



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

**PREPARED BY  
COMMUNITY CHARTER SCHOOL OF PATERSON**

# COMMUNITY CHARTER SCHOOL OF PATERSON

## Table of Contents

### Introductory Section

Letter of Transmittal .....	1-10
Organizational Chart.....	13
Roster of Officials.....	14
Consultants and Advisors .....	15

### Financial Section

Report of Independent Auditors.....	17-19
-------------------------------------	-------

### Required Supplementary Information – Part I

Management’s Discussion and Analysis .....	22-29
--	-------

### Basic Financial Statements

#### A Charter School-wide Financial Statements:

A-1 Statement of Net Position .....	32
A-2 Statement of Activities .....	33

#### B Fund Financial Statements:

##### Governmental Funds:

B-1 Balance Sheet.....	36
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances .....	37
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	38

##### Proprietary Funds:

B-4 Statement of Net Position .....	40
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position.....	41
B-6 Statement of Cash Flows .....	42

# COMMUNITY CHARTER SCHOOL OF PATERSON

## Table of Contents

### Fiduciary Funds:

B-7 Statement of Fiduciary Net Position ..... **Not Applicable**

B-8 Statement of Changes in Fiduciary Net Position ..... **Not Applicable**

Notes to the Basic Financial Statements ..... 45-89

### Required Supplementary Information – Part II

#### C. Budgetary Comparison Schedules:

C-1 Budgetary Comparison Schedule – General Fund ..... 89b

C-2 Budgetary Comparison Schedule – Special Revenue Fund ..... 90

### Notes to the Required Supplementary Information

C-3 Budget-to-GAAP Reconciliation ..... 92

### Required Supplementary Information – Part III

#### L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):

L-1 Schedule of the Charter School Proportionate Share  
of the Net Pension Liability – Public Employee’s Retirement System (PERS) ..... 93

L-2 Schedule of Charter School Contributions –  
Public Employee’s Retirement System (PERS) ..... 94

L-3 Schedule of the Charter School Proportionate Share  
of the Net Pension Liability – Teacher’s Pension and Annuity Fund (TPAF) ..... 95

#### M. Schedule Related to Accounting and Reporting for OPEB (GASB 75)

M-1 Schedule of the State’s Proportionate Share of the Net OPEB Liability  
Associated with the Charter School and Changes in the Total OPEB Liability  
Related Ratios - (PERS and TPAF) ..... 96

Notes to Required Supplementary Information – Pension Schedules ..... 97

# COMMUNITY CHARTER SCHOOL OF PATERSON

## Table of Contents

### Other Supplementary Information

D. Schedule of Charter School Contributions - PERS..... Not Applicable

E. Special Revenue Fund:

E-1 Combining Schedule of Program Revenues and Expenditures Budgetary Basis .....101

E-2 Schedule of Preschool Education Aid Budgetary Basis .....N/A

F. Capital Projects Fund..... Not Applicable

G. Proprietary Funds:

Enterprise Fund:

G-1 Combining Statement of Net Position .....104

G-2 Combining Statement of Revenues, Expenses and  
Changes in Fund Net Position.....105

G-3 Combining Statement of Cash Flows .....106

H. Fiduciary Fund:

H-1 Combining Statement of Fiduciary Net Position..... **Not Applicable**

H-2 Combining Statement of Revenues, Expenses and  
Combining Statement of Changes in Fiduciary Net Position ..... **Not Applicable**

I. Long - Term Debt:

I-1 Schedule of Mortgage Obligations..... **Not Applicable**

I-2 Schedule of Obligations Under Capital Leases..... **Not Applicable**

I-3 Debt Service Fund Budgetary Comparison Schedule..... **Not Applicable**

### Introduction to the Statistical Section (Unaudited)

#### Financial Trends

J-1 Net Position by Component .....112

J-2 Changes in Net Position.....113

J-3 Fund Balances – Governmental Funds .....114

J-4 Changes in Fund Balances – Governmental Funds .....115

J-5 General Fund Other Local Revenue by Source .....116

# COMMUNITY CHARTER SCHOOL OF PATERSON

## Table of Contents

### Revenue Capacity

J-6 to J-9.....	Not Applicable
-----------------	----------------

### Debt Capacity

J-10 Ratios of Outstanding Debts by Type.....	117
J-11 to J-13.....	Not Applicable

### Demographic and Economic Information

J-14 Demographics and Economic Statistics.....	118
J-15 Principal Employers.....	119

### Operating Information

J-16 Full-time Equivalent Charter School Employees by Function/Program .....	120
J-17 Operating Statistics .....	121
J-18 School Building Information .....	122
J-19 Schedule of Required Maintenance Expenditures by School Facility.....	123
J-20 Insurance Schedule .....	124

### Charter School Performance Framework Financial Indicators

J-21 Near Term Indicators .....	125
J-22 Sustainability Indicators.....	126

### Single Audit Section

K-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 <i>Government Auditing Standards</i> .....	128-129
K-2 Independent Auditor's Report on Compliance for Each Major Federal and State Program; Required by the Uniform Guidance and State of New Jersey OMB's Circular Letter 15-08.....	130-132
K-3 Schedule of Expenditures of Federal Awards, Schedule A.....	133a
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B.....	134
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.....	135-136
K-6 Schedule of Findings and Questioned Costs .....	137-140
K-7 Summary Schedule of Prior Audit Findings.....	141



**75 Spruce Street, Paterson, New Jersey 07501 \* 973-413-2057**

January 23, 2025

The Honorable Kevin Dehmer, Acting Commissioner  
New Jersey Department of Education  
Riverview Executive Plaza – Bldg. 100  
P. O. Box 500  
Trenton, New Jersey 08625-0500

Dear Acting Commissioner Kevin Dehmer:

We hereby submit the Annual Comprehensive Financial Report of the Community Charter School of Paterson (the “Charter School” or “CCSP”) for the fiscal year ended June 30, 2024.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and are reported in a manner designed to fairly present the financial position and result 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.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Charter School’s MD&A can be found immediately following the Independent Auditor’s Report.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Charter School’s organizational chart and a list of principal officials. The financial section includes the independent auditor’s report, management’s discussion and analysis (MD&S) and the basic financial statements including the Charter School-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Charter School is required to undergo an annual single audit in conformity with the provisions of the *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 OMB's Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*." Information related to this single audit, including the auditor's report on internal control and compliance with applicable *laws and regulations* and findings and recommendations are included in the single audit section of this report.

**1) Reporting Entity and Its Services**

CCSP is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. All funds and account groups of the Charter School are included in this report.

The overarching mission of the Community Charter School of Paterson is together with families and community partners, we cultivate inclusive, high performing schools that prepare scholars to succeed in college, career, and beyond.

CCSP was founded by New Jersey Community Development Corporation (NJCDC), a non-profit community development and social service agency based in Paterson, along with a group of committed parents and community members. CCSP's charter school application was approved in 2007 and the School opened in September of 2008. The Charter School's original maximum enrollment was 500 students, with 100 students each in grades K-4. Starting from the school year 2012-2013, CCSP was approved to expand enrollment by 400 students to a total of 900 students through eighth grade. During the 2015-2016 school year, the Charter School reached the maximum capacity of 900 students. The Charter School currently operates in three locations; elementary grades K-4 (500 students) are based in a 34,000 square-foot former industrial building at 75 Spruce Street in Paterson's Great Falls Historic District. The Charter School's business office is housed on the second floor of a neighboring building at 32 Spruce Street constituting 12,000 square feet. As of June 2020, the Charter School occupied a new leased facility at 8-14 Morris Street in Paterson. It is a 60,000 square foot facility (with an ultra-modern kitchen and a brand new gymnasium) that now houses 400 students in grades 5 to 8.

The location of the Charter School within Paterson's Great Falls Historic District is of special note. Foremost, the area surrounding the Great Falls, located just one block from the School, was established as a National Park in 2011, which will, over time, bring substantial new resources to the area that will benefit our academic program. Already, there has been new open space created, with more underway, and a new educational-oriented Visitor's Center is in the planning stages.

