

PRIDE ACADEMY CHARTER SCHOOL

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2024

PRIDE ACADEMY CHARTER SCHOOL

***Pride Academy Charter School
Board of Trustees
East Orange, New Jersey***

***Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2024***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
PRIDE ACADEMY CHARTER SCHOOL
EAST ORANGE, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Prepared by
Pride Academy Charter School
Finance Department**

**And
Barre & Company, CPAs**

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**PRIDE ACADEMY CHARTER SCHOOL
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION.....	1
Letter of Transmittal	2
Organizational Chart	11
Roster of Officials.....	11
Consultants and Advisors.....	12
FINANCIAL SECTION	13
Independent Auditor’s Report.....	14
REQUIRED SUPPLEMENTARY INFORMATION – PART I.....	19
Management’s Discussion and Analysis	20
BASIC FINANCIAL STATEMENTS.....	26
SECTION A – CHARTER SCHOOL–WIDE FINANCIAL STATEMENTS.....	27
A-1 Statement of Net Position	28
A-2 Statement of Activities	29
SECTION B – FUND FINANCIAL STATEMENTS.....	30
GOVERNMENTAL FUNDS.....	31
B-1 Balance Sheet.....	32
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	33
B-3 Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	34
PROPRIETARY FUNDS.....	35
B-4 Statement of Net Position	36
B-5 Statement of Revenues, Expenses, and Changes in Postion	37
B-6 Statement of Cash Flows	38
FIDUCIARY FUNDS.....	39
B-7 Statement of Fiduciary Net Position	40
B-8 Statement of Changes in Fiduciary Net Position	N/A
NOTES TO BASIC FINANCIAL STATEMENTS	41
REQUIRED SUPPLEMENTARY INFORMATION – PART II.....	72

PRIDE ACADEMY CHARTER SCHOOL

TABLE OF CONTENTS

Page

FINANCIAL SECTION (CONTINUED)

SECTION C – BUDGETARY COMPARISON SCHEDULES 73

C-1	Budgetary Comparison Schedule – General Fund	74
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b	American Recovery and Reinvestment Act - Budget and Actual	N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund	76

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION..... 77

C-3	Budget-To-GAAP Reconciliation	78
-----	-------------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - III 79

SECTION L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) 80

L-1	Schedule of the Charter School's Proportionate Share fo the Net Pension Liability - PERS	81
L-2	Schedule of Charter School Contributions - PERS	82
L-3	Schedule of the Charter School's Proportionate Share of the Net Pension Liability - TPAF	83

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III..... 84

OTHER SUPPLEMENTARY INFORMATION 87

SECTION D – SCHOOL BASED BUDGET SCHEDULESN/A

D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A

SECTION E – SPECIAL REVENUE FUND..... 88

E-1	Combining Schedule of Revenues and Expenditures – Budgetary Basis.....	89
E-2	Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A

SECTION F – CAPITAL PROJECTS FUNDN/A

F-1	Summary Schedule of Project Expenditures	N/A
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	N/A

PRIDE ACADEMY CHARTER SCHOOL

TABLE OF CONTENTS

Page

FINANCIAL SECTION (CONTINUED)

SECTION G – PROPRIETARY FUNDS 90

ENTERPRISE FUNDN/A

G-1 Combining Statement of Net Position N/A

G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net
Position N/A

G-3 Combining Statement of Cash Flows N/A

INTERNAL SERVICE FUNDN/A

G-4 Combining Statement of Net Position N/A

G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net
Position N/A

G-6 Combining Statement of Cash Flows N/A

SECTION H – FIDUCIARY FUNDS 91

H-1 Combining Statement of Fiduciary Net Position92

H-2 Combining Statement of Changes in Fiduciary Net Position N/A

H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements93

H-4 Payroll Agency Fund Schedule of Receipts and Disbursements94

SECTION I – LONG-TERM DEBTN/A

I-1 Schedule of Serial Bonds N/A

I-2 Schedule of Obligations under Capital Leases N/A

I-3 Debt Service Fund - Budgetary Comparison Schedule N/A

STATISTICAL SECTION (UNAUDITED) 95

INTRODUCTION TO THE STATISTICAL SECTION..... 96

FINANCIAL TRENDS 97

J-1 Net Assets/Position by Component98

J-2 Changes in Net Assets/Position99

J-3 Fund Balances – Governmental Funds.....100

J-4 Changes in Fund Balances – Governmental Funds101

J-5 General Fund Other Local Revenue by Source (NJ)102

REVENUE CAPACITYN/A

J-6 Assessed Value and Estimated Actual Value of Taxable Property N/A

J-7 Direct and Overlapping Property Tax Rates N/A

J-8 Principal Property Taxpayers* N/A

J-9 Property Tax Levies and Collections N/A

**PRIDE ACADEMY CHARTER SCHOOL
TABLE OF CONTENTS**

Page

STATISTICAL SECTION (CONTINUED)

DEBT CAPACITYN/A

J-10	Ratios of Outstanding Debt by Type	N/A
J-11	Ratios of General Bonded Debt Outstanding	N/A
J-12	Direct and Overlapping Governmental Activities Debt	N/A
J-13	Legal Debt Margin Information	N/A

DEMOGRAPHIC AND ECONOMIC INFORMATION 103

J-14	Demographic and Economic Statistics.....	N/A
J-15	Principal Employers, Current and Nine Years Ago.....	N/A

OPERATING INFORMATION..... 104

J-16	Full-Time Equivalent Charter School Employees by Function/Program.....	105
J-17	Operating Statistics.....	106
J-18	School Building Information	N/A
J-19	Schedule of Allowable Maintenance Expenditures by School Facility	N/A
J-20	Insurance Schedule	107
J-21	Charter School Performance Framework, Financial Performance, Fiscal Ratios	109

*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

SINGLE AUDIT SECTION 110

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	111
K-2	Report on Compliance with Requirements Applicable To Each Major Program and On Internal Control over Compliance In Accordance With OMB Circular A-133 and New Jersey OMB Circular 04-04	113
K-3	Schedule of Expenditures of Federal Awards – Schedule A	117
K-4	Schedule of Expenditures of State Financial Assistance – Schedule B	118
K-5	Notes to the Schedules of Expenditures of Awards and Financial Assistance	119
K-6	Schedule of Findings and Questioned Costs.....	122
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	126

INTRODUCTORY SECTION



December 26, 2024

Honorable President and
Members of the Board of Trustees
Pride Academy Charter School
117 Elmwood Avenue
East Orange, New Jersey 07018

Dear Board Members:

The comprehensive annual financial report of Pride Academy Charter School (Charter School) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; New Jersey Circular 15-08 OMB. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report

Charter School Organization

An elected five to nine-member Board of Trustees serves as the governance and policy maker for the Charter School. The Board approves and adopts an annual budget and oversees all expenditures, which serve as the basis for control over and authorization for all expenditures of Charter School tax money.

The Principal is the chief executive officer of the Charter School and is responsible to the Board for the educational and support operations. The School Business Administrator is the chief financial officer of the Charter School and is responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School Funds, and investing idle funds as permitted by New Jersey Law.

Comprehensive Annual Financial Report 2023-2024

1) Reporting Entity and its Services:

Pride Academy Charter School opened in 2008 and currently in its sixteenth year of operation. Pursuant to N.J.S.A. 18A:36A-17 and N.J.A.C. 6A11-2.3(b) the New Jersey Department of Education completed its comprehensive review of the renewal application submitted on October 15, 2021. As a result, The New Jersey Department of Education has renewed the charter for the next five years 2022-2023 through 2026-2027 after evaluation, which included but not limited to, the renewal application, annual reports, student performance on statewide assessments, a structured interview with school officials, public comments, student composition, and the fiscal impact on the sending district(s). As demonstrated in the Renewal Summary Report, Pride Academy Charter School met standard on all rated measures in the Fiscal Performance Framework and met standard on many indicators in the Organizational Performance Framework.

Pride Academy Charter School constitutes an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the entity are included in this report.

Our Mission

Pride Academy Charter School strongly believes that every member of the staff plays a vital role in creating a safe and supportive learning community where our children can develop and grow. All members of the Pride Academy Charter School team are dedicated to the following mission:

"Pride Academy Charter School endeavors to ignite success in middle school students of all abilities through a curriculum rooted in the values of peace, respect, integrity, determination, and empathy. By establishing a community dedicated to academic achievement, mastery of fundamental skills, positive leadership, and active service, Pride Academy Charter School strives to embolden its students to harness their own power to shape their futures and the world."

Our Core Beliefs

The foundation of Pride Academy Charter School is built upon the following core beliefs:

- Students of all abilities will thrive in a peaceful learning community that values respect, integrity, determination, and empathy for others.
- Within all students lies the power to shape their own future by making positive choices today.
- By serving individual academic needs through a cohesive skill-centered curriculum, untapped student potential will be realized.
- Through critical examination and active response to challenges facing our community, students are best able to comprehend the interconnectedness of life and the power of the individual.
- By deliberately honoring accomplishments while continuously setting new challenges, students gain the courage, confidence, and competencies needed to take academic and leadership risks.
- Adults teach students with their actions. All members of our school community--administration, faculty, and parents—must live and embody the values that the school seeks to instill in its students.
- A culture which prizes goal-setting, positive choices, and perseverance will equip students with the skills and mindset needed to seize future educational opportunities.
- By questioning, seeking, understanding, and responding, all members of our school community will be active participants in the lifelong learning cycle essential for growth.

In the power of the words quoted by Nelson Mandela: "...as we let our light shine, we unconsciously give other people permission to do the same."

The Pride Philosophy

PRIDE Academy is characterized by a culture that is orderly, supportive and focused on academic achievement. Our school community emphasizes mutual care and respect. Our philosophy emphasizes a positive approach to teaching and managing discipline, in which the students are gradually led towards self-discipline. Students are expected to behave respectfully towards their teachers, classmates, school staff and property. Our committed staff will likewise address students with respect and compassion. Administrators and teachers will work together to promote student achievement and to ensure that the code of conduct is consistently followed, and enforced in a timely and fair manner.

Our teachers strive to create a sense of community within our classrooms. Our students are expected to come to school on time every day and be prepared to contribute positively to the school community. Our goal is to discourage misbehavior and teach students to make better choices in the future.

Lastly, PRIDE Academy is shaped by five guiding principles, or core values. The first of these core values is peace. Violence of any type has no place at PRIDE Academy. Students, parents, staff, and administration will work together to resolve conflicts constructively and peacefully.

The Pride School Vision

In order to develop a community of scholars and philanthropists who can excel among their peers from surrounding communities, we envision Pride Academy as a school that provides our students with a strong academic foundation, with skills to lead and the opportunities to be leaders, and with a profound understanding of their role in their communities and the world at large.

We envision Pride Academy as an integral part of the community we serve where the power of families and the collective efforts of all members of “our village” are unleashed in order to support our students as they become critical thinkers, life-long learners, and agents of change in their families, their communities, and our world.

Pride Academy will be a PLACE that ignites and fosters the following qualities in all members of our school community:

Philanthropy
Leadership
Academic Achievement
Cultural Awareness
Excellence

All members of our school community will:

Philanthropy: commit to the actions and ideals of service and social justice in our communities and our world.

Leadership: recognize their power as individuals to affect positive change.

Academic Achievement: apply the habits of questioning, seeking, understanding, and responding towards their personal growth as life-long learners, decision-makers, and problem solvers.

Cultural Awareness: explore and find value in their own cultural identity and the cultural identities of others.

Excellence: develop the knowledge, skills and resilience to achieve high expectations in their personal and professional lives.

Core Values

The Pride philosophy is based upon five core values: peace, respect, integrity, determination, and empathy. All members of our school community are expected to live by these values. Students and their parents or guardians affirm their commitment to practice the core values by signing the PRIDE Academy Charter School Parent Compact.

The five core values are characterized as follows:

Peace: Conflicts will be resolved in non-violent ways. Students and adults will work together to create a calm, safe environment by learning and teaching how to resolve and avoid conflicts in non-violent, non-confrontational ways.

Respect: All members of the school community will treat each other with respect. We treat each person as valuable, worthy of greatness and goodness. We accept individuals for who they are. We demonstrate high regard for others, for property, for differences, and for opinions different from our own. We respect the rights of our teachers to teach and of our classmates to learn.

Integrity: Honesty will be at the core of all that we say and do. We follow through on our obligations and commitments. We do not do things halfway.

Determination: We will not allow obstacles to block our pathways to excellence. We do our best in every area. We never give up.

