General Requirements	4	Not applicable
After School	5	Not applicable
Before School	6	Not applicable
Charter Schools:		
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Non Classroom-Based Instruction/Independent Study	15	No, see below
Determination of Funding for Non Classroom-Based Instruction	3	Not applicable
Annual Instruction Minutes Classroom-Based	4	Yes

We did not perform testing for independent study because ADA was below the threshold required for testing and the Charter School did not operate a full-time independent study program.

Varrink, Tinn, Day & Co., LLP

Rancho Cucamonga, California
November 18, 2013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

STATE AWARDS

Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>
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**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

None reported.

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

None reported.

**CAMARILLO ACADEMY OF PROGRESSIVE EDUCATION
(A California Non-Profit Public Benefit Corporation)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

There were no audit findings reported in the prior year's schedule of financial statement findings.