The Charter School has completed its fifteenth year of service to the children and families of Paterson. By the end of this past school year, CCSP had a student enrollment of 893.

2) **Enrollment Outlook**

As the charter school enters the third year of its five-year renewal for kindergarten through eighth grade, we proudly serve almost 900 students.

Our school is rooted in a city with a growing and diverse population and serves a community that has historically been underestimated. We are committed to providing high-quality education and opportunities to all our students, recognizing the importance of equity and inclusion in our mission.

We are also excited about the potential to serve even more students in the near future. In addition to our current enrollment, as of June 30th, 581 students were on CCSP's waiting list for the 2024-2025 school year.

The diversity of our student body reflects the vibrant community we serve. Below is the racial demographic breakdown of our enrolled students:

- African American Students: 24.0%
- Hispanic Students: 72.0%
- Other: 4%

3) **Economic Condition and Outlook**

The Charter School is located in the City of Paterson in the County of Passaic, within the State of New Jersey. Paterson's population stands at 159,732 (2020 census) and is 32% African American; 58% Hispanic/Latino and 10% other races. Paterson is known as the "Silk City" for its dominant role in silk production during the latter half of the 19<sup>th</sup> century. The city is served by the New Jersey Transit Main Line commuter rail service, with the station located in Downtown Paterson. Bus service to locations in Passaic, Bergen, Essex and Hudson counties is provided by New Jersey Transit, making the city a regional transit hub.

The Paterson Public Schools serve students in kindergarten through twelfth grade. Paterson at present has six operating charter schools, one of which is CCSP. The district is one of former 31 Abbott districts statewide. The school system has over 25,000 students who speak over 50 different languages.

Paterson boasts numerous locations on the National Register of Historic Places, including museums, schools, public buildings, and churches. Paterson's rich history is best represented through the designation by President Obama in 2009 of the area surrounding the majestic Great Falls as a new national park, the Paterson Great Falls National Historical Park. The Park is located two blocks from our school, providing CCSP with an invaluable educational resource.

In 2023-2024 the City of Paterson continued to experience financial hardships common to urban municipalities in New Jersey including high unemployment, violence and high rates of poverty.



**3) Economic Condition and Outlook - *continued***

However, the new national park holds great promise to serve as a catalyst for significant economic development and tourism, enabling Paterson to dramatically improve both its financial condition and the opportunities it is able to offer its residents and visitors alike.

**4) Major Initiatives**

Under new executive leadership, the school has redefined its mission and vision to prioritize academic excellence while strengthening its cultural and operational systems. This year, we are focused on two transformative initiatives: improving academic performance and providing robust social and emotional support to students and families.

Building on the previous year's success, the school achieved double-digit gains in NJSLA ELA proficiency and an 8% improvement in NJSLA Math proficiency. Reflecting on this progress, we have revised our curriculum to further enhance student learning. The school has adopted i-Ready Math for grades K-8, i-Ready Reading for grades K-4, and Fishtank ELA for grades 5-8. To ensure the effective implementation of these programs, we established a dedicated Teaching and Learning Team. This team supports educators in internalizing the curriculum, aligning with standards, and maintaining excellence in student work.

Professional development (PD) plays a central role in equipping educators to achieve mastery-based teaching. Weekly PD sessions for all instructional leaders and staff focus on strategies to help students deeply understand and retain key concepts. In partnership with Lavinia Group (LG)—a nationally recognized organization with a proven track record of improving academic growth—we provide targeted training for instructional leaders. This partnership equips leaders with coaching techniques and differentiated instructional strategies that drive student success.

To further enhance mathematics instruction, we have partnered with LEAP, another nationally recognized organization known for its results in strengthening math outcomes. LEAP is specifically supporting grades 5-6 this year, helping teachers and leaders improve instructional practices. In addition to weekly PD sessions, teachers participate in grade-level and content team meetings where they analyze student work, internalize lessons, and collaborate on strategies to meet diverse learning needs.

Instructional coaching complements these efforts by offering personalized, data-driven support for teachers and leaders. Coaching sessions occur weekly or biweekly, depending on specific needs and student performance data. Feedback and action steps are logged in our SchoolMint Grow platform, enabling us to track progress and tailor professional development to address emerging trends and challenges.

4) **Major Initiatives** - *continued*

To ensure students receive the individualized support they need, the school provides structured opportunities for both remediation and acceleration. Daily intervention blocks are embedded into the schedule, while after-school and Saturday School tutoring programs offer targeted small-group instruction. We have employed tutors and partnered with Teach for America to support these efforts. Additionally, through a partnership with William Paterson University, we have introduced a Professor in Residence program, which provides training and coaching for a cohort of teachers to deliver effective small-group instruction tailored to student needs.

Assessment cycles are strategically designed to monitor student progress and inform instruction. These cycles include i-Ready diagnostics, curriculum-based formative assessments, and quarterly summative evaluations. The data collected guides reteach plans and ensures students are consistently moving toward mastery. Furthermore, the integration of technology has become a key driver of innovation, enhancing learning experiences and academic outcomes.

While academic growth remains a top priority, we recognize the critical need to support the social and emotional well-being of our students and families. Urban challenges, coupled with the lasting impacts of COVID-19, have taken a toll on the mental health of our youth. This year, we established a School-Based Youth Services Center at the middle school. Staffed by a Director, a Mental Health Clinician, and two Youth Development Specialists, the center provides comprehensive emotional wellness support.

Additionally, we have expanded our social work team, adding a Lead Social Worker to complement our existing two social workers. This team proactively addresses immediate and long-term needs, offering counseling, family outreach, and community resources to promote stability and resilience.

By prioritizing both academic excellence and holistic student support, the school is creating a transformative environment where all students and families can thrive.

**5) Internal Accounting Controls**

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure 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 system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

**6) 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 the statutory requirements of charter school budgets. Annual appropriated budgets are adopted for general and special revenue funds. 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 re-appropriations of fund balance in the subsequent year. No reservation of fund balance was made at June 30, 2024.

During the 2023-2024 fiscal school, the Charter School continued its efforts to improve its audit status and operational processes and procedures, correcting deficiencies identified in previous audits and reviews and on maintaining general compliance with sound fiscal practices.

7) **Accounting System and Report**

The Charter School's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting records also reflect New Jersey State Statute (N.J.S.A 18:4-14) that requires a uniform system of double-entry bookkeeping consistent with the GAAP established by GASB for us in all school districts and charter school.

The accounting system is organized on the basis of funds in accordance with the Uniform Charter of Accounts (Handbook 2R2) for New Jersey Public Schools. These funds are explained in "Notes to the Financial Statements", Note 1.

8) **Financial Statement Information at Fiscal Year-End**

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 schedule presents a summary of the General Fund, and Special revenue funds for the fiscal year ended June 30, 2024 fiscal year:

**Summary of the General Fund  
and Special Revenue Fund Revenues**

<b>Revenue</b>	<b>2024</b>	<b>2023</b>	<b>Increase/ (decrease)</b>	<b>% Change</b>
Local sources	\$ 2,007,617	\$ 1,663,789	\$ 343,828	20.67%
State sources	16,488,330	14,961,331	1,526,999	10.21%
Federal sources	7,571,600	4,930,932	2,640,668	53.55%
ERTC revenue	1,863,025	-	1,863,025	100.00%
	<u>\$ 27,930,572</u>	<u>\$ 21,556,052</u>	<u>\$ 6,374,520</u>	<u>29.57%</u>

The Charter School experienced a significant increase in revenue of 29.57%. The increase was due to the ARP ESSER funds available during the year ended June 30, 2024. It should be noted that the ARP ESSER funding ended in 2024. The Employee Retention Tax Credit (ERTC) revenue received in 2023-2024 also contributed to the significant increase.