Empathy: Compassion and understanding of each other's feelings will guide our choices and conduct. We will not hurt each other physically or emotionally. We are kind and supportive of one another.

We teach our students to take responsibility for their actions and to consider the impact of their actions on others. By doing so, we prepare our students to be successful in school, in our community, and in our world.

School Description

School Name: Pride Academy Charter School

Startup and Current Year. Pride Academy Charter School commenced implementation in the 2008-2009 school year and has completed its 16th year of operation.

Address. The school is located at 117 Elwood Ave, East Orange, NJ 07018.

Facility. The school is located in a three-story building that formerly served as a Catholic School and was purchased from the Imani Baptist Church.

Number of Students, Grades and Classes. The school's original charter authorized a maximum enrollment of 240 students in grades 5-8. During our first Charter Renewal we requested and received approval for an increase in enrollment to a total of 264 students. We requested for and received approval for an additional increase to 288 students for the 2015-2016 school year. On February 3, 2020, the New Jersey Department of Education granted the amendment request to increase enrollment from 288 students to 300 students beginning in 2020-2021. At the end of the 2023-2024 school year, the enrollment was 296 students. There are three classes totaling 75 students in each of grades 5, 6, 7, and 8.

Class Size. Class size is 25 students per class.

School Day: The school day begins at 8:00 am and ends at 3:20 pm. for a total of 7.5 hours.

School Year: School began September 5th for all students and ended June 21st for a total of 188 school days.

District of Residence. The school draws its students from the following districts: Newark, East Orange, and Orange.

Waiting List for 2024-2025 by grade level Pursuant to N.J.A.C. 6A:11-4.6(a)2 as of July 2024: 5th Grade: 12, 6th Grade: 38, 7th Grade: 20 and 8th Grade: 9. Waitlist within the district/region of residence was 73 and Waitlist of non-resident/region of residence was 6.

Student/Teacher Ratio: 9:25

Employees. During the 2023-2024 school year, the school employed 1 Principal, 2 Vice Principals, 1 School Business Administrator, 1 Dean of Students, 1 Dean of Academics, 1 Director of Special Education, 1 Coordinator of High School Placement, 19 content teachers, 3 Special Education teachers, 1 Physical Education teacher, 1 Spanish teacher, 1 Computer teacher, 1 Dance teacher, 1 Nurse, and 2 Social Workers. In addition, the school employs the services of 6 Academic Support Teachers/TA's, 1 School Secretary, 1 Main Office Coordinator, 1 Business Office Manager and 2.0

Custodians. On a contract time basis, the school employs a learning consultant, a school psychologist, a speech therapist, and an occupational therapist.

Lead Person. The school's lead person is Mrs. Fiona Thomas (Tel. 973-627-3200), (Fax 973-672-3207), (email fthomas@prideacs.org).

Board Members. The school's organizational documents provide for up to 9 Board of Trustee members.

Defining Attributes. The defining attributes reference the mission with its focus on academic achievement and mastery of fundamental skills, positive leadership, and active service.

Summary of Strengths: Board of Trustees

The three main strengths of the board identified in the last board self-evaluation include board compliance with the mission and vision, performance with regards to fiscal oversight, and operations with regards to academic support. The Board of Trustees continues to exhibit overall strength in governance, ethics and encouragement. The Board implemented a regular review of all current policies as well as new policy trends to ensure that ongoing discussion and action necessary for success is ongoing. The Board of Trustee members meet monthly during the year to ensure successful operations and are very productive and efficient in operating through bylaws and collaborative decision-making to ensure the safety and welfare of the students, faculty and families. Good communication is at the heart of the Board's relationship with its Administrators. The Board is a diverse set of individuals with strength in experience and vision. The Board President and the School Leader always maintain a strong relationship with clear expectations for meeting the school's mission and vision.

Summary of Accomplishments: School Administration

During the 2023-2024 school year, the Administrative team continued to lead the growth and strengthening of our 16th year of operation. Some highlights in accomplishments include the following:

- In April 2024, The New Jersey Department of Education released the 2022-2023 School Performance Reports for all public school districts and the New Jersey Public Charter School association analyzed the data and shared their findings in a published report (<https://docs.google.com/document/d/1E2QG53pSKWDfk3VoOfEITWnNlaaTx4Mk/edit>) Below is a synopsis of the findings:

****Student growth is measured from year to year in ELA and Math. Schools are compared on a bell curve from 1-99. The report outlines the growth for the 2022/23 NJSLA in ELA and Math.**

****Pride Academy, compared to all school districts in New Jersey, is in the 99th percentile. There are only four other schools at this percentile. This percentile indicates that Pride outgrew 99% of all other schools in New Jersey.**

****This means that Pride outgrew all schools in New Jersey.**

****Only 21 schools in New Jersey exceeded the expected growth in both ELA and Math; Pride Academy was one of those schools.**

****10 of the top 21 schools were Charter schools, which emphasizes the impact that charter schools are having in communities across New Jersey.**

****Locally, we know that these results would not be possible without every teacher and staff member playing their part; no single teacher nor department could achieve these results alone.**

- The continued strong leadership of our School Business Administrator and combined efforts, skills, and capacity of business office personnel have sustained an efficient and professional management of critical policies and procedures, Federal grants such as ESEA, IDEA, and ESSERs, savings in many areas, continued stabilization in enrollment, as well as detailed oversight and management of the school budget, facility issues, and human resources;
- Development and approval of state mandated plans including the Professional Development Plan, the Mentoring Plan, the Uniform State Memorandum of Agreement Between Education and Law Enforcement Officials, the Harassment, Intimidation and Bullying Plan, Comprehensive Equity Plan; Virtual and Remote Instruction Plan; Annual Report; Annual School Plan and ESEA/IDEA federal grant plans.
- Continued our school wide interim benchmark assessment program, LinkIt to support and strengthen our data driven instructional school wide process;
- Provided professional development to support our co-teaching model, cultural competency training, and the use and analysis of data to drive informed and differentiated instruction and learning;
- Continued parent involvement opportunities and increased the number of parents who participated in a range of school activities throughout the course of the year in virtual and in-person events such as: Parent Parties; participation in school leadership and planning meetings including School Safety Team meetings and Special Education meetings; Teacher-Parent Conference Nights; High School Night; and workshops related to parent well-being, testing and other protocols to support health and safety within our school community.

Charter School Organization

An elected 5-9-member Board of Trustees serves as the governance and policy maker for the Charter School. The Board approves and adopts an annual budget and oversees all expenditures, which serve as the basis for control over and authorization for all expenditures of Charter School tax money.

The Principal is the chief executive officer of the Charter School and is responsible to the Board for the educational and support operations. The School Business Administrator is the chief financial officer of the Charter School and is responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School Funds, and investing idle funds as permitted by New Jersey Law.

Local Academic Results for 2023-2024

The following information about our 2023-2024 assessment results is excerpted from our Annual Report 2023-2024.

Table 4: Proficiency Rates on Local Assessments (% of Students) —Fall Diagnostic Assessment 2022

Assessment	Below (%)	On (%)	Above (%)
ELA 5	46%	53%	1%
ELA 6	62%	34%	4%
ELA 7	63%	27%	10%
ELA 8	59%	36%	5%
MAT 5	67%	30%	3%
MAT 6	69%	30%	1%
MAT 7	92%	8%	0%
MAT 8	100%	0%	0%
Algebra I	62%	38%	0%

Table 4b: Proficiency Rates on Local Assessments (% of Students) —End of Year Summative Assessment 2023

Assessment	Below (%)	On (%)	Above (%)
ELA 5	70%	29%	1%
ELA 6	57%	42%	1%
ELA 7	44%	52%	4%
ELA 8	35%	61%	4%
MAT 5	77%	23%	4%
MAT 6	63%	36%	1%
MAT 7	58%	39%	3%
MAT 8	100%	0%	0%
Algebra I	0%	36%	64%

c) Identify the type of assessments used for interim assessment data:

Assessment Type (interim assessment)	✓ or X
Solely charter created	X
Vendor and charter created	✓
Combination of solely charter and vendor and charter created	X

d) Identify the type of assessments used for end of year assessment results:

Assessment Type (end of year)	✓ or X
Solely charter created	X
Vendor and charter created	✓
Combination of solely charter and vendor and charter created	X

Table 5: Proficiency Rates on NJSLA Assessments

NJSLA Assessment	2022-2023	2023-2024
	Percentage of students who met or exceeded expectations	Percentage of students who met or exceeded expectations
ELA 5	52%	67%
ELA 6	35%	45%
ELA 7	68%	64%
ELA 8	64%	64%
MAT 5	36%	25%
MAT 6	29%	37%
MAT 7	39%	55%
MAT 8	17%	26%
Algebra I	80%	96%

e) Explain what steps the school has taken, or plans to take, to ensure progress in both subjects by grade level and by subgroup (i.e., students eligible for free and reduced-price lunch, English language learners, students with disabilities, and racial/ethnic groups).

To maximize the amount of instructional time and minimize the amount of time students spend testing, the department chairs, in consultation with the teachers, decided to align all SGO goals with the Interim Assessment results. Other measures taken to ensure teachers were equipped with the student data needed to plan and support all learners:

- Testing dates set in the calendar at the start of the year
- Department and data analysis meetings with a focus on dissemination of student data were set in the week immediately following the whole-school testing dates.
- All student data is accessible by all stakeholders, including students, parents, teachers, and the administration.
- The use of the LinkIt Benchmark Assessments allows teachers to access accurate and in-the-moment data broken down into standards. LinkIt also provides a scale based on hundreds of thousands of student tests; if a student scores x on the benchmark assessment, she or he will more than likely score y on the NJSLA.
- Student data and grades were used to create extra support groups such as after-school tutoring lists and homework help.
- During the 23/24 school year, Pride Academy implemented a whole school WIN period (What I Need period) targeted to support students of all abilities, and specifically, subject specific tutoring in math and ELA for students below grade level.

f) For each subject and grade level, provide a list of the diagnostic, formative, and summative assessments that were administered during the 2023-2024 year.

ELA teachers used the following kinds of assessments:

- I-Ready on all grade levels. I-Ready provides a diagnostic assessment with differentiated lessons based on what students score.
- LinkIt Benchmark Assessments as Interim Assessments at the beginning, middle, and end of the school year.
- LinkIt Standard Assessments, which are smaller assessments designed by selecting the standard(s) students should be measured on.
- Actively Learn and teacher-created assessments to measure students' formative and summative progress periodically.

Math teachers used the following kinds of assessments:

- MobyMax on all grade levels. MobyMax provides a diagnostic assessment with differentiated lessons based on what students score.
- 5th-grade math teachers used Zearn, which allows teachers to target specific standards on or below grade level.
- LinkIt Benchmark Assessments as Interim Assessment at the beginning, middle, and end of the school year.
- LinkIt Standard Assessments, which are smaller assessments designed by selecting the standard(s) students should be measured on.
- Teacher-created assessments to periodically measure students' formative and summative progress.

g) Describe how results from the assessments listed above were used to improve instructional effectiveness and student learning.

There were three Interim Assessments windows at Pride; one in September, one in December, and one in March. The following steps were taken school-wide to utilize the student data from the recurring Interim Assessments:

- After each Interim Assessment, the data for each subject was shared school-wide. Each department had assigned meetings where they supported each other in finding ways to respond to the student data.
- All Interim Assessment data (and goals) were displayed in each classroom. The students knew their individual goal and were self-monitoring their progress towards their goal, just as each class was tracking their big group goal.
- Specific re-teach windows were assigned where teachers spiraled back to standards already taught but where students had not scored as well as anticipated.
- All department meetings had an agenda item addressing curriculum, revisions of unit maps, as well as overall standard mastery.
- Assessment data was used as a discussion point in walk-throughs or formal observations
- Students self-monitor their progress, reflecting on what worked and what did not and what new steps to make.
- Interim Assessment data and NJSLA Assessment data were all uploaded to LinkIt, a data warehouse, which allowed all teachers to access all student assessment data across all subject areas.

h) Describe the school's process for selecting the locally administered assessments. Explain how they align to NJSL and the school's chosen curricula.

Pride Academy has been working with LinkIt since the 2019-2020 school year. As the 19/20 and the 20/21 school years did not have state assessments, Pride deemed it unnecessary to change vendors at that point as LinkIt provided teachers with macro data predictions on where each individual student might score at the end of the year.