The following schedule presents a summary of general fund and special revenue expenditures for the fiscal year ended June 30, 2024:

**Summary of the General Fund  
and Special Revenue Fund Expenditures**

<b>Expenditures</b>	<b>2024</b>	<b>2023</b>	<b>Increase/ (decrease)</b>	<b>% Change</b>
Instruction	\$ 6,108,731	\$ 5,691,114	\$ 417,617	7.34%
Administrative	7,255,861	6,284,411	971,450	15.46%
Support	8,351,224	7,348,956	1,002,268	13.64%
Capital outlay	2,142,683	49,003	2,093,680	4272.55%
	<u>\$ 23,858,499</u>	<u>\$ 19,373,484</u>	<u>\$ 4,485,015</u>	<u>23.15%</u>

The Charter School spent a big proportion of the ARP ESSER funding on leasehold improvements including about \$2 million for the HVAC upgrade. Responsible for the 23.15% increase in expenditures in 2024.

**9) Cash Management**

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

**10) Risk Management**

The Board carries various forms of insurance, including but not limited to general liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker’s compensation.

11) **Other Information**

**Independent Audit**

State statute requires an annual audit by independent Certified Public Accountants or registered Municipal Accountants. The Charter School appointed the accounting firm of Gerald D. Longo, CPA.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the 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 New Jersey OMB Circular Letter 15-08 “*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*”.

The auditor’s report on the basic financial statements is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

The school year 2023-2024 was marked by increased levels of parental and community involvement as the Charter School moved further towards its objective of becoming a true Community School. Lastly, the Charter School continues to enjoy a strong financial position through careful stewardship of its resources. The next school year promises to be one that builds upon these successes with additional progress in all areas of the School’s operations, and particularly in the area of student achievement.

12) **Anti-Bullying**

On January 5, 2010, the former Governor Chris Christie signed into law P.L. 2010, Chapter 122 known as the Anti-Bullying Bill of Rights. The Anti-Bullying Bill of Rights Act (“Act”) requires initial and on-going training for all staff members, Anti-Bullying Specialists, Anti-Bullying Coordinators, administrative staff and Board Members. N.J.S.A. 18A:37-22(d) requires every teacher to complete at least two hours of instruction on harassment, intimidation, and bullying prevention in each professional development period. During 2023-2024, on-going training was provided for harassment, intimidation and bullying prevention to comply with the training requirements of the Act.

The Charter School works with a expert/consultant who assists us in the area to ensure full compliance with state laws and regulations.

13) Acknowledgments

A note of appreciation is extended to the Board Finance Committee of the Charter School for their ongoing support and commitment to fiscal integrity and to the Charter School's Board of Trustees for their selfless dedication to improving student achievement.

A special note of appreciation is extended to the Business Office and to all of the business operations staff members for their untiring efforts to improve processes, procedures and audit outcomes. Their contributions in support of the students and staff of the Charter School are truly noteworthy. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial, accounting and administrative staff.

Respectfully submitted,

*Ira Griffith*

---

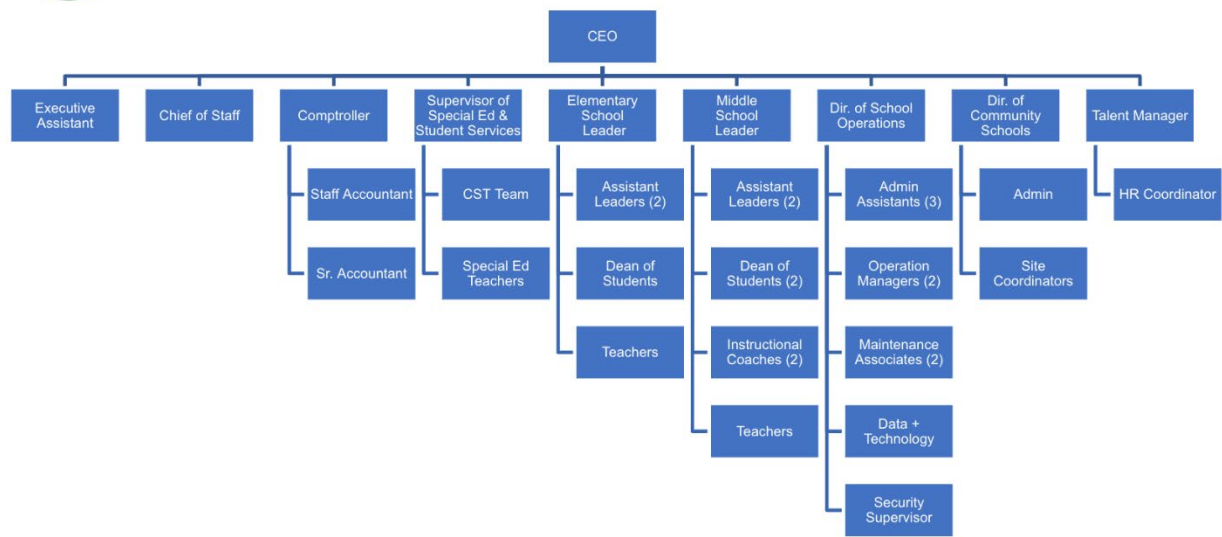
Ira Griffith  
Chief Executive Officer/Chief Advocate

**Pages 11 and 12 Intentionally Left Blank**





## CCSP Org Chart 2023-2024



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**ROSTER OF TRUSTEES AND OFFICERS**

**June 30, 2024**

**Members of Board of Trustees**

Michael De Blasio, Board President

Dr. Tiffany McBride, Vice President

David Gelman, Board Member

Sophia Sample, Board Member

Boris Zaydel, Board Member

Sarina Acosta, Board Member

Marqweesha Guthrie, Board Member

**Administration**

Ira Griffith, Chief Executive Officer/Chief Advocate

Olugbenga Olabintan, CPA – School Business Administrator/Fiscal Consultant

Sandra Orozco, Comptroller

Andre Smith, School Leader

Brittany Gregory, Director of Teaching and Learning

Renne Richards, Talent Manager

Flavio Rivera, Treasurer of School Monies

## **COMMUNITY CHARTER SCHOOL OF PATERSON**

### **Consultants and Advisors**

#### **Independent Auditors**

Gerald D. Longo  
Certified Public Accountant/Consultant  
62 Old Queens Boulevard  
Manalapan, NJ 07726-3648

#### **Attorney**

Johnston Law Firm LLC  
75 Midland Avenue Suite 1  
Montclair, NJ 07042

#### **Official Depository**

TD Bank  
100 Hamilton Plaza  
Paterson, NJ 07501

#### **Architect**

Ben Horten Architecture & Design  
312 NJ-10  
Randolph, NJ 07869  
(973) 442-5880

## **Financial Section**

# GERALD D. LONGO

## CERTIFIED PUBLIC ACCOUNTANT

62 OLD QUEENS BOULEVARD, MANALAPAN, NEW JERSEY 07726-3648

Phone: (732) 446-4768 • Fax: (732) 792-3648 • e-mail: glongcpa@gmail.com

---

### Independent Auditor's Report

The Honorable President and  
Members of the Board of Trustees  
Community Charter School of Paterson  
Paterson, New Jersey  
County of Passaic

### Report on the Audit of Financial Statements

#### Opinion

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Trustees of the Community Charter School of Paterson, (the "Charter School") 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 as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Charter School as of June 30, 2024, and the respective changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the *Office of School Finance, Department of Education, State of New Jersey*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Charter School and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 about the 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**

My 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 my opinion. 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 generally accepted auditing standards (GAAS), *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, I:

- 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 Charter School, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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 and Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards as required by 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 schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Charter School. 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 my opinion, the combining and individual nonmajor fund financial statements, schedules 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 section, financial schedules and statistical section but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated January 23, 2025 on my consideration of the Charter School's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Charter School's internal control over financial reporting and compliance.