LinkIt Benchmark assessments are tested at many school districts in New Jersey, and the assessments emulate the NJSLA assessment given at the end of the year. Based on the 10+ years of student data collected across New Jersey, LinkIt can give Pride Academy teachers a fairly accurate estimate of how well students will score overall on the NJSLA assessment as well as how they will score on individual standards. Our curricula in ELA and Math are aligned to NJSL standards and learning targets.

i) Compare student results on locally administered assessment with student results on statewide assessments (NJSL). Explain any notable disparities.

The LinkIt assessment divides student data into 6 categories: Exceeding, Meeting, Bubble, Approaching, Partial, and Not Meeting. Each category indicates where students would potentially fall at the EOY NJSLA. Additionally, LinkIt also provides a percentage of students within each category that are predicted to pass the NJSLA at the end of the year. For instance, the "Exceeding" category has a 99% passing rate, whereas the "Approaching" category has a 40% passing rate.

Comparing these numbers to the 22/23 LinkIt and NJSLA data, we have found the following trends:

- Overall, the LinkIt assessment is very accurate in predicting which students will pass the NJSLA. All students that received the “Meeting” proficiency on either ELA or Math LinkIt final Interim Assessments achieved a level 4 or higher on their 2023 NJLSA score.
- Pride students tend to outperform their LinkIt scores. For instance, the passing rate for a “Partially meeting” student should be 15%, whereas in 5th and 7th grade ELA at Pride, the number was closer to 40%. This was true for all tested subjects and grade levels, except 7th grade math. In 7th grade math, 74 out of 75 students grew, however, less students than expected reached the meeting or exceeding level on the NSLA-M.
- Certain anomalies are challenging for any benchmark assessment to measure, such as two-part questions and extended constructed responses on the math assessment; these are best-created in-district and will affect the final NJSLA results.

J) Describe how the school disseminated or otherwise made assessment results accessible to stakeholders (i.e., parents, students, board members, administration).

- All assessment data and analysis-related deliverables were shared school-wide among all teachers the same week the assessment was completed.
- All assessment data was uploaded to LinkIt, a data warehouse, which allows all teachers to access all student assessment data across all subjects.
- Parent nights were hosted throughout the year during which student assessment results, upcoming student assessment dates, as well as action steps parents could take to support their child daily were shared and modeled.
- Student data was shared during board meetings, allowing all stakeholders to have a trajectory of the end-of-the-year results and an analysis of how the pandemic years have impacted students.

2) Internal Local Controls:

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

As a recipient of Federal and State financial assistance, the Charter School is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the Charter School management.

As part of the Charter School’s single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the Charter School has complied with applicable laws, regulations, contracts, and grants.

3) Budgetary Controls:

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

4) Cash Management:

The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Financial Statement" Note 2. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

5) Risk Management:

The Charter School carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive collision, hazard and theft insurance on property and contents.

6) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, CPA's, was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendment of 1996 and the related OMB Circular A-133, "*Audits of State, Local Governments and Non-Profits Organizations*" and New Jersey Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal

Grants, State Grants, and State Aid.” The auditor’s report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors’ reports, related specifically to the single audit, are included in the single audit section of this report.

ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Pride Academy Charter School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

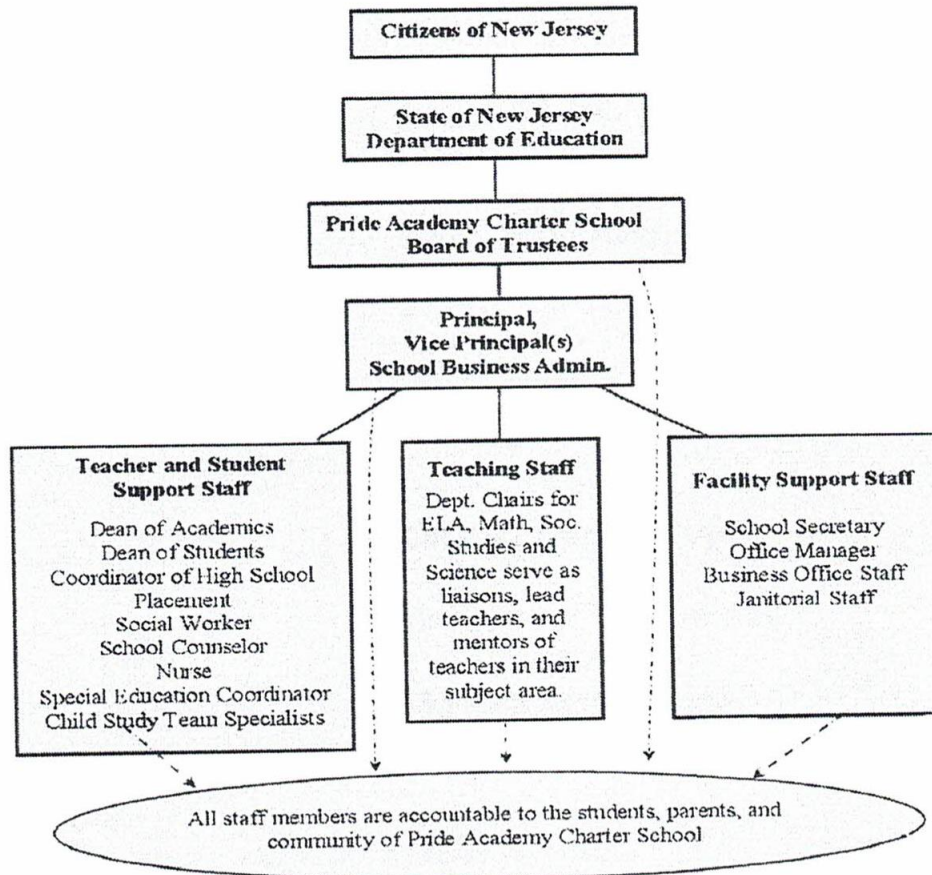
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fiona Thomas', with a stylized flourish at the end.

Mrs. Fiona Thomas
School Principal



CHARTER SCHOOL ORGANIZATIONAL CHART
2023 - 2024





MEMBERS OF BOARD OF TRUSTEES

ROSTER OF OFFICIALS June 30, 2024

Name	Title	Term Expires
Robert Mitchell, II	President	06/30/2026
Deidre Taylor	Vice-President	06/30/2026
Michael Moore, Esq.	Member	06/30/2025
Ashley D. Taylor	Member	06/30/2025
Jacqueline Spence	Member	06/30/2024
Mylene Brown	Member	06/30/2027
Isaiah Rosado	Member	06/30/2027



**PRIDE ACADEMY CHARTER SCHOOL
EAST ORANGE, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company
Certified Public Accountants
2204 Morris Avenue, Suite 206
Union, New Jersey 07083

Attorney

Joseph M. Wenzel, Esq.
432 Clifton Avenue
Clifton, New Jersey 07011

Official Depository

Fulton Bank of New Jersey
Suite 250
533 Fellowship Rd
Mt. Laurel, New Jersey 08054

FINANCIAL SECTION

BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
2204 Morris Avenue, Suite 206
Union, New Jersey 07083
908-686-3484

FAX – 908-686-6055
www.cpa-bc.com ▪ info@cpa-bc.com

Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Pride Academy Charter School
County of Essex
East Orange, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pride Academy Charter School in the County of Essex, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the Pride Academy Charter School in the County of Essex, State of New Jersey as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pride Academy Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Charter School's 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt the Pride Academy Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Pride Academy Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions, events, considered in the aggregate, that raise substantial doubt about the Pride Academy Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, following this report, and pension and postemployment benefit schedules in Exhibits L-1 through L-3, and M-1, and the related notes be presented to supplement the basic financial statements and budgetary comparison information in Exhibits C-1 through C-3. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pride Academy Charter School's basic financial statements. The combining and related major fund supporting statements and schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the State of New Jersey's Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, are also presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedule and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

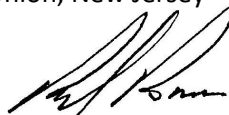
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards and the Office of School Finance, Department of Education, State of New Jersey

In accordance with Government Auditing Standards and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated December 25, 2024 on our consideration of the Pride Academy Charter School's internal control over financial reporting and 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 controls 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 and the Office of School Finance, Department of Education, State of New Jersey* in considering the Charter School's internal control over financial reporting and compliance.



Barre & Company LLC
Union, New Jersey



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

Union, New Jersey
December 26, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PRIDE ACADEMY CHARTER SCHOOL
EAST ORANGE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

The discussion and analysis of Pride Academy Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance. Certain comparative information between the current year (2023 to 2024) and the prior year (2022 to 2023) is required to be presented in the MD & A.

Financial Highlights

Key financial highlights for 2024 are as follows:

- ❖ General revenues accounted for \$8,224,468 in revenue or 98% percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$202,938 or 2% percent of total revenues of \$8,427,406.
- ❖ The Charter School had \$7,557,276 in expenses; only \$202,938 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$8,224,468 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$6,429,742 in revenues and \$8,696,107 in expenditures. The General Fund's fund balance increased by \$2,266,365 from 2023. This increase was anticipated by the Board of Trustees.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pride Academy Charter School as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole Charter School, presenting both an aggregate view of the Charter School's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in one column. In the case of Pride Academy Charter School, the General Fund is by far the most significant fund.

**PRIDE ACADEMY CHARTER SCHOOL
EAST ORANGE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2024?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the *Statement of Net Position* and the *Statement of Activities*, the Charter School is divided into two kinds of activities:

- ❖ **Governmental Activities** — All of the Charter School's programs and services are reported here including instruction, administration, support services and capital outlay.
- ❖ **Business-Type Activities** — These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Charter School's funds. The Charter School uses many funds to account for a multitude of financial transactions. The Charter School's governmental funds are the General Fund, and Special Revenue Fund.

**PRIDE ACADEMY CHARTER SCHOOL
EAST ORANGE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Governmental Funds

The Charter School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Charter School's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds are reconciled in the financial statements.

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 41 of this report.

The Charter School as a Whole

Recall that the *Statement of Net Position* provides the perspective of the Charter School as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The Charter School's financial position is the product of several financial transactions including the net results of activities.

The Charter School's combined net position were \$2,183,364 for 2024 and \$1,313,234 for 2023.

Governmental Activities

The Charter School's total revenues were \$8,212,736 for 2024 and \$6,957,128 for 2023, this includes \$1,052,897 for 2024 and \$1,160,932 for 2023 of state reimbursed TPAF social security and pension contributions.

The total cost of all program and services was \$7,336,787 for 2024 and \$5,868,674 for 2023. Instruction comprises \$2,338,802 for 2024 and 32% for 2023 of Charter School expenses.

**PRIDE ACADEMY CHARTER SCHOOL
EAST ORANGE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Business-Type Activities

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

- ❖ Food service expenses exceeded revenues by \$5,819 and revenues exceeded revenues \$43,553 for 2024 and 2023 respectively.
- ❖ Charges for services represent \$14,961 for 2024 and \$24,732 in 2023 of revenue. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced breakfast and lunches, were \$167,221 for 2024 and \$188,456 for 2023.

Governmental Activities

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

Administration includes expenses associated with administrative and financial supervision of the Charter School.

Support services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development and the costs associated with operating the facility.

Capital Outlay represents school instructional and or non-instructional equipment purchased and is capitalized when such equipment is over the \$2,000 threshold.

The Charter School's Funds

All governmental funds (i.e. general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$8,212,736 for 2024 and \$6,957,128 for 2023 and expenditures were \$10,484,513 for 2024 and \$6,246,017 for 2023. The net change in fund balance was most significant in the general fund, an increase of \$1,020,053 for 2024 and decrease of \$706,675 for 2023.

**PRIDE ACADEMY CHARTER SCHOOL
EAST ORANGE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

The Charter School's Funds (Continued)

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2024.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Local Sources	\$ 4,718,271	57.45%	\$ 3,871,398	457.14%
State Sources	1,743,959	21.24%	(3,906,170)	-69.13%
Federal Sources	1,750,506	21.31%	1,290,380	280.44%
Total	<u>\$ 8,212,736</u>	<u>100.00%</u>	<u>\$ 1,255,608</u>	

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2024 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Instruction	\$ 2,338,802	22.31%	\$ (91,111)	-3.75%
Administration	2,450,979	23.38%	105,646	4.50%
Support Services	1,977,814	18.86%	638,276	47.65%
Capital Outlay	3,716,918	35.45%	3,585,685	2732.30%
Total	<u>\$ 10,484,513</u>	<u>100.00%</u>	<u>\$ 4,238,496</u>	

Changes in expenditures were the result of varying factors. Current expense increased due to salary increases, additional staff and students, and increased health benefits and utility costs.