*Gerald D. Longo, CPA*

January 23, 2025  
Manalapan, New Jersey

GERALD D. LONGO, CPA



---

Gerald D. Longo, CPA  
Licensed Public School Accountant  
No. 20CS00206400



## **Required Supplementary Information**

### **Part I**

#### **Management's Discussion and Analysis**

The Management's Discussion and Analysis (MD&A) provides an analysis of the Charter School's overall financial position and results of operations.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**  
**(Unaudited)**

---

## **Introduction**

This section of the Community Charter School of Paterson's annual financial report presents our discussion and analysis of the Charter School's financial performance and provides an overview of the Charter School's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the transmittal letter at the front of this report and the Charter School's financial statements, which follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statement – and Management's Discussion and Analysis- for State and Local Governments*. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A.

## **Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- Net position of governmental activities ended the fiscal year with \$12,610,626. Net position of business-type activities, which represent food service operations/after care and summer instructional programs, ended the fiscal year with \$158,340.
- General revenues accounted for \$20,149,145 in revenue or 70 percent of total revenues of \$28,617,413. Program specific revenues, in the form of charges for services, grants, and contributions accounted for \$8,468,268 or 30 percent of total revenues.
- The Charter School had \$22,424,134 in expenses related to governmental activities; \$7,760,437 of these expenses is offset by operating grants and contributions. General revenues (primarily state aid) of \$20,149,145 helped to provide for the balance of these programs.
- The General Fund reported fund surplus at June 30, 2024, of \$14,465,068 of which \$4,000,000 was designated by a previous year's June 30, 2022 board resolution for future capital expenditures.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**  
**(Unaudited)**

---

**Using the Basic Financial Statements**

This annual report consists of a series of basic financial statements, required supplementary information, other supplementary information and notes to those statements and information.

The report is organized so the reader can understand the Community Charter School of Paterson as a financial whole, or as an entire operating entity. The first two basic financial Statements, the Statement of Net Position and the Statement of Activities, are governmental-wide financial statements and provide overall information about the activities of the entire Charter School, presenting both an aggregate view of the Charter School's finances and a long-term view of those finances. The remaining basic financial statements are fund financial statements that focus on the individual parts of the government, reporting the Charter School's operation in more detail than the government-wide statements. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in a single column. For the Community Charter School of Paterson, the General Fund is the most significant fund.

The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short and long-term financial information about the activities, the government operates like a business, such as food service.

Fiduciary fund statements provide information about financial relationship in which the Charter School acts solely as a trustee or agent for the benefits of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

**Reporting the Charter School as a Whole**

**Statement of Net Position and Statements of Activities**

While this report contains the fund 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 asks the question, "how did we do financially during fiscal year 2024?" The statements of Net Position and the Statement of Activities answer this question. These Statements include all the Charter School's assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**  
**(Unaudited)**

---

**Statement of Net Position and Statement of Activities-continued**

These two statements report the Charter School's net position and changes in those assets. This change in net position is important because it identifies whether the financial position of the Charter School has improved or diminished for the Charter School as a whole. The cause of this change may be the result of many factors some financial, some not. Non-financial factors include the property tax base of the School District where the Charter School is located, current educational funding laws in New Jersey, facilities conditions, required educational programs, and other factors. In the Statements of Net Position and the Statements of Activities, the Charter School is divided into two distinct kinds of activities:

**Governmental Activities** – Most of the Charter School's programs and services are reported here including instructions, extracurricular activities, curriculum, staff development, special education and other support services, operation and maintenance of plant, pupil transportation, health services and general administration.

**Business-Type Activity** – Services are provided on a charge for goods or services or reimbursement basis to recover the expenses of the goods or services provided. The food service operation 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 major funds-not the Charter School as a whole. Funds are accounting devices that the Charter School uses to keep track of a multitude of financial transactions. The Charter School's only major governmental fund is the General Fund.

**Governmental Funds**

Most of the Charter School's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. 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 statement provides a detailed short-term view of the Charter School's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less 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 the governmental funds are reconciled in the financial statements.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**  
**(Unaudited)**

**Enterprise Fund**

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

**The Charter School as a Whole**

The perspective of the Statement of Net Position is of the Charter School as a whole. Net position may serve over time as useful indicator of a government's financial position. In the case of the Charter School, assets exceeded liabilities by \$12,768,966 at the close of 2024. The following table provides a summary of net position relating to the Charter School's governmental and business type activities:

	Governmental Activities		Business Type Acvtivities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current assets	\$ 17,845,079	\$ 11,870,514	\$ 66,848	\$ 106,908	\$ 17,911,927	\$ 11,977,422
Capital assets, net	4,362,646	2,788,058	119,718	139,671	4,482,364	2,927,729
Right-of-use assets - net	18,003,356	19,392,016			18,003,356	19,392,016
Deferred outflows of resources	518,982	1,249,515	-	-	518,982	1,249,515
Total Assets	40,730,063	35,300,103	186,566	246,579	40,916,629	35,546,682
Liabilities						
Current liabilities	3,300,628	1,398,136	28,226	9,791	3,328,854	1,407,927
Long term liabilites	3,024,230	3,495,130	-	-	3,024,230	3,495,130
Lease liabilities	20,612,990	21,735,815			20,612,990	21,735,815
Deferred inflows of resources	1,181,589	1,545,844	-	-	1,181,589	1,545,844
Total Liabilities	28,119,437	28,174,925	28,226	9,791	28,147,663	28,184,716
Net position						
Invested in						
Capital assets			-	-		
(net of related debt)	4,362,646	2,788,058	119,718	139,671	4,482,364	2,927,729
Right-of-use assets					-	-
(net of related debt)	(2,609,634)	(2,343,799)	-	-	(2,609,634)	(2,343,799)
Restricted - student activity	79,383	58,393	-	-	79,383	58,393
Restricted - board designated	4,000,000	4,000,000	-	-	4,000,000	4,000,000
Unrestricted	6,778,231	2,622,526	38,622	97,117	6,816,853	2,719,643
Total net position	\$ 12,610,626	\$ 7,125,178	\$ 158,340	\$ 236,788	\$ 12,768,966	\$ 7,361,966

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**  
**(Unaudited)**

The largest portion of the Charter School's net position is its current assets. The Charter School uses these current assets to provide services. The total net position of the Charter School increased by \$5,407,000 during the current fiscal year ended June 30, 2024. The majority of the increase is attributable to an increase of \$5,485,448 in the Governmental Activities net position.

The table that follows reflects the change in net position for fiscal year 2024.

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenues						
Program revenues:						
Charge for services			\$26,411	\$102,302	\$26,411	\$102,302
Operating grants and contributions	\$7,760,437	\$5,053,605	-	-	-	-
Total program revenues	7,760,437	5,053,605	681,420	802,954	8,441,857	5,856,559
General revenues:						
Local aid	1,938,960	1,544,223	-	-	1,938,960	1,544,223
Federal and state aid	16,310,888	14,912,328	-	-	16,310,888	14,912,328
Miscellaneous	36,272	69,868	-	-	36,272	69,868
Transfers	-	-	-	-	-	-
Special item - ERTC	1,863,025	-	-	-	1,863,025	-
Total general revenues	20,149,145	16,526,419	-	-	20,149,145	16,526,419
Total revenues	27,909,582	21,580,024	707,831	905,256	28,617,413	22,485,280
Expenses:						
Instructions	6,108,731	5,691,114	-	-	6,108,731	5,691,114
Administrative & support services	14,358,647	12,467,945	-	-	14,358,647	12,467,945
Unallocated depreciation	568,095	426,253	-	-	568,095	426,253
Unallocated amortization	1,388,661	1,388,661	-	-	1,388,661	1,388,661
Food service	-	-	786,279	1,051,914	786,279	1,051,914
Total expenses	22,424,134	19,973,973	786,279	1,051,914	23,210,413	21,025,887
Change in net position	\$ 5,485,448	\$ 1,606,051	\$ (78,448)	\$ (146,658)	\$ 5,407,000	\$ 1,459,393

**Governmental Activities**

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted state entitlements for the fiscal year ended June 30, 2024.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**  
**(Unaudited)**

---

**Governmental Activities - *continued***

	<b><u>Total Cost of Services</u></b>	<b><u>Net Cost of Services</u></b>
Instruction	\$ 6,108,731	\$ 3,668,911
Administrative & support services	14,358,647	11,092,811
Capital outlay	-	(2,054,781)
Unallocated depreciation and amortization	1,956,756	1,956,756
Total expenses	<b><u>\$ 22,424,134</u></b>	<b><u>\$ 14,663,697</u></b>

**Business-Type Activity**

The business-type activity of the Charter School consists of the food service operation. This program had revenues of \$707,831, operating expenses of \$786,279 and a current year deficit of \$78,448 for fiscal year 2024. The current year's deficit was adequately covered by the prior years' accumulated fund balance of \$236,788. The Charter School intended to have food services be self-operating without assistance from the General Fund.