General Fund Budgeting Highlights

The Charter School's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

- ♣ Over the course of the year, the Charter School revised the annual operating budget in accordance with state regulations. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

**PRIDE ACADEMY CHARTER SCHOOL
EAST ORANGE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

Capital Assets (Net of Depreciation)

The Charter School had \$90,098 invested in buildings, building improvements, and equipment at the end of the fiscal year 2024 and \$101,360 for 2023.

For the Future

The Pride Academy Charter School is in good financial condition presently. The Charter School is proud of its community support. A major concern is the continued enrollment growth of the Charter School with the increased reliance on federal and state funding.

In conclusion, the Pride Academy Charter School has committed itself to financial excellence for many years. In addition, the Charter School's system for financial planning, budgeting, and internal financial controls are well regarded. The Charter School plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Mrs. Fiona Thomas, Principal at Pride Academy Charter School, 117 Elmwood Avenue, East Orange, New Jersey 07018.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL–WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Charter School. These statements include the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Charter School.

PRIDE ACADEMY CHARTER SCHOOL

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,519,987	\$ 45,847	\$ 2,565,834
Interfund Receivables	371,555	74,705	446,260
Receivables	752,954	9,153	762,107
Prepaid Expenses	56,363		56,363
Right of Use Asset, Net of Amortization	2,875,616		2,875,616
Capital Assets, Net	90,098	5,261	95,359
Total Assets	6,666,573	134,966	6,801,539
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	189,709		189,709
Total Deferred Outflows of Resources	189,709	-	189,709
LIABILITIES:			
Interfund Payable	446,260		446,260
Payable to Districts	37,716		37,716
Accounts Payable	190,695	8,803	199,498
Deferred Revenue	70,191		70,191
Noncurrent Liabilities:			
Due Within One Year	295,716		295,716
Due Beyond One Year	2,713,559		2,713,559
Pensions	816,939		816,939
Total Liabilities	4,571,076	8,803	4,579,879
DEFERRED INFLOWS OF RESOURCES:			
Pensions	228,005		228,005
Total Deferred Inflows of Resources	228,005	-	228,005
NET POSITION:			
Net Investment in Capital Assets	90,098		90,098
Unassigned	1,967,103	126,163	2,093,266
Total Net Position	\$ 2,057,201	\$ 126,163	\$ 2,183,364

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

PRIDE ACADEMY CHARTER SCHOOL
Statement of Activities
For The Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Instruction	\$ 2,371,290	\$ -	\$ 32,488	\$ -	\$ (2,338,802)	\$ -	\$ (2,338,802)
Administration	2,598,107				(2,598,107)		(2,598,107)
Support Services	1,774,957				(1,774,957)		(1,774,957)
Interest on Long Term Debt	202,857				(202,857)		(202,857)
Unallocated Amortization and Depreciation	422,064				(422,064)		(422,064)
Total Governmental Activities	7,369,275	-	32,488	-	(7,336,787)	-	(7,336,787)
BUSINESS-TYPE ACTIVITIES:							
Food Service	188,001	14,961	155,489			(17,551)	(17,551)
Total Business-Type Activities	188,001	14,961	155,489		-	(17,551)	(17,551)
Total Primary Government	<u>\$ 7,557,276</u>	<u>\$ 14,961</u>	<u>\$ 187,977</u>	<u>\$ -</u>	<u>\$ (7,336,787)</u>	<u>\$ (17,551)</u>	<u>\$ (7,354,338)</u>
GENERAL REVENUES							
Federal and State Aid Not Restricted		\$	3,494,465	\$	-	\$	3,494,465
Investment Earnings			10,471				10,471
Student Activities			32,488				32,488
Miscellaneous Income			4,675,312			11,732	4,687,044
Total General Revenues			<u>8,212,736</u>			<u>11,732</u>	<u>8,224,468</u>
Change in Net Position			875,949			(5,819)	870,130
Net Position - Beginning of Year			1,181,252			131,982	1,313,234
Net Position - Ending			<u>\$ 2,057,201</u>			<u>\$ 126,163</u>	<u>\$ 2,183,364</u>

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

SECTION B – FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

GOVERNMENTAL FUNDS

PRIDE ACADEMY CHARTER SCHOOL

Governmental Funds

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 2,513,219	\$ 6,768	\$ 2,519,987
Interfund Receivables	371,555		371,555
Receivables From Other Governments	236,503	516,451	752,954
Prepaid Expenses	56,363		56,363
Total Current Assets	3,177,640	523,219	3,700,859
Total Assets	<u>\$ 3,177,640</u>	<u>\$ 523,219</u>	<u>\$ 3,700,859</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Current Liabilities:			
Interfund Payables	\$ -	\$ 446,260	\$ 446,260
Payable to Districts	37,716		37,716
Accounts Payable	91,488		91,488
Payroll Deductions and Withholdings	99,207		99,207
Deferred Revenue		70,191	70,191
Total Current Liabilities	228,411	516,451	744,862
Total Liabilities	228,411	516,451	744,862
Fund Balances:			
Unassigned:			
Student Activities		6,768	6,768
Unassigned:			
General Fund	2,949,229		2,949,229
Total Fund Balances	2,949,229	6,768	2,955,997
Total Liabilities and Fund Balances	<u>\$ 3,177,640</u>	<u>\$ 523,219</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$387,576 and the accumulated depreciation is \$297,478. 90,098

Right of use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,286,418 and the accumulated amortization is \$410,802. 2,875,616

Long- term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds. Long-term debt included as net position from lease liabilities. (3,009,275)

Net pension liability of \$816,939 ,deferred inflows of resources of \$228,005 less deferred outflows of resources of \$189,709 related to pensions are not reported in the governmental funds (855,235)

Net Position of Governmental Activities \$ 2,057,201

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

PRIDE ACADEMY CHARTER SCHOOL
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 4,675,312	\$ -	\$ 4,675,312
Interest on Investments	10,471		10,471
Student Activities		32,488	32,488
Total Local Sources	4,685,783	32,488	4,718,271
State Sources	1,743,959		1,743,959
Federal Sources		1,750,506	1,750,506
Total Revenues	6,429,742	1,782,994	8,212,736
EXPENDITURES:			
Current:			
Instruction	1,722,995	615,807	2,338,802
Administration	2,450,979		2,450,979
Support Services	1,235,715	742,099	1,977,814
Capital Outlay	3,286,418	430,500	3,716,918
Total Expenditures	8,696,107	1,788,406	10,484,513
OTHER FINANCING SOURCES (USES):			
State Repayment			-
Transfers In	3,286,418		3,286,418
Total Other Financing Sources (Uses)	3,286,418	-	3,286,418
NET CHANGE IN FUND BALANCES	1,020,053	(5,412)	1,014,641
FUND BALANCE, JULY 1	1,929,176	12,180	1,941,356
FUND BALANCE, JUNE 30	\$ 2,949,229	\$ 6,768	\$ 2,955,997

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

PRIDE ACADEMY CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental fund (from B-2)	\$ 1,014,641
Amounts reported for governmental activities in the statement of activities (A-2) which are different because:	
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.	
Capital Outlay	3,286,418
Amortization Expense	(410,802)
Depreciation Expense	(11,262)
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
New long-term debt issued	(3,286,418)
Principal payment on long-term debt	277,143
Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized	6,229
Change in net position of governmental activities	<u>\$ 875,949</u>

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

PROPRIETARY FUNDS

PRIDE ACADEMY CHARTER SCHOOL
Proprietary Fund
Statement of Net Position
June 30, 2024

	Business-Type Activities
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 45,847
Due From Other Funds	74,705
Intergovernmental Accounts Receivable:	
Federal	8,455
State	698
Total Current Assets	<u>129,705</u>
Noncurrent Assets:	
Machinery and Equipment	6,575
Less Accumulated Depreciation	<u>(1,314)</u>
Total Noncurrent Assets	<u>5,261</u>
Total Assets	<u><u>\$ 134,966</u></u>
LIABILITIES AND NET POSITION:	
Current Liabilities:	
Accounts Payable	<u>8,803</u>
Total Current Liabilities	<u>8,803</u>
Net Position:	
Unassigned	<u>126,163</u>
Total Liabilities and Net Position	<u><u>\$ 134,966</u></u>

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

PRIDE ACADEMY CHARTER SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities
	Food Service
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Non-reimbursable Program	\$ 14,961
Total Operating Revenues	14,961
OPERATING EXPENSES:	
Depreciation Expense	657
Cost of Sales	187,344
Total Operating Expenses	188,001
OPERATING LOSS	(173,040)
NONOPERATING REVENUES:	
State Source	
State School Breakfast and Lunch Programs	9,644
Federal Source	
National School Breakfast and Lunch Programs	145,845
Supply Chain Assistance	11,732
Total Nonoperating Revenues	167,221
CHANGE IN NET POSITION	(5,819)
TOTAL NET POSITION, JULY 1	131,982
TOTAL NET POSITION, JUNE 30	\$ 126,163

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

PRIDE ACADEMY CHARTER SCHOOL
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 14,961
Cash Payments to Suppliers and Employees	(186,895)
Net Cash Used In Operating Activities	(171,934)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	167,221
Net Cash Provided By Noncapital Financing Activities	167,221
Net Decrease In Cash And Cash Equivalents	(4,713)
Cash And Cash Equivalents, Beginning Of Year	50,560
Cash And Cash Equivalents, End Of Year	\$ 45,847
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss Used in Operating Activities	\$ (173,040)
Depreciation	657
Change In Assets And Liabilities:	
Decrease In Receivables From Other Governments	2,803
Decrease In Accounts Payable	(2,354)
Net Cash Used In Operating Activities	\$ (171,934)

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

NOTES TO THE FINANCIAL STATEMENTS

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Pride Academy Charter School have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accounting standard-setting body responsible for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Charter School are described below.

For fiscal year 2016, the Charter School implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources and expense/expenditure.

A) Reporting Entity

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

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

B) Basis of Presentation

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

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Charter school-wide Statements: The statement of net position and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the Charter School. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the Charter School at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Charter School and for each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Business segment is self-financing or draws from the general revenues of the Charter School. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Charter School. *Fund Financial Statements:* During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the Charter School's funds, including its fiduciary funds. Separate statements for each fund category — *governmental, proprietary, and fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting models.

The Charter School reports the following governmental funds:

General Fund: The general fund is the general operating fund of the Charter School and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay subfund.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unassigned revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

Debt Service Fund: Not applicable.

The Charter School reports the following proprietary fund:

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to the cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the Charter School reports the following fund type:

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

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Basis of Accounting – Measurement Focus

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

Charter School-wide, Proprietary, and Fiduciary Fund Financial Statements: The financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the Charter School follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D) Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. Budgets are prepared using the modified accrual basis of accounting except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the Special Revenue Funds from the budgetary basis of accounting to the GAAP basis of accounting:

	<u>2024</u>	<u>2023</u>
Total Revenues & Expenditures (Budgetary Basis)	\$ 1,782,994	\$ 480,861
Adjustments:		
Less Encumbrances at June 30, 2024	-	(4,436)
Plus Encumbrances at June 30, 2023	<u>5,412</u>	<u>-</u>
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 1,788,406</u>	<u>\$ 476,425</u>

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E) Encumbrances Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenues fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F) Assets, Liabilities, and Equity

Interfund Transactions:

Transfers between governmental and business-type activities on the Charter School – wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Allowance for Uncollectible Accounts:

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

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets:

The Charter School has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Charter School does not possess any infrastructure. The capitalization threshold used by Charter Schools in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Office & Computer Equipment	5-10

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are recorded as deferred revenue.

Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the Charter School – wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unassigned net position is available.

Fund Balance Reserves:

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances in accordance with N.J.S.A. 18:7.

Revenues — Exchange and Non-Exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Charter School, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Revenues — Exchange and Non-Exchange Transactions (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Charter School, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses:

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Management 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 revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accrued Salaries and Wages:

Certain Charter School employees who provide services to the Charter School over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

G) Pensions

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

H) Impact of Recently Issued Accounting Principles

The GASB has issued the following Statement that will become effective for the Charter School for fiscal year ending June 30, 2025:

GASB No. 101, Compensated Absences, is effective with the fiscal year ending June 30, 2024. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Charter School.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

Deposits

New Jersey statutes require that charter schools deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Charter schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

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

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

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Investments

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase
- c. Bonds or other obligations of the Charter School.

The Charter School had no investments as of June 30, 2024. Cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Special Revenue	Proprietary Fund	Total
Operating Account	\$ 2,513,219	\$ 6,768	\$ 45,847	\$2,565,834

The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was \$2,565,834 and the bank balance was \$2,614,669. In addition, the school had restricted cash in the amount of 0. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2024, the School had funds invested and on deposit in checking accounts. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2024, the Charter school had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 3: RECEIVABLES

Receivables at June 30, 2024 consisted of accounts, intergovernmental grants, and miscellaneous.

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

	Governmental Funds			Proprietary Fund		
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business Type Activities	Total
State Aid	\$ 236,503	\$ -	\$ 236,503	\$ 698	\$ 698	\$ 237,201
Federal Aid	-	516,451	516,451	8,455	8,455	524,906
Gross Receivables	236,503	516,451	752,954	9,153	9,153	762,107
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 236,503	\$ 516,451	\$ 752,954	\$ 9,153	\$ 9,153	\$ 762,107

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

The following interfund balances remained on the fund financial statements at June 30, 2024:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 371,555	\$ -
Special Revenue Fund		446,260
Proprietary Fund	74,705	
	<u>446,260</u>	<u>446,260</u>
Total	<u>\$ 446,260</u>	<u>\$ 446,260</u>

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Building and Building Improvements	\$ 130,681	\$ -	\$ -	\$ 130,681
Equipment	256,895	-	-	256,895
Totals at Historical Cost	<u>387,576</u>	<u>-</u>	<u>-</u>	<u>387,576</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	130,681	-	-	130,681
Equipment	155,535	11,262	-	166,797
Total Accumulated Depreciation	<u>286,216</u>	<u>11,262</u>	<u>-</u>	<u>297,478</u>
Total Capital Assets Being Depreciated,				
Net of Accumulated Depreciation	101,360	(11,262)	-	90,098
Government Activity Capital Assets, Net	<u>\$ 101,360</u>	<u>\$ (11,262)</u>	<u>\$ -</u>	<u>\$ 90,098</u>

In January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Charter Schools in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the Charter School has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$11,262 was charged to functions as follows:

	<u>2024</u>	<u>2023</u>
Depreciation Expense	\$11,262	\$11,262

NOTE 6: LEASES

Right To Use Lease Assets

The Charter School has recorded two right to use leased assets. The assets are right to use assets for leased equipment and leased school facility. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Government for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Right to Use Assets Being Amortized				
Leased-Rental Estate Expense	\$ -	\$ 3,286,417	\$ -	\$ 3,286,417
Right to Use Assets Being Amortized	<u>-</u>	<u>3,286,417</u>	<u>-</u>	<u>3,286,417</u>
Accumulated Amortization				
Leased-Rental Estate Expense	-	(410,802)		(410,802)
Accumulated Amortization	<u>-</u>	<u>(410,802)</u>		<u>(410,802)</u>
Right to Use Assets, Net of Accumulated Amortization	<u>\$ -</u>	<u>\$ 2,875,615</u>	<u>\$ -</u>	<u>\$ 2,875,615</u>

NOTE 7: LONG-TERM OBLIGATIONS

A. LEASES

The school leases space at 117 Elmwood Ave, East Orange, New Jersey under a lease agreement commencing September 1, 2022 with Shining Schools Inc. for one (1) year and shall automatically renew for additional periods of five (5) years each after the expiration of the initial term. The Base Rent for the initial year is \$480,000 per annum payable in equal monthly installments. Each year thereafter, the Base Rent shall be increased by 1% of the prior year's Base Rent paid.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

A. LEASES (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Maturity Analysis		Principal	Interest	Total
7/1/2024	6/30/2025	295,716	184,296	480,012
7/1/2025	6/30/2026	315,534	164,491	480,024
7/1/2026	6/30/2027	336,677	143,359	480,036
7/1/2027	6/30/2028	466,343	117,097	583,440
7/1/2028	6/30/2031	1,595,005	155,387	1,750,392
Total		3,009,275	764,630	3,773,904
Lease Liability		3,009,275		

Long-Term Debt Rollforward

	Balance July 1, 2023	Reductions	Additions	Balance June 30, 2024	Due Within One Year
Governmental Activities					
Lease Liabilities	\$ -	\$(277,143)	\$ 3,286,418	\$ 3,009,275	\$ 295,716
Net Pension Liabilities	982,003	(165,064)		816,939	
Governmental Activity Long-Term Liability	\$982,003	\$(442,207)	\$ 3,286,418	\$ 3,826,214	\$ 295,716

B. OBLIGATIONS UNDER EQUIPMENT LEASE

In September 2020, the Charter School leased three (3) copier machines for 60 months with monthly payments in the amount of \$678 expiring August 2025. The following is a schedule of the future minimum lease payments under the capital leases at June 30, 2024:

Year	Amount
2024	8,136
2025	8,136
2026	1,356
Total minimum lease payments	\$17,628

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS), of New Jersey; or the Defined Contribution Retirement Program (DCRP). a tax qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees; Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

Tier	Descriptions
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, 2010 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier.

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided (Continued)

Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and required contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Charter School contributions to PERS amounted to \$75,382 for fiscal year 2023.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. (except for employer specific financed amounts), there is no net pension liability or

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Contributions (Continued)

Special Funding Situation (Continued)

The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the Charter School reported a liability of \$816,939 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 which was rolled forward to June 30, 2023. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Charter School's proportion was 0.00564014%, which was an increase of - 0.00086691% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the Charter School recognized pension expense of \$69,153. At June 30, 2023, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 1,795	\$ 49,510
Difference Between Expected and Actual Experience	7,811	3,339
Changes in Proportion	176,341	175,156
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	3,762	0
	<u>\$ 189,709</u>	<u>\$ 228,005</u>

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (41,836.08)
2025	(23,351)
2026	32,632
2027	(5,840)
2028	99
	<u>\$ (38,296)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuations used the following actuarial assumptions.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
High Yield	4.00%	4.95%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Long Term Expected Rate of Return (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2023			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 1,072,447	\$ 823,826	\$ 612,218

Measurement Date June 30, 2022			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 1,272,271	\$ 990,320	\$ 750,368

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefit Provided

The vesting and benefit provision are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested of 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the member's accounts. The following represents the membership tiers for TPAF:

Tier	Descriptions
1	M Members who were enrolled prior to July 1, 2007
2	M Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	M Members who were eligible to enroll on or after November 2, 2008, 2010 and prior to May 22, 2010
4	M Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	M Members who were eligible to enroll on or after June 28, 2011

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Contributions

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2023, the State's pension contribution was less than the actuarially determined amount.

Special Funding Situation

The Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the Charter School.

This note discloses the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal years ended 2024, the State of New Jersey contributed \$105,062 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$777,728 .

The employee contribution rate was 7.5% effective July 1, 2018.

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

As June 30, 2024, the State's proportionate share of the net pension liability associated with the Charter School was \$9,525,571 . The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 which was rolled forward to June 30, 2023.

The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, Charter School's proportion was 0.0186656%, which was an increase of 0.0003988% from its proportion measured as of June 30, 2022.

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

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

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>9,525,571</u>
Total	\$ 9,525,571

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the Charter School in the amount of \$777,728 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 1,278,925,078	\$ 14,657,999,241
Difference Between Expected and Actual Experience	658,340,412	83,374,071
Changes in Proportion and differences between employer contributions and proportionate share of contributions	88,832,162	88,832,161
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>476,283,186</u>	<u>-</u>
	<u>\$ 2,502,380,838</u>	<u>\$ 14,830,205,473</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>(12,327,824,636)</u>

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wages	3.25%
Salary Increases:	
	2.75 - 4.25%
	based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Long Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

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

Measurement Date June 30, 2023			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 11,249,389	\$ 9,539,998	\$ 8,100,284

Measurement Date June 30, 2022			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 11,068,202	\$ 9,439,660	\$ 8,067,818

Pension Plan Fiduciary Net Position – TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

For DCRP, the Charter School recognized no DCRP pension expense for the fiscal year ended June 30, 2024. There were no employee contributions to DCRP for the fiscal year ended June 30, 2024.

NOTE 9: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2023 there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2023.

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance

The charter school maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**PRIDE ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11: FUND BALANCE APPROPRIATED

General Fund

The General Fund balance at June 30, 2024 is \$2,949,229 and is unassigned and undesignated.

NOTE 12: SUBSEQUENT EVENTS

The Pride Academy Charter School's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of the audit.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULES

PRIDE ACADEMY CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
"Local Levy" Local Share-Charter School Aid	\$ 4,917,258	\$ (191,982)	\$ 4,725,276	\$ 4,675,312	\$ (49,964)
Total Local Sources	4,917,258	(191,982)	4,725,276	4,675,312	(49,964)
Categorical Aid:					
Special Education	214,275	(33,623)	180,652	177,874	(2,778)
Security Aid				141,316	141,316
Adjustment Aid				137,227	137,227
Demonstrably Effective Program Aid	154,960	126,270	281,230		(281,230)
Total Categorical Aid	369,235	92,647	461,882	456,417	(5,465)
Other Sources:					
Interest Income	-	-	-	10,471	10,471
On-Behalf TPAF Pension Contributions (Non-Budgeted)				859,893	859,893
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				234,031	
On-Behalf TPAF Long Term Disability Contributions (Non-Budgeted)				614	
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	193,004	193,004
Total Other Sources	-	-	-	1,298,013	1,063,368
Total Revenues	5,286,493	(99,335)	5,187,158	6,429,742	1,007,939
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,056,413	(226,525)	1,829,888	1,458,570	371,318
Other Salaries for Instruction	246,000	15,800	261,800	106,942	154,858
Purchased Prof/Tech Services	103,028	12,550	115,578	77,010	38,568
Other Purchased Services	70,000	(20,400)	49,600	49,527	73
General Supplies	50,000	(11,865)	38,135	24,809	13,326
Textbooks	20,000	21,250	41,250		41,250
Miscellaneous	27,000	(20,850)	6,150	6,137	13
Total Instruction	2,572,441	(230,040)	2,342,401	1,722,995	619,406
Administration:					
Salaries - General Administration	786,580	(67,200)	719,380	669,591	49,789
Salaries of Secretarial/Clerical Assistants	102,196		102,196	99,805	2,391
Total Benefits Cost	525,253	(65,930)	459,323	121,220	338,103
Other Purchased Professional Services	196,872	(425)	196,447	172,890	23,557
Other Purchased Services	17,400	(3,285)	14,115	14,115	-
Communications/Telephone	30,933	19,850	50,783	45,225	5,558
Supplies and Materials	5,500	15,300	20,800	17,113	3,687
Miscellaneous Expenses	19,840	14,515	34,355	23,478	10,877
Total Administration	1,684,574	(87,175)	1,597,399	1,163,437	433,962

PRIDE ACADEMY CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued From Prior Page)					
Support Services:					
Salaries	\$ 254,721	\$ 103,200	\$ 357,921	\$ 357,891	\$ 30
Cleaning, Repair, and Maintenance Services	150,000	19,350	169,350	180,751	(11,401)
Rental of Land and Buildings	418,116	82,680	500,796	480,000	20,796
Other Purchased Services	36,838	2,050	38,888	38,705	183
Transportation-Other Than To/From School	20,000	(8,000)	12,000	8,513	3,487
Insurance for Property, Liability and Fidelity	78,413	1,310	79,723	93,587	(13,864)
Supplies and Materials	26,890	4,950	31,840	26,540	5,300
Energy Costs (Heat and Electricity)	44,500	12,340	56,840	49,728	7,112
Total Support Services	1,029,478	217,880	1,247,358	1,235,715	11,643
Capital Outlay:					
Lease Purchase Agreements-Principal				3,286,418	(3,286,418)
Total Capital Outlay	-	-	-	3,286,418	(3,286,418)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				859,893	(859,893)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)	-	-	-	234,031	(234,031)
On-Behalf TPAF Long Term Disability Contributions (Non-Budgeted)				614	(614)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	193,004	(193,004)
Total Expenditures	5,286,493	(99,335)	5,187,158	8,696,107	(2,648,442)
Excess (Deficiency) of Revenues Over (Under) Expenditures				(2,266,365)	(2,266,365)
OTHER FINANCING SOURCES (USES):					
Lease Liabilities Issued				3,286,418	3,286,418
Total Other Financing Sources (Uses)		-	-	3,286,418	3,286,418
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				1,020,053	
FUND BALANCE, JULY 1	6,119,276		6,119,276	1,929,176	4,190,100
FUND BALANCE, JUNE 30	\$ 6,119,276	\$ -	\$ 6,119,276	\$ 2,949,229	\$ 1,923,735
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ 6,119,276	\$ -	\$ 6,119,276	\$ 2,949,229	\$ (3,170,047)
Total	\$ 6,119,276	\$ -	\$ 6,119,276	\$ 2,949,229	\$ (3,170,047)