**The Charter School's Funds**

The Charter School's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$26,067,547 (not including the revenue from a special item – the Employee Retention Tax Credit (ERTC) of \$1,863,025) for a total of \$27,930,572) and expenditures of \$23,858,499, with a positive change in fund balance of \$4,072,073. The positive change in fund balance was due to significant increase in federal grants and the one time ERTC revenue of \$1.87 M.

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.

During the course of fiscal 2024, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid and other revenue-based budget. The budgeting systems are designed to tightly control total budget, but provide flexibility for Charter School's management team.

For the General Fund, final budgeted revenues were \$16,826,926, which included a local tax levy of \$1,938,960. Expenditures and other financing uses were budgeted at \$16,996,173. The Charter School anticipated budgeted fund balance of \$10,244,738 its 2023-2024 budget year.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**  
**(Unaudited)**

---

The State of New Jersey reimbursed the Charter School \$259,486 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members. The State also paid \$1,546,533 into the TPAF pension representing on-behalf employer's portion of the Pension System Contributions, Post-Retirement Medical Benefits Contributions and Long-Term Disability Insurance Premium Contributions. These unbudgeted amounts were included in both revenues and expenditures.

**Capital Assets**

At the end of fiscal year 2024, the Charter School had \$4,362,646 invested in capital assets in its governmental activities.

The Charter School's 2024-2025 budget projects spending approximately \$200,000 for capital projects.

**Long-term Liabilities**

The Charter School had \$3,024,230 and \$3,495,130 at June 30, 2024 and 2023, respectively, in net pension liability regarding the Public Employees Retirement System. More detailed information about the Charter School's long term obligations is presented in the notes to the financial statements.

**Economic Factors and Next Year's Budget**

The State of New Jersey and indeed the entire United States continue to face serious budgetary constraints and a result of the sharp downturn in the economy. These impact the amount of state and federal aids allocated to charter schools. This reality was taken into account when adopting the general fund budget for 2024-2025. Nothing was done to compromise the quality of the programs in place in our Charter School during the regular instructional day. The budget was prepared to ensure that all students have the textbooks, materials, supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards. The budget was adopted with a redirection of funds to maintain the quality of the regular school day.



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**  
**(Unaudited)**

---

**COVID-19**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 21, 2020, New Jersey State Governor Phil Murphy ordered the closure of the physical location of every “non-life sustaining” and “non-essential” business for what may be an extended period of time. The Charter School had to close its physical locations. Future potential impacts may include continued disruptions or restrictions on its employees’ ability to work and impairment of its ability to obtain grants and contributions. Though the impact on the Charter School’s operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund and other state aid and the local tax levy. Nonetheless, the degree of any future impact to the Charter School's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

To date, the overall finances and operations of the Charter School have not been materially adversely affected by the COVID-19 pandemic.

**Contacting the Charter School’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School’s finances and to reflect the Charter School’s accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to:

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Business Office**  
**75 Spruce Street**  
**Paterson, New Jersey 07501**  
**Tel: (973) 413-2057**

## **Basic Financial Statements**

## **Government-wide Financial Statements**

**The government-wide financial statements provide a financial overview of the Charter School's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the Year Ended June 30, 2024.**

COMMUNITY CHARTER SCHOOL OF PATERSON

A-1

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 17,315,435	\$ 78,912	\$ 17,394,347
Restricted cash - escrow	79,281	-	79,281
Accounts receivable	212,467	135,832	348,299
Other current assets	90,000	-	90,000
Interfund receivables	147,896	(147,896)	-
Capital assets (net of accumulated depreciation of \$4,197,883)	4,362,646	119,718	4,482,364
Right-of-use lease asset, (net of accumulated amortization of \$9,133,382)	18,003,356	-	18,003,356
Total assets	40,211,081	186,566	40,397,647
<b>Deferred outflows of resources</b>			
Pension deferred outflows	518,982	-	518,982
Total assets and deferred outflows of resources	\$ 40,730,063	\$ 186,566	\$ 40,916,629
<b>Liabilities</b>			
Accounts payable	\$ 1,926,459	\$ 28,226	\$ 1,954,685
Intergovernmental payables - state and federal	185,270	-	185,270
Deferred revenue	1,100,264	-	1,100,264
Interfunds payables	-	-	-
Payroll deductions and withholdings payable	88,635	-	88,635
Net pension liability	3,024,230	-	3,024,230
Lease liabilities	20,612,990	-	20,612,990
Total liabilities	26,937,848	28,226	26,966,074
<b>Deferred inflows of resources</b>			
Pension deferred inflows	1,181,589	-	1,181,589
Total liabilities and deferred inflows of resources	28,119,437	28,226	28,147,663
<b>Net position</b>			
Invested in capital assets net of related liabilities	4,362,646	119,718	4,482,364
Invested in right-of-use assets, net of related liabilities	(2,609,634)	-	(2,609,634)
Restricted - student activity	79,383	-	79,383
Restricted - board designated for future capital expenditures	4,000,000	-	4,000,000
Unrestricted, undesignated	6,778,231	38,622	6,816,853
Total net position (Note 18)	12,610,626	158,340	12,768,966
Total liabilities, deferred inflows & net position	\$ 40,730,063	\$ 186,566	\$ 40,916,629

See independent auditor's report and accompanying notes to basic financial statements.

**COMMUNITY CHARTER SCHOOL OF PATERSON**

A-2

**Statement of Activities**

**Year ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>						
<b>Instruction:</b>						
Regular	\$ 6,108,731	\$ -	\$ 2,575,090	\$ (3,533,641)	\$ -	\$ (3,533,641)
<b>Administrative &amp; support services:</b>	-	-	-	-	-	-
General administration	6,007,423	-	-	(6,007,423)	-	(6,007,423)
Support services	8,351,224	-	3,130,566	(5,220,658)	-	(5,220,658)
Capital outlay	-	-	2,054,781	2,054,781	-	2,054,781
Unallocated depreciation	568,095	-	-	(568,095)	-	(568,095)
Unallocated amortization	1,388,661	-	-	(1,388,661)	-	(1,388,661)
Total governmental activities	<u>22,424,134</u>	<u>-</u>	<u>7,760,437</u>	<u>(14,663,697)</u>	<u>-</u>	<u>(14,663,697)</u>
<b>Business-type activities:</b>						
Food service	786,279	26,411	681,420	-	(78,448)	(78,448)
After care/summer programs	-	-	-	-	-	-
Total business-type activities	<u>786,279</u>	<u>26,411</u>	<u>681,420</u>	<u>-</u>	<u>(78,448)</u>	<u>(78,448)</u>
Total primary government	<u>\$ 23,210,413</u>	<u>\$ 26,411</u>	<u>\$ 8,441,857</u>	<u>(14,663,697)</u>	<u>(78,448)</u>	<u>(14,742,145)</u>
<b>General revenues, transfers and special items:</b>						
Local sources				1,938,960	-	1,938,960
State sources				16,310,888	-	16,310,888
Federal sources				-	-	-
Miscellaneous				36,272	-	36,272
Special item - Employee Retention Tax Credit (ERTC) reve				1,863,025	-	1,863,025
Total general revenues, transfers and special items				<u>20,149,145</u>	<u>-</u>	<u>20,149,145</u>
Change in net position				5,485,448	(78,448)	5,407,000
Net position - beginning				7,125,178	204,825	7,330,003
Net position - ending				<u>\$ 12,610,626</u>	<u>\$ 126,377</u>	<u>\$ 12,737,003</u>

*See independent auditor's report and accompanying notes to basic financial statements.*

## **Funds Financial Statements**

## **Governmental Funds**

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Governmental Funds**

**B-1**

**Balance Sheet**

**June 30, 2024**

	General Fund	Special Revenue Fund	Totals Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 13,580,739	\$ 3,734,696	\$ 17,315,435
Restricted cash in escrow	79,281		79,281
Accounts receivable:	-	-	-
State	21,236	-	21,236
Federal	-	89,470	89,470
Other	101,761	-	101,761
Other current assets	90,000	-	90,000
Interfund receivable	1,118,503	-	1,118,503
Total assets	<u>\$ 14,991,520</u>	<u>\$ 3,824,166</u>	<u>\$ 18,815,686</u>
<b>Liabilities and Fund Balances</b>			
Interfund payables	\$ -	\$ 970,607	\$ 970,607
Accounts payables	252,547	1,673,912	1,926,459
Intergovernmental payables - federal	-	-	-
Intergovernmental payables - state	-	-	-
Intergovernmental payables - other	185,270	-	185,270
Payroll deductions and withholdings payable	88,635	-	88,635
Deferred revenue	-	1,100,264	1,100,264
Total liabilities	<u>526,452</u>	<u>3,744,783</u>	<u>4,271,235</u>
 Fund balances:			-
Restricted:			-
Board designated/Student activities	4,000,000	79,383	4,079,383
Unreserved:			-
Undesignated	10,465,068	-	10,465,068
Total fund balances	<u>14,465,068</u>	<u>79,383</u>	<u>14,544,451</u>
Total liabilities and fund balances	<u>\$ 14,991,520</u>	<u>\$ 3,824,166</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost of capital assets	\$ 8,480,717	
Accumulated depreciation	(4,118,071)	
Cost of capital assets, net of accumulated depreciation	<u>\$ 4,362,646</u>	4,362,646
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)		518,982
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)		(1,181,589)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)		(3,024,230)
Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 4):		
Cost of right-to-use assets	\$ 27,136,738	
Accumulated amortization	(9,133,382)	
Cost of right-to-use assets, net of accumulated amortization	<u>\$ 18,003,356</u>	18,003,356
Lease liabilities used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 5).		(20,612,990)
Net position of governmental activities - A-1		<u>\$ 12,610,626</u>

See independent auditor's report and accompanying notes to basic financial statements.



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Governmental Funds**

**B-2**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Local sources:			
Local tax levy	\$ 1,938,960	\$ -	\$ 1,938,960
Miscellaneous	36,272	32,385	68,657
Total revenues - local sources	<u>1,975,232</u>	<u>32,385</u>	<u>2,007,617</u>
 Federal sources	 -	 7,571,600	 7,571,600
State sources	14,504,869	177,442	14,682,311
Reimbursed TPAF-Social Security (non-budgeted)	259,486	-	259,486
TPAF pension and post retirement medical and long-term disability	-	-	-
premium benefits on-behalf payments (non-budgeted)	<u>1,546,533</u>	<u>-</u>	<u>1,546,533</u>
 Total revenues	 <u>18,286,120</u>	 <u>7,781,427</u>	 <u>26,067,547</u>
 Current expense:			
Instruction	3,533,641	2,575,090	6,108,731
Administrative	5,449,842	-	5,449,842
Support services	5,220,658	3,130,566	8,351,224
Capital outlay	87,902	2,054,781	2,142,683
Reimbursed and on-behalf payments:	-	-	-
Reimbursed TPAF-Social Security (non-budgeted)	259,486	-	259,486
TPAF pension and post retirement medical	-	-	-
benefits on-behalf payments (non-budgeted)	<u>1,546,533</u>	<u>-</u>	<u>1,546,533</u>
 Total expenditures	 <u>16,098,062</u>	 <u>7,760,437</u>	 <u>23,858,499</u>
 Excess (deficiency) of revenues			
over (under) expenditures before special item	2,188,058	20,990	2,209,048
 Special item:			
Employee Retention Tax Credit (ERTC) revenue	<u>1,863,025</u>	<u>-</u>	<u>1,863,025</u>
 Excess (deficiency) of revenues			
over (under) expenditures after special item	4,051,083	20,990	4,072,073
 Fund balances, beginning of year	 <u>10,413,985</u>	 <u>58,393</u>	 <u>10,472,378</u>
 Fund balances, end of year	 <u>\$ 14,465,068</u>	 <u>\$ 79,383</u>	 <u>\$ 14,544,451</u>

*See independent auditor's report and accompanying notes to basic financial statements.*

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**And Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Year ended June 30, 2024**

**B-3**

**Total net change in fund balances - governmental funds (B-2)** \$ 2,209,048

**Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:**

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expenses in the period. Additionally, in the Statement of Activities gains or (losses) are recognized upon disposition.

Depreciation expense	\$ (568,095)	
Capital outlays	<u>2,142,683</u>	1,574,588

Adoption of GASB 87 resulted in an increase in right-to-use lease assets offset by the current year amortization of the right-to-use assets, allocated over the term of the leases

Amortization expense	(1,388,661)
----------------------	-------------

Adoption of GASB 87 resulted in an increase in lease liabilities offset by the current year principal payments on lease liabilities. Principal payments on lease liabilities decrease liabilities in the statement of net position, but are included in the governmental funds as expenses

Principal payments	1,122,826
--------------------	-----------

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period

1,967,647
-----------

**Change in net position of governmental activities (A-2)**

<u><u>\$ 5,485,448</u></u>
----------------------------

*See independent auditor's report and accompanying notes to basic financial statements.*

## **Proprietary Funds**

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Proprietary Funds**

**B-4**

**Statement of Net Position**

**June 30, 2024**

Assets

Current assets:

Cash and cash equivalents	\$ 78,912
Accounts receivable:	-
Federal	133,526
State	2,306
Interfund receivable - general fund	(147,896)
Total current assets	<u>\$ 66,848</u>

Noncurrent assets:

Machinery and equipment	199,530
Less: accumulated depreciation	(79,812)
Total noncurrent assets	<u>119,718</u>

Total assets	<u><u>186,566</u></u>
--------------	-----------------------

Liabilities

Current liabilities:

Interfund payable - general fund	\$ -
Accounts payable	28,226
Total current liabilities	<u>\$ 28,226</u>

Net position

Unrestricted	158,340
Total net position	<u><u>\$ 158,340</u></u>

*See independent auditor's report and accompanying notes to basic financial statements.*

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Proprietary Funds**

**B-5**

**Statement of Revenues, Expenditures and Changes in Net Position**

**Year ended June 30, 2024**

Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ -
Daily sales - nonreimbursable programs	-
Miscellaneous revenue	26,411
Total operating revenues	<u>26,411</u>
Operating expenses:	
Cost of sales - reimbursable programs	766,326
Cost of sales - nonreimbursable programs	-
Salaries	-
Employee benefits	-
Professional /technical service	-
Supplies and materials	-
Depreciation	19,953
Miscellaneous	-
Total operating expenses	<u>786,279</u>
Operating income (loss)	<u>(759,868)</u>
Nonoperating revenues:	
State sources:	
State School Breakfast Program - After Bell	2,017
State School Lunch Program	9,213
Federal sources:	-
National School Lunch Program	434,885
National School Breakfast Program	166,703
After School Snacks	57,625
Healthy, Hunger Free Kids Act	10,977
Total nonoperating revenues	<u>681,420</u>
Net income/(loss) before contributions & transfers	(78,448)
Other financing sources:	
Transfer in/(out) - board contribution	<u>-</u>
	<u>-</u>
Change in net position	(78,448)
Total net position-beginning of year	<u>236,788</u>
Total net position-end of year	<u><u>\$ 158,340</u></u>

*See independent auditor's report and accompanying notes to basic financial statements.*