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

PRIDE ACADEMY CHARTER SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:				
Local	\$ -	\$ -	\$ 32,488	\$ 32,488
Federal	2,019,598	2,019,598	1,750,506	(269,092)
Total Revenues	2,019,598	2,019,598	1,782,994	(236,604)
EXPENDITURES:				
Instruction:				
Salaries	318,360	318,360	277,156	41,204
Salaries of Teachers	278,129	278,129	278,129	-
General Supplies	98,503	98,503	60,521	37,982
Other Objects	1	1	1	-
Total Instruction	694,993	694,993	615,807	79,186
Support Services:				
Salaries	436,900	436,900	384,112	52,788
Personal Services - Employee Benefits	373,943	373,943	277,242	96,701
Purchased Technical Services	8,000	8,000	8,000	-
Other Purchased Services	20,000	20,000	8,783	11,217
Supplies and Materials	41,513	41,513	14,313	27,200
Miscellaneous Expenditures	11,749	11,749	49,649	(37,900)
Total Support Services	892,105	892,105	742,099	150,006
Facilities Acquisition and Construction Services:				
Buildings	432,500	432,500	430,500	2,000
Total Facilities Acquisition and Construction Services	432,500	432,500	430,500	2,000
Total Expenditures	2,019,598	2,019,598	1,788,406	231,192
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (5,412)	\$ (5,412)

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] 6,429,742	[C-2] \$ 1,782,994
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		-
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>6,429,742</u>	[B-2] \$ <u>1,782,406</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 8,696,107	[C-2] \$ 1,788,406
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 8,696,107	[B-2] \$ 1,788,406

REQUIRED SUPPLEMENTARY INFORMATION – PART III

***SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
PENSIONS (GASB 68)***

PRIDE ACADEMY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	2022	2023	2024
Charter School's proportion of the net pension liability	0.00562631%	0.00650705%	0.00564014%
Charter School's proportionate share of the net pension liability	\$ 831,894	\$ 982,003	\$ 816,939
Charter School's covered employees payroll	N/A	N/A	\$ 392,786
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	N/A	N/A	208%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	51.52%	53.31%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2024.

PRIDE ACADEMY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30		
	2022	2023	2024
Contractually required contribution	\$ 82,239	\$ 82,057	\$ 75,382
Contributions in relation to the contractually required contribution	(82,239)	(82,057)	(75,382)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -
Charter School's covered employee payroll	N/A	N/A	\$ 392,786
Contributions as a percentage of covered employee payroll	N/A	N/A	19.19%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2024.

PRIDE ACADEMY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER'S PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30		
	2022	2023	2024
State's proportion of the net pension liability attributable of the Charter School	0.01949513%	0.09826680%	0.01866563%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 9,372,321	\$ 9,424,650	\$ 9,525,571
Charter School's covered employees payroll	N/A	N/A	\$ 2,630,007
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	N/A	N/A	362.19%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	35.52%	53..08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2024.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2024

Benefit Changes

There were none.

Changes in Assumptions

The discount rate changed from 5.39% as of June 30, 2022 to 4.90% as of June 30, 2023. The inflation rate changed from 3.01% as of June 30, 2022 to 3.04% as of June 30, 2023.

PRIDE ACADEMY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2024

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 4.68% as of June 30, 2022 to 4.13% as of June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

**SECTION E – SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

PRIDE ACADEMY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	NCLB Title I	I.D.E.A. Part B	NCLB Title II Part A	NCLB Title IV	CRRSA ESSER II Program	ARP ESSER Program	ARP ESSER Accelerated Learning Coach	ARP ESSER Summer Learning	ARP ESSER Comprehensive Beyond the School Day	ESSER NJTSS Mental Health Support Staff	Student Activity	Grand Total
REVENUE SOURCES:												
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	164,569	85,888	14,753	12,959	390,229	948,420	36,750	28,750	27,688	40,500	32,488	1,750,506
Total Revenues	164,569	85,888	14,753	12,959	390,229	948,420	36,750	28,750	27,688	40,500	32,488	1,782,994
EXPENDITURES:												
Instruction:												
Salaries	96,000	52,000	-	4,000	278,129	47,796	25,000	25,000	27,360	-	-	277,156
Salaries of Teachers	2,969	608	-	399	278,129	42,018	9,750	2,750	328	1,700	-	278,129
General Supplies	98,969	52,608	-	4,399	278,129	89,814	34,750	27,750	27,688	1,700	-	615,807
Total Instruction	98,969	52,608	-	4,399	278,129	89,814	34,750	27,750	27,688	1,700	-	615,807
Support Services:												
Salaries	57,600	33,280	4,000	1,000	1,100	337,212	2,000	-	-	38,800	-	384,112
Personal Services - Employee Benefits	-	-	-	-	111,000	75,362	-	-	-	-	-	277,242
Purchased Prof/Tech Services	-	-	8,000	-	-	-	-	-	-	-	-	8,000
Other Purchased Services	4,000	-	-	-	-	8,783	-	-	-	-	-	8,783
Supplies and Materials	-	-	2,753	7,560	-	-	-	-	-	-	-	14,313
Student Activities	-	-	-	-	-	-	-	1,000	-	-	37,900	37,900
Miscellaneous Expenditures	4,000	-	-	-	-	6,749	-	-	-	-	-	11,749
Total Support Services	65,600	33,280	14,753	8,560	112,100	428,106	2,000	1,000	-	38,800	37,900	742,099
Facilities Acquisition and Construction Services:												
Buildings	-	-	-	-	-	430,500	-	-	-	-	-	430,500
Total Facilities Acquisition and Construction Services	-	-	-	-	-	430,500	-	-	-	-	-	430,500
Total Expenditures	164,569	85,888	14,753	12,959	390,229	948,420	36,750	28,750	27,688	40,500	37,900	1,788,406
Total Outflows	164,569	85,888	14,753	12,959	390,229	948,420	36,750	28,750	27,688	40,500	37,900	1,788,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,412)	\$ (5,412)

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the charter school’s board is that the costs of providing goods or services be financed through user charges.

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

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

**SECTION H – FIDUCIARY FUNDS
DETAIL STATEMENTS**

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

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

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

Payroll Fund – this agency fund is used to account for payroll transactions of the Charter School.

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STATISTICAL SECTION

(UNAUDITED)

Pride Academy Charter School has been in operation for ten (10) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for ten (10) years is available and has been presented. Each year thereafter, an additional year's data will be included until ten years of data is presented.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the charter school's financial performance and well-being have changed over time.

Revenue Capacity (Not Applicable To Charter School)

These schedules contain information to help the reader assess the Charter School's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the charter school's current levels of outstanding debt and the charter school's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the charter school's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the charter school's financial report relates to the services the Charter School provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The charter school implemented GASB Statement 34 in the fiscal year ending June 30, 2009; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

PRIDE ACADEMY CHARTER SCHOOL
Net Assets/Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt										
Restricted	\$ 90,098	\$ 101,360	\$ -	\$ -	\$ -	\$ -	\$ 20,071	\$ 51,586	\$ 83,101	\$ 49,989
Unassigned	-	12,180	7,744	3,180	-	-	-	-	-	-
Total Governmental Activities Net Assets/Position	\$ 1,967,103	\$ 1,067,712	\$ 311,781	\$ 121,827	\$ 233,595	\$ 237,570	\$ 144,799	\$ 97,348	\$ 131,601	\$ 127,809
	\$ 2,057,201	\$ 1,181,252	\$ 319,525	\$ 125,007	\$ 233,595	\$ 237,570	\$ 164,870	\$ 148,934	\$ 214,702	\$ 177,798
Business-Type Activities										
Net Invested in Capital Assets/										
Unrestricted	\$ 126,163	\$ 131,982	\$ 88,429	\$ 39,343	\$ 39,318	\$ 35,110	\$ 35,755	\$ 35,246	\$ 31,328	\$ 23,205
Total Business-Type Activities Net Assets/Position	\$ 126,163	\$ 131,982	\$ 88,429	\$ 39,343	\$ 39,318	\$ 35,110	\$ 35,755	\$ 35,246	\$ 31,328	\$ 23,205
Charter School-wide										
Invested in Capital Assets, Net of Related Debt										
Restricted	\$ 90,098	\$ 101,360	\$ -	\$ -	\$ -	\$ -	\$ 20,071	\$ 51,586	\$ 83,101	\$ 49,989
Unrestricted	2,093,266	1,199,694	400,210	161,170	272,913	272,680	180,554	132,594	162,929	151,014
Total Charter School-wide Net Assets/Position	\$ 2,183,364	\$ 1,313,234	\$ 407,954	\$ 164,350	\$ 272,913	\$ 272,680	\$ 200,625	\$ 184,180	\$ 246,030	\$ 201,003