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Proprietary Fund**

**B-6**

**Statement of Cash Flows**

**Year ended June 30, 2024**

**Cash flows from operating activities**

Operating loss	\$ (759,868)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	19,953
Changes in assets and liabilities:	
Accounts receivable	(83,637)
Due to/(from) general fund	(324,941)
Accounts payable	18,435
Net cash used in operating activities	<u>(1,130,058)</u>

**Cash flows from noncapital financing activities**

Cash received from state reimbursements	11,230
Cash received from federal reimbursements	670,190
Operating subsidies and transfers from other funds	-
Net cash provided by noncapital financing activities	<u>681,420</u>

**Cash flows from investing activities**

Purchase of kitchen equipment	-
Net cash used in investing activities	<u>-</u>
Net decrease in cash and cash equivalents	(448,638)
Cash and cash equivalents, beginning	527,550
Cash and cash equivalents, ending	<u>\$ 78,912</u>

*See independent auditor's report and accompanying notes to basic financial statements.*

**Fiduciary Funds  
Not Applicable**

## **Notes to Basic Financial Statements**



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**1 Description of the Charter School and Reporting Entity**

Community Charter School of Paterson (the “Charter School” was incorporated in the State of New Jersey on September 27, 2007 as a non-for-profit corporation for the purpose of operating and maintaining a public school under a charter granted by the State of New Jersey, which promotes comprehensive educational reform by infusing innovation into the public education system. It is an instrumentality of the State of New Jersey, established to function as an education institution. The Charter School’s Board of Trustees (the Board) is responsible for the fiscal control of the Charter School. A Chief Executive Officer (CEO) is appointed by Board and is responsible for the administrative control of the Charter School. Under the existing the statutes, the Charter School’s duties and powers include, but not limited to the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Charter School are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Charter School. For the Charter School, this includes general operations, food service and student related activities of the Charter School.

The primary criterion for including activities within the Charter School’s reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Charter School. 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 of the Charter School over which the Board exercises operating control. Based on the aforementioned criteria, the Charter School has no component units to be included in the reporting entity. Further, the Charter School is not includable in any other reporting entity on the basis of such criteria.

The Community Charter School of Paterson Board of Trustees also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Its mission is to establish a character school to serve as a neighborhood resource and as a model for other similar schools. The Community Charter School of Paterson 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.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies**

This summary of significant accounting policies of Community Charter School of Paterson is presented to assist in understanding the Charter School's financial statements and notes are a representation of the Charter School's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States as applied to governmental units and have been consistently applied in the preparation of these financial statements.

The financial statements of the Community Charter School of Paterson (the "Charter School") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Charter School also applies Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund unless they conflict with or contradict GASB pronouncements. The most significant of the Charter School's accounting policies are described below:

**A Basis of Presentation**

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

**Charter School Government-wide Financial 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 Charter School, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental and business-type activities of the Charter School at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Charter School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Charter School.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - continued**

The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Fund Financial Statements**

Fund financial statements of the Charter School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Charter School. The New Jersey Department of Education (NJDOE) requires that all funds be reported as major, as it is considered important for public interest and to promote consistency among Charter Schools financial reporting in the State of New Jersey.

**B Fund Accounting**

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. Fund financial statements are designed to present financial information of the Charter School at a more detailed level.

**Governmental Funds**

Governmental funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Charter Schools' major governmental funds:

**General Fund** - The General Fund is the primary operating fund of the Charter School. It is used to account for all financial resources except those that are legally or administratively 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 sub-fund.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

As required by the New Jersey Department of Education, the Charter School included budgeted capital outlay in this fund. Generally accepted accounting principles 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 unrestricted 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 ground, 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 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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2024 there was no Capital Projects Fund.

**Proprietary Funds**

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

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

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

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

**Fiduciary Funds**

Fiduciary or trust and Agency Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. This fund category includes:

***Trust Funds*** - Expendable Trust Funds (unemployment compensation) are accounted for in essentially the same manner as the governmental funds. The unemployment compensation trust fund is used to account for contributions from employees and the employer (the Charter School) and interest earned on the balance as well as payments to the State for reimbursements of unemployment claims. ***Agency Funds*** – Agency funds (*Payroll, Health Benefits and Student Activity Fund*) are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involved measurement of results of operations.

***GASB Statement No 84 Fiduciary Activities*** – As of the year ended June 30, 2024, there was no Fiduciary Fund due to the adoption of GASB Statement 84, Fiduciary Activities.

**C Measurement Focus and Basis of Accounting**

***Measurement focus*** is a term used to describe “which” transactions are recorded within the various financial statements. ***Basis of accounting*** refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide statements of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

All proprietary funds are accounted for on a flow economic resources measurement focus. With this measurement focus, the accounting adjectives are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flow. All assets and all liabilities, whether current or non-current, associated with their activities are included on the balance sheet. Fund equity (i.e., net total assets) is classified as net position.

**Basis of Accounting**

In the government wide statement of net position and statements of activities, both governmental and business like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting revenues are recognized when earned and expenses are recognized when the liability, resulting from exchange and exchange like transactions, is incurred (i. e the exchange takes place).

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determine and “available” means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental funds revenues.

**D Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue fund. The budgets are submitted to the County Office and the Education Commissioner for approval. Budgets except for the special revenue fund which is prepared using a non-GAAP budgetary basis, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are 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. Transfers of appropriations may be made by Charter School Board resolution at any time during the fiscal year subject to the limitation of P.L. 2004 c73 (S1701). The Board of Trustees did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental funds 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 recognized encumbrances as expenditures and also recognized the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow of the presentation of GAAP basis financial reports.

**E Cash, Cash Equivalent and Investments**

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

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

Additionally, the Charter School has adopted a cash management plan that requires it to deposit public fund in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. established the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan Institutions, bank (both state and national banks) and saving bank the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposit of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

**F Short-Term Interfund Receivables/Payables**

On the fund financial statement, receivable and payables resulting from short-term (due within one year) interfund loans are classified as interfund receivable/payable. Interfund balances within governmental activities and within business-type activities are eliminated on the Government Wide Statements of Net Position.

**G Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase. Inventories in the proprietary funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

**H Capital Assets**

Capital assets, which include leasehold improvements, equipment, furniture & fixtures and vehicles are reported in the applicable governmental or business-type activities columns of the Government-wide financial statements. Capital assets are defined by the Charter School as assets with initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company.

The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized. Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. The following estimated useful lives are used to compute depreciation:

<b><u>Description of Capital Assets</u></b>	<b><u>Estimated Lives (Years)</u></b>
Leasehold improvements	15
Equipment	5-12
Furniture and fixtures	10
Vehicle	5



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

**I Compensated Absences**

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

Charter School employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policy. The Charter School's policy permits employees to accumulate unused sick and personal days and carry forward the full amount to subsequent years. Upon termination or upon retirement, employees are currently not paid for accrued vacation or unused sick and personal days. The Board of the Charter School is currently reviewing the exiting compensated absences policies with the intent of addressing the issues of accumulation and payments upon termination.

The entire sick leave and vacation leave liabilities are reported on the school-wide financial statements.

The Charter School had no compensated absences as of June 30, 2024.

**J Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-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. However, the non-current portion of compensated absences and mortgage payable (if any) that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

**K Deferred Revenue**

Deferred revenue in special revenue fund represent cash that has been received but not yet earned.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

**L Fund Balance and Equity**

In February 2009, the GASB issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54"). GASB 54 is effective for periods beginning after June 15, 2010 and establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable – includes amounts that cannot be spent because they either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned – includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available for use, it is the Charter School's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the Charter School first spends committed funds, then assigned funds, and finally, unassigned funds.

**M Management Estimates**

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

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

**N On-Behalf Payments**

Revenues and expenditures of the General Fund include payment made by the state of New Jersey for Pension and social security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the Charter School's annual budget.