PRIDE ACADEMY CHARTER SCHOOL
Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
Instruction	\$ 2,338,802	\$ 3,292,170	\$ 3,126,973	\$ 2,835,353	\$ 2,477,694	\$ 2,420,271	\$ 2,310,460	\$ 2,349,274	\$ 1,860,430	\$ 2,382,422
Administration	2,598,107	1,445,082	1,461,458	1,589,205	1,371,971	1,404,282	1,381,391	1,374,240	1,940,372	1,945,219
Support Services	1,774,957	1,339,538	1,479,819	1,270,054	1,444,916	1,473,589	1,420,458	1,369,873	1,063,843	609,635
Capital Outlay	202,857	18,611	7,403	127,777	1,287	7,520	29,676	43,842	67,131	50,620
Unallocated Depreciation	422,064	541,306	730,330	347,280	576,620	452,793	575,548	9,445	9,445	3,873
Total Governmental Activities Expenses	<u>7,336,787</u>	<u>6,636,707</u>	<u>6,805,983</u>	<u>6,379,009</u>	<u>5,843,148</u>	<u>5,758,455</u>	<u>5,717,533</u>	<u>5,146,674</u>	<u>4,941,221</u>	<u>4,991,969</u>
Business-Type Activities:										
Food Service	\$ 188,001	\$ 169,635	\$ 123,198	\$ 11,352	\$ 120,216	\$ 183,065	\$ 177,610	\$ 221,319	\$ 221,243	\$ 189,646
Total Business-Type Activities Expenses	<u>188,001</u>	<u>169,635</u>	<u>123,198</u>	<u>11,352</u>	<u>120,216</u>	<u>183,065</u>	<u>177,610</u>	<u>221,319</u>	<u>221,243</u>	<u>189,646</u>
Total Charter School Expenses	<u>\$ 7,524,788</u>	<u>\$ 6,806,342</u>	<u>\$ 6,929,181</u>	<u>\$ 6,390,361</u>	<u>\$ 5,963,364</u>	<u>\$ 5,941,520</u>	<u>\$ 5,895,143</u>	<u>\$ 5,367,993</u>	<u>\$ 5,162,464</u>	<u>\$ 5,181,615</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 32,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	-	788,033	957,391	739,403	507,046	608,113	658,357	115,517	120,633	131,404
Total Governmental Activities Expenses	<u>32,488</u>	<u>788,033</u>	<u>957,391</u>	<u>739,403</u>	<u>507,046</u>	<u>608,113</u>	<u>658,357</u>	<u>115,517</u>	<u>120,633</u>	<u>131,404</u>
Business-Type Activities:										
Charges for Services	\$ 14,961	\$ 24,732	\$ 3,243	\$ 11,377	\$ 3,823	\$ 4,377	\$ 4,019	\$ 4,724	\$ 6,449	\$ 6,916
Operating Grants and Contributions	155,489	188,456	169,041	-	120,601	178,043	174,100	220,513	222,917	192,913
Total Business-Type Activities Expenses	<u>170,450</u>	<u>213,188</u>	<u>172,284</u>	<u>11,377</u>	<u>124,424</u>	<u>182,420</u>	<u>178,119</u>	<u>225,237</u>	<u>229,366</u>	<u>199,829</u>
Total Charter School Program Revenues	<u>\$ 202,938</u>	<u>\$ 981,221</u>	<u>\$ 1,129,675</u>	<u>\$ 750,780</u>	<u>\$ 631,470</u>	<u>\$ 790,533</u>	<u>\$ 836,476</u>	<u>\$ 340,754</u>	<u>\$ 349,989</u>	<u>\$ 331,233</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (7,304,299)	\$ (5,868,674)	\$ (5,848,592)	\$ (5,639,606)	\$ (5,136,102)	\$ (5,150,342)	\$ (5,059,176)	\$ (5,031,157)	\$ (4,820,588)	\$ (4,860,565)
Business-Type Activities	(17,551)	43,553	49,086	25	4,208	(645)	509	3,918	8,123	10,183
Total Charter School-wide Net Expense	<u>\$ (7,321,850)</u>	<u>\$ (5,825,121)</u>	<u>\$ (5,799,506)</u>	<u>\$ (5,639,581)</u>	<u>\$ (5,131,894)</u>	<u>\$ (5,150,987)</u>	<u>\$ (5,058,667)</u>	<u>\$ (5,027,239)</u>	<u>\$ (4,812,465)</u>	<u>\$ (4,850,382)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
General Purposes	\$ -	\$ 656,233	\$ 591,064	\$ 537,819	\$ 535,374	\$ 535,075	\$ 483,739	\$ 461,081	\$ 474,667	\$ 450,397
Federal and State Aid Not Restricted	3,494,465	5,883,528	5,387,487	4,967,358	4,589,205	4,664,833	4,590,146	4,487,168	4,367,521	4,121,847
Investment Earnings	10,471	1,784	1,765	1,660	5,437	12,095	230	464	2,688	2,284
Miscellaneous Income	4,675,312	188,856	62,794	21,001	2,111	11,039	997	16,676	12,636	13,179
Total Governmental Activities	<u>8,180,248</u>	<u>6,730,401</u>	<u>6,043,110</u>	<u>5,527,838</u>	<u>5,132,127</u>	<u>5,223,042</u>	<u>5,075,112</u>	<u>4,965,389</u>	<u>4,857,492</u>	<u>4,587,707</u>
Business-Type Activities:										
Miscellaneous Income	\$ 11,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-Type Activities	<u>11,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charter School-wide	<u>\$ 8,191,980</u>	<u>\$ 6,730,401</u>	<u>\$ 6,043,110</u>	<u>\$ 5,527,838</u>	<u>\$ 5,132,127</u>	<u>\$ 5,223,042</u>	<u>\$ 5,075,112</u>	<u>\$ 4,965,389</u>	<u>\$ 4,857,492</u>	<u>\$ 4,587,707</u>
Change in Net Assets/Position										
Governmental Activities	\$ 875,949	\$ 861,727	\$ 194,518	\$ (111,768)	\$ (3,975)	\$ 72,700	\$ 15,936	\$ (65,768)	\$ 36,904	\$ (272,858)
Business-Type Activities	(5,819)	43,553	49,086	25	4,208	(645)	509	3,918	8,123	10,184
Total Charter School	<u>\$ 870,130</u>	<u>\$ 905,280</u>	<u>\$ 243,604</u>	<u>\$ (111,743)</u>	<u>\$ 233</u>	<u>\$ 72,055</u>	<u>\$ 16,445</u>	<u>\$ (61,850)</u>	<u>\$ 45,027</u>	<u>\$ (262,674)</u>

PRIDE ACADEMY CHARTER SCHOOL
Fund Balances - Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Reserved	\$ 6,768	\$ 12,180	\$ 7,744	\$ 3,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	2,949,229	1,929,176	1,222,501	1,093,316	1,144,093	1,101,309	976,882	860,026	778,430	737,326
Total General Fund	\$ 2,955,997	\$ 1,941,356	\$ 1,230,245	\$ 1,096,496	\$ 1,144,093	\$ 1,101,309	\$ 976,882	\$ 860,026	\$ 778,430	\$ 737,326

PRIDE ACADEMY CHARTER SCHOOL
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Local Sources:										
Local Tax Levy	\$ 4,675,312	\$ 656,233	\$ 591,064	\$ 537,819	\$ 535,374	\$ 535,075	\$ 483,739	\$ 461,081	\$ 474,667	\$ 450,397
Tuition	-	-	-	-	-	-	-	-	-	-
Interest In Investments	10,471	1,784	1,765	1,660	5,437	12,095	230	464	2,668	2,284
Miscellaneous	32,488	188,856	62,794	21,001	2,111	11,039	997	16,676	12,636	13,179
Intermediate Sources	3,286,418	-	-	-	-	-	-	-	-	-
State Sources	1,743,959	5,650,129	5,141,650	4,859,967	4,479,881	4,561,281	4,415,711	4,361,044	4,188,323	3,967,435
Federal Sources	1,750,506	460,126	472,898	270,174	269,090	268,317	266,689	241,641	299,831	285,816
Total Revenues	11,499,154	6,957,128	6,270,171	5,690,621	5,291,893	5,387,807	5,167,366	5,080,906	4,978,125	4,719,111
Expenditures:										
Instruction	2,338,802	2,429,913	2,296,560	2,025,467	1,813,449	1,770,758	1,685,178	1,716,428	1,770,685	1,891,652
Administration	2,450,979	2,345,333	2,352,640	2,318,100	1,989,457	2,011,513	1,915,198	1,869,167	1,970,735	1,839,024
Support Services	1,977,814	1,339,538	1,479,819	1,270,054	1,444,916	1,473,589	1,420,468	1,369,873	1,063,843	1,128,745
Capital Outlay	3,716,918	131,233	7,403	127,777	1,287	7,520	29,676	43,842	131,758	50,620
Total Expenditures	10,484,513	6,246,017	6,136,422	5,741,398	5,249,109	5,263,380	5,050,510	4,999,310	4,937,021	4,910,041
Net Change in Fund Balance	\$ 1,014,641	\$ 711,111	\$ 133,749	\$ (50,777)	\$ 42,784	\$ 124,427	\$ 116,856	\$ 81,596	\$ 41,104	\$ (190,930)

Source: Charter School records

PRIDE ACADEMY CHARTER SCHOOL
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest Income	Miscellaneous Revenue	Annual Total
2024	\$ 10,471	\$ -	\$ 10,471
2023	1,784	188,856	190,640
2022	1,765	62,794	64,559
2021	1,660	21,001	22,661
2020	5,437	2,111	7,548
2019	12,095	11,039	23,134
2018	230	997	1,227
2017	464	16,676	17,140
2016	12,636	2,668	15,304
2015	13,179	-	13,179

Source: Charter School records

DEMOGRAPHIC AND ECONOMIC INFORMATION

OPERATING INFORMATION

PRIDE ACADEMY CHARTER SCHOOL
Full-Time Equivalent Charter School Employees by Function
Last Ten Fiscal Years

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	35	32	32	29	29	29	29	29	31	32
Administrative	5	5	5	9	8	8	8	8	9	8
Support Services	9	8	8	7	8	8	8	7	7	7
Total	49	45	45	45	45	45	45	44	47	47

Source: Charter School Personnel Records

PRIDE ACADEMY CHARTER SCHOOL
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary/	Middle	School				
2024	295.3	\$ 6,767,595	\$ 22,918	12.06%	35	8.4:1			296.9	287.4	-0.57%	96.80%
2023	299	6,114,784	20,451	-0.23%	32	9.3:1			298.6	283.6	-0.40%	94.98%
2022	299	6,129,019	20,498	9.55%	32	9.3:1			299.8	285.8	0.03%	95.33%
2021	300	5,613,621	18,712	218.52%	29	10.3:1			299.7	292.9	4.90%	97.73%
2020	893.3	5,247,822	5,875	-67.92%	29	9.7:0			285.0	285.0	-0.88%	100.00%
2019	287	5,255,860	18,313	4.68%	29	9.9:1			287.5	287.5	0.17%	100.00%
2018	287	5,020,834	17,494	1.32%	29	9.9:1			287.0	278.0	-0.17%	96.86%
2017	287	4,955,468	17,266	2.77%	29	9.9:1			287.5	278.9	0.00%	97.01%
2016	286	4,805,263	16,802	-9.07%	31	9.3:1			287.5	279.4	8.17%	97.18%
2015	263	4,859,421	18,477	1.71%	32	8.2:1			264.0	256.0	0.38%	96.97%

Sources: Charter School records

Note: Enrollment based on annual final Charter School count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certified staff.

c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS).

PRIDE ACADEMY CHARTER SCHOOL

Insurance Schedule

June 30, 2024

Policy Term: 07/01/XX - 06/30/XX

LIMITS OF LIABILITY

		Coverage / Deductible	
*Claims-Made from Retro Date: 7/1/1986	General Liability		
	Per Occurrence Limit	\$16,000,000	
	Fund Aggregate		
	Employee Benefit Liability Limit	\$16,000,000 per occurrence/annual aggregate	
	Deductible (each claim)		\$1,000
	School Leaders Professional Liability	Coverage A	Coverage B
	Per Occurrence		\$100,000
	Aggregate	\$16,000,000	\$300,000
	Deductible (each claim)	\$5,000	\$5,000
	Sexual Abuse and Molestation		
	Per Occurrence	\$16,000,000	
	Fund Aggregate	\$17,000,000	annual NJSIG aggregate
	Boiler Machinery	\$7,648,877	
	Deductible		\$1,000
*Claims-Made from Retro Date: At Inception	Employee Dishonesty	\$250,000	
	Deductible		\$1,000
	Money and Securities	\$50,000	
	Deductible		\$500
	Environments Impairment Liability (each incident)	\$1,000,000	\$2,000,000 aggregate
	Fund Aggregate	\$11,000,000	
	Deductible		\$50,000
	Critical Incident Management	\$1,000,000	
	School Leaders Professional		
	Deductible	Duplicate request (see above)	

PRIDE ACADEMY CHARTER SCHOOL
 New Jersey Performance Framework Financial Ratios
 Audited Performance Indicators
 Last Three Fiscal Years

	2022 Audit	2023 Audit	2024 Audit	Source
Cash	2,003,642	2,549,835	2,565,834	Audit: Exhibit A-1
Current Assets (include cash)	2,722,147	3,595,775	3,830,564	Audit: Exhibit A-1
Current Liabilities	1,459,836	1,402,291	763,665	Audit: Exhibit A-1
Total Expenses	6,929,181	6,806,342	7,524,788	Audit: Exhibit A-2
Change in Net Position	243,604	905,280	870,130	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	299.80	299.80	299.80	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	299	299	299	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	-	-	-	Auditor/Workpapers
Interest Expense	-	-	-	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators		2022	2023	2024	3 YR CUM	Calculation****	Target****
Near Term Indicators							
1a.	Current Ratio (working capital ratio)	1.86	2.56	5.08		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	106	137	124		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	100%	100%	100%	100%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payments	NO	NO	NO		Auditor	not in default
Sustainability Indicators							
2a***	3 Year Cumulative Cash Flow	2,003,642	546,193	15,999	2,565,834	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	N/A	N/A	N/A		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 *** 2024 =2024 Cash; 2023 =2023 Cash; 2022 =2022 Cash; 2021 =2021 Cash
 **** Refer to NJ Performance Framework

Meets Standard

Does Not Meet Standard

Falls Far Below Standard

SINGLE AUDIT SECTION

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K-1
Page 1

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
“GOVERNMENTAL AUDITING STANDARDS”**

INDEPENDENT AUDITOR’S REPORT

Honorable President and
Members of the Board of Trustees
Pride Academy Charter School
County of Essex
East Orange, New Jersey

We have audited, in accordance with the 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 in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, and each major fund of the Pride Academy Charter School (Charter School), in the County of Essex, State of New Jersey, as of and for the fiscal year ended June 30, 2024, 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 December 26, 2024, which contains an emphasis of matter paragraph describing the adoption of a new accounting principle, and consistency of financial statements.

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 reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Internal Control over Financial Reporting (Continued)

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 weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weakness 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 matter that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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


Barre & Company, CPA's
Union, New Jersey


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

Union, New Jersey
December 26, 2024

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Page 1

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM
GUIDANCE AND NEW JERSEY CIRCULAR 15-08**

Honorable President and
Members of the Board of Trustees
Pride Academy Charter School
County of Essex
East Orange, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Pride Academy Charter School’s compliance with the types of compliance requirements described in the U.S Office of Management and Budget (OMB) Compliance Supplement and the New Jersey Circular 15-08 OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024. The Pride Academy Charter School’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Pride Academy Charter School, in the County of Essex, State of New Jersey, compiled, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

Basis for Opinion on Each Major Federal and State Program (Continued)

We are required to be independent of Pride Academy Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Pride Academy Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Pride Academy Charter School's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Pride Academy Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey Circular 15- 08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Pride Academy Charter School's compliance with the requirements of each major State and Federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pride Academy Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

Auditor's Responsibilities for the Audit of Compliance (Continued)

- Obtain an understanding of Pride Academy Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of Pride Academy Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey Circular 15-08 OMB. Accordingly, this report is not suitable for any other purpose.



Barre & Company, CPA's
Union, New Jersey



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

Union, New Jersey
December 26, 2024

PRIDE ACADEMY CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2023	Carryover/ (Withdraw) Amount	Cash Received	Budgetary Expenditures	Pass-Through To Subrecipients	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2024 Unexpended Revenue	Due to Grantor
U.S. Department of Health and Human Resources																
General Fund: Medical Assistance Program Cluster	83.778	N/A		N/A	\$ -	7/1/23	6/30/24	-	-	-	-	-	-	-	-	-
Total General Fund																
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund: No Child Left Behind:																
Title I Part A Carryover	84.010A	N/A	S0010A230030	NCLB - 6020 - 24	\$ 164,569	7/1/23	6/30/24	\$ -	\$ 102,090	\$ (164,569)	\$ -	\$ -	\$ -	\$ (62,479)	\$ -	\$ -
Title I Part A	84.010A	N/A	S307A240029	NCLB - 6020 - 24	14,753	7/1/23	6/30/24		12,000	(14,753)				(2,753)		
Title I Part A Carryover	84.367	84.367A	S307A240029	NCLB - 6020 - 20	-	7/1/23	6/30/24		-	-				-		
Title I Part A	84.367	84.367A	S324A230030	NCLB - 6020 - 24	12,059	7/1/23	6/30/24		9,459	(12,059)				(3,600)		
Title IV State & Drug Free	84.184	84.184A	S324A230031	NCLB - 6020 - 24	-	7/1/23	6/30/24		-	-				-		
Total No Child Left Behind									123,549	(192,281)				(68,732)		
Special Education Cluster (IDEA):																
IDEA Part B Basic	84.027	84.027A	H077A240031	IDEA - 6020 - 24	85,888	7/1/23	6/30/24		63,290	(65,888)				(22,598)		
IDEA Part B Special Education Cluster (IDEA)	84.027	84.027A	H077A230031	IDEA - 6020 - 23	-	7/1/22	6/30/23		63,290	(65,888)				(22,598)		
Total Special Education Cluster																
Other Special Revenue Fund:																
COVID-19 CARES Emergency Relief	84.425	COVID-19, 84.425D	S425D230027	N/A	-	3/13/20	9/30/22									
COVID-19, 84.425D	84.425	COVID-19, 84.425D	S425D230027	N/A	-	3/13/20	9/30/23									
CRRSA Learning Acceleration Grant	84.425	COVID-19, 84.425D	S425D230027	N/A	1,176,399	3/13/20	9/30/23		616,487	(848,430)				(331,933)		
CRRSA Mental Health Grant	84.425	COVID-19, 84.425D	S425D230027	N/A	40,000	3/13/20	9/30/24			(28,750)				(28,750)		
CRRSA Learning Acceleration Grant	84.425	COVID-19, 84.425D	S425D230027	N/A	50,000	3/13/20	9/30/24			(27,688)				(27,688)		
ARP ESSER Evidence Based Summer Learning and Enrichment	84.425	COVID-19, 84.425D	S425D230027	N/A	40,500	3/13/20	9/30/24		40,500	(36,750)				(3,750)		
ARP ESSER Accelerated Learning Coach and Educator Support	84.425	COVID-19, 84.425D	S425D230027	N/A	390,229	3/13/20	9/30/23	390,229		(390,229)						
ARP ESSER Accelerated Learning Coach and Educator Support	84.425	COVID-19, 84.425D	S425D230027	N/A	390,229	3/13/20	9/30/23	390,229	656,987	(1,472,337)				(465,121)		
Total Other Special Revenue Funds																
Total Special Revenue Fund									843,826	(1,750,506)				(916,451)		
U.S. Department of Agriculture																
Passed-through State Department of Agriculture																
Enterprise Fund: COVID-19 School Breakfast Program	10.553	COVID-19	241NJ304N1099	N/A	17,386	7/1/23	6/30/24		10,036	(17,386)				(7,360)		
COVID-19 School Breakfast Program	10.553	COVID-19	231NJ304N1099	N/A	-	7/1/23	6/30/23									
COVID-19 National School Lunch Program	10.555	COVID-19	241NJ304N1099	N/A	128,449	7/1/23	6/30/24		127,354	(128,449)				(1,095)		
COVID-19 National School Lunch Program	10.555	COVID-19	231NJ304N1099	N/A	-	7/1/23	6/30/23									
Supply Chain Assistance	10.556	COVID-19	241NJ304N1099	N/A	11,732	7/1/23	6/30/24		11,732	(11,732)						
Total Enterprise Fund									149,122	(157,577)				(8,455)		
Total Federal Financial Awards									992,948	(1,908,083)				\$ (924,005)	\$ -	\$ -

PRIDE ACADEMY CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2024

State Grantor/Program Title		Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023			Balance at June 30, 2024				MEMO	
				From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	(Accounts Receivable)		Unearned Revenue/ Interfund Payable
State Department of Education														
General Fund														
State Aid-Public														
Equalization Aid - State Share		24-495-034-5120-078	\$ 4,675,312	7/1/23	6/30/24	\$ -	\$ -	\$ -	4,457,063	\$ (4,675,312)	\$ -	\$ -	\$ -	\$ 4,675,312
Equalization Aid		23-495-034-5120-071	3,928,450	7/1/22	6/30/23	(179,043)			179,043					177,874
Special Education Categorical Aid		24-495-034-5120-069	177,874	7/1/23	6/30/24				177,874	(177,874)				141,316
Security Aid		24-495-034-5120-064	141,316	7/1/23	6/30/24				141,316	(141,316)				
Security Aid		23-495-034-5120-064	-	7/1/22	6/30/23									137,227
Adjustment Aid		24-495-034-5120-085	137,227	7/1/23	6/30/24	(179,043)			137,227	(137,227)				
Total State Aid-Public									5,092,523	(5,131,729)	(218,249)			5,131,729
On Behalf:														
TPAF Post-Retirement Medical		24-495-034-5094-001		7/1/23	6/30/24				234,031	(234,031)				234,031
TPAF Pension Contributions		24-495-034-5094-002		7/1/23	6/30/24				859,893	(859,893)				859,893
TPAF Non-Contributory Insurance		24-495-034-5094-004		7/1/23	6/30/24				614	(614)				614
Reimbursed TPAF - Social Security Contributions		24-495-034-5094-003	193,004	7/1/23	6/30/24				174,750	(193,004)	(18,254)			193,004
Reimbursed TPAF - Social Security Contributions		23-495-034-5094-003	154,977	7/1/22	6/30/23	(27,513)			27,513		(18,254)			
Total Reimbursed TPAF-Social Security Cluste						(27,513)			202,263	(193,004)				193,004
Total General Fund						(206,556)	-	-	6,398,324	(6,419,271)	(236,503)	-	-	6,419,271
State Department of Agriculture														
Enterprise Fund														
Special Breakfast Program		24-100-010-3350-021	2,317	7/1/23	6/30/24				2,176	(2,317)	(141)			2,317
National School Lunch Program (State Share)		24-100-010-3350-023	7,327	7/1/23	6/30/24				6,770	(7,327)	(557)			7,327
National School Lunch Program (State Share)		23-100-010-3350-023	-	7/1/22	6/30/23									
Total Enterprise Fund						-	-	-	8,946	(9,644)	(698)	-	-	9,644
Total State Financial Assistance Subject to Major Program Determination for State Single Aud						\$ (206,556)	\$ -	\$ -	\$ 6,398,270	\$ (6,428,915)	\$ (237,201)	\$ -	\$ -	\$ 6,428,915
State Financial Assistance Not Subject to Major Program Determination														
Program Cash Assistance														
On-Cash Funds (Non-Cash Assistance)														
TPAF Post-Retirement Medical		24-495-034-5094-001	234,031	7/1/23	6/30/24					(234,031)				234,031
TPAF Pension Contributions		24-495-034-5094-002	859,893	7/1/23	6/30/24					(859,893)				859,893
TPAF Non-Contributory Insurance		24-495-034-5094-004	614	7/1/23	6/30/24				-	(614)				614
Total General Funds (Non-Cash Assistance)									-	(1,094,538)				1,094,538
Total State Financial Assistance										\$ (5,334,377)				

PRIDE ACADEMY CHARTER SCHOOL
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2024

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Trustees, the Pride Academy Charter School. The Board of Trustees is defined in Note 1 to the board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 (CFR) Part 200 -*Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey; New Jersey Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

PRIDE ACADEMY CHARTER SCHOOL
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2024

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2. The net adjustment to reconcile from the budgetary basis to the GAAP basis is none for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund	\$ -	\$ 1,743,959	\$ 1,743,959
Special Revenue Fund	1,750,506	-	1,750,506
Food Service Fund	157,577	9,644	167,221
Total Awards & Financial Assistance	<u>\$ 1,908,083</u>	<u>\$ 1,753,603</u>	<u>\$ 3,661,686</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

The Pride Academy Charter School has no loan balances outstanding at June 30, 2024.

NOTE 6. OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the charter school for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

NOTE 7. ON BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payment are subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial

PRIDE ACADEMY CHARTER SCHOOL
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2024

NOTE 7. ON BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT (CONTINUED)

assistance reported in the Charter's School's basic financial statements and the amount subject to State single audit and major program determination.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in the Uniform Guidance; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards.

NOTE 9. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditors Results section of the Schedule of Findings and Questioned Costs.

PRIDE ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

- | | | |
|-------------------------------------------------------------------------------------------|-----------|-----------------------|
| 1) Material weakness(es) identified? | _____ Yes | ___X___ No |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | _____ Yes | ___X___ None Reported |

Noncompliance material to basic financial statements noted?	_____ Yes	___X___ No
-------------------------------------------------------------	-----------	------------

Federal Awards

Internal control over major programs:

- | | | |
|-------------------------------------------------------------------------------------------|-----------|-----------------------|
| 1) Material weakness (es) identified? | _____ Yes | ___X___ No |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | _____ Yes | ___X___ None Reported |

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Uniform Guidance? _____ Yes ___X___ No

Identification of major federal programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425U	ARP ESSER
84.425U	ARP ESSER Evidence Based Summer Learning and Enrichment
84.425U	ARP ESSER Evidence Based Comprehensive Beyond the School Day
84.425U	ARP ESSER Accelerated Learning Coach and Educator Support
84.425U	ARP ESSER Mental Health Support Staffing
84.425D	CRRSA ESSER II

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? ___X___ Yes _____ No

State Financial Assistance

Dollar threshold used to distinguish between Type A and
Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes

 No

Internal control over major programs:

1) Material weakness (es) identified?

 Yes

 X No

2) Significant deficiencies identified that are not considered to
be material weaknesses?

 Yes

 X None
Reported

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with NJOMB Circular 15-08?

 Yes

 X No

Identification of major state programs:

GMIS Number(s)	Name of State Program
<u>24-495-034-5120-078</u>	<u>STATE AID-PUBLIC CLUSTER</u>
<u>24-495-034-5120-089</u>	<u>EQUALIZATION AID</u>
<u>24-495-034-5120-084</u>	<u>SPECIAL EDUCATION CATEGORICAL</u>
<u>24-495-034-5120-084</u>	<u>SECURITY AID</u>

PRIDE ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a NJOMB Circular 15-08. See paragraphs 13. 15 and 13, 35.

Finding

There were no matters reported.

PRIDE ACADEMY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

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

This section identifies the significant deficiencies, material weaknesses, and material matters of noncompliance, including questioned costs and significant instances of abuse, related to the audit of major federal and state programs, as required by U.S Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

No Current Year Findings

CURRENT YEAR STATE FINANCIAL ASSISTANCE

No Current Year Findings.

PRIDE ACADEMY CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs As Prepared by Management
For the Fiscal Year Ended June 30, 2024

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Government Auditing Standards, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

Findings

There were no matters reported.