**O Net Position**

Net position represents the difference between assets and liabilities in the Government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position are reported as restricted in the Government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**P GASB Pronouncements**

**Adoption of New Accounting Standards**

During the previous fiscal year ended June 30, 2021, the Charter School adopted **GASB Statement No. 84, *Fiduciary Activities (GASB 84)***. GASB 84 enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Specifically, GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. As part of the adoption, the Charter School no longer considers activities in the Unemployment Fund Account, Payroll Agency Fund and Student Activities as fiduciary activities applicable under GASB 84. As a result, the Charter School no longer presents a Statement of Fiduciary Net Position, and records payroll deductions and withholding payable, unemployment activities in the General Fund in the Governmental Fund financial statements.

During the previous fiscal year ended June 30, 2022, the Charter School adopted **GASB Statement No. 87, *Leases***. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**2 Summary of Significant Accounting Policies - *continued***

**Q Fair Value of Financial Instruments**

The Charter School follows the accounting and disclosure standards pertaining to GASB 72, Fair Value Measurement and Application, for qualifying assets and liabilities. Fair value is defined as the price that the Charter School would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants at the measurement date.

The Charter School uses a framework for measuring fair value that included a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Charter School. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instruments, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability. Unobservable inputs are inputs for which market data are not available and that is developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 – inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 – inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – inputs that are unobservable and which require significant judgement or estimation.

An asset or liability level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**3 Deposits and Investments**

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey that 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 (NJCMF), the New Jersey Arbitrage Rebate Management Fund (NJARM) and the M.B.I.A Class.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows: The market value of the collateral must equal at least 5% of the average daily balance of collected 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.

The Charter School's cash and cash equivalents are classified below to inform financial statement users about the extent to which the Charter School's deposits and investments are exposed to custodial credit risk. As of June 30, 2024, the Charter School's carrying amount of deposits and investments are as follows:

	General Fund	Special Revenue	Enterprise Funds	Agency Funds	Total
Cash balances	\$ 13,580,739	\$ 3,734,696	\$ 78,912	\$ -	\$ 17,394,347
Escrow	79,281	-	-	-	79,281
	<u>\$ 13,660,020</u>	<u>\$ 3,734,696</u>	<u>\$ 78,912</u>	<u>\$ -</u>	<u>\$ 17,473,628</u>

Operating cash accounts are held in the Charter School's name by one banking institution. At June 30, 2024, the Charter School's carrying amount of deposits was \$17,473,628 and the bank balance was \$18,155,562. Of the bank balance, \$250,000 of the Charter School's cash deposits on June 30, 2024 were secured by federal deposit insurance and \$17,905,562 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**3      Deposits and Investments - *continued***

**Establishment of an Escrow Account**

During the previous year ended June 30, 2016, the Charter School established and funded an Escrow Account pursuant to an agreement signed with the New Jersey Department of Education. The required maximum of \$75,000 was fully funded. The agreement stipulates that the intended use of the escrow amount is “to pay for legal and audit expenses and any other outstanding pension benefits that would be associated with a dissolution should it occur.”

GASB Statement No. 40 requires that the Charter School disclose whether its deposits are exposed to custodial risk (risk that in the event of failure of the counterparty, the Charter School would not be able to recover the value of its deposit or investment). In general deposits are considered to be exposed to custodial risk by three categories described below:

***Category 1***

Insured or collateralized with securities held by the Charter School or by its agent in the Charter School’s name.

***Category 2***

Collateralized with securities held by the pledging public depository’s trust department or agent in the Charter School’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 Charter School’s name.

The Charter School does not have a policy for the management of the custodial risk, other than depositing all of its funds in banks covered by GUDPA.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**3      Deposits and Investments - *continued***

**Investments**

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

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. 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.
3. Bonds or other obligations of the Charter School.
4. New Jersey Cash Management Fund, New Jersey Arbitrage Rebate Management Fund and MBIA CLASS.

As of June 30, 2024, the Charter School did not hold any investments.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**4 Capital Assets and Right-of-Use Lease Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2024:

	<b>Beginning Balance</b>	<b>Net Additions (Deletions)</b>	<b>Ending Balance</b>
<b>Governmental activities</b>			
<b>Capital assets, being depreciated:</b>			
Leasehold improvements	\$ 5,279,861	\$ 2,142,683	\$ 7,422,544
Equipment	984,738	-	984,738
Furniture and fixtures	13,280	-	13,280
Vehicle	60,155	-	60,155
Total capital assets being depreciated	<u>6,338,034</u>	<u>2,142,683</u>	<u>8,480,717</u>
Less accumulated depreciation for:			
Leasehold improvements	2,603,191	494,083	3,097,274
Equipment	889,299	66,038	955,337
Furniture and fixtures	13,280	-	13,280
Vehicle	44,206	7,974	52,180
Total accumulated depreciation	<u>3,549,976</u>	<u>568,095</u>	<u>4,118,071</u>
Total capital assets net	<u><u>\$ 2,788,058</u></u>	<u><u>\$ 1,574,588</u></u>	<u><u>\$ 4,362,646</u></u>
<b>Business-type activities:</b>			
Equipment	\$ 199,530	\$ -	\$ 199,530
Less accumulated depreciation	(59,859)	(19,953)	(79,812)
Business-type activities capital assets, net	<u><u>\$ 139,671</u></u>	<u><u>\$ (19,953)</u></u>	<u><u>\$ 119,718</u></u>

Depreciation expense of \$568,095 was charged to an unallocated function.



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

**4 Capital Assets and Right-of-Use Lease Assets - *continued***

Changes in right-of-use lease assets are as follows for the fiscal year ended June 30, 2024:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>Right-of-use lease assets</b>			
Premises	\$ 26,937,427	\$ -	\$ 26,937,427
Equipment	199,311	-	199,311
Total cost	27,136,738	-	27,136,738
<b>Less - accumulated amortization</b>			
Premises	7,595,238	1,338,833	8,934,071
Equipment	149,483	49,828	199,311
Total accumulated amortization	7,744,721	1,388,661	9,133,382
<b>Right-of-use lease assets - net</b>	<b>\$ 19,392,017</b>	<b>\$ (1,388,661)</b>	<b>\$ 18,003,356</b>

**5 Lease Obligations**

**Lease Agreements – Implementation of GASB 87**

<b>Lease Liabilities</b>	<b>Beginning Balance</b>	<b>Acquired Current Year</b>	<b>Retired Current Year</b>	<b>Ending Balance</b>
Facilities lease liabilities	\$ 21,682,198	\$ -	\$ (1,069,208)	\$ 20,612,990
Equipment lease liabilities	53,617	-	(53,617)	-
Total lease liabilities	\$ 21,735,815	\$ -	\$ (1,122,825)	20,612,990
Current portion				1,123,912
Non-current portion				19,489,078
Total lease liabilities				<u>\$ 20,612,990</u>

The Charter School leases its premises and equipment under the terms of several non-cancelable leases. Certain leases are automatically renewed upon the charter renewal and can be extended through various dates through June 30, 2035.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**5 Lease Obligations - continued**

**Lease Agreements – Implementation of GASB 87 - continued**

The leases required aggregate monthly cash payments of approximately \$2,639,795 during the year ended June 30, 2024. Interest expense on the leases was \$1,061,291 for the year ended June 30, 2024 which is reflected as lease interest expense on the accompanying budgetary comparison schedule – general fund (exhibit C-1).

The net value of the right-of-use assets and lease liabilities was \$18,033,356 and \$20,612,990, respectively as of June 30, 2024 which was calculated using a discount rate of 5%.

Amortization of the related right-of-use lease assets was \$1,388,661 for the year ended June 30, 2024.

Future minimum payments under these agreements and future amortization are as follows:

<b>Year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Amortization</b>
2025	\$ 1,123,912	\$ 1,005,125	\$ 1,388,661
2026	1,181,413	947,624	1,388,661
2027	1,241,857	887,180	1,338,833
2028	1,108,128	825,125	1,338,833
2029	1,164,822	771,431	1,190,778
Thereafter	14,792,858	3,993,200	11,357,590
	\$ 20,612,990	\$ 8,429,685	\$ 18,003,356

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**5 Lease Obligations - continued**

**Description of Lease Terms**

**Facilities Lease**

The Charter School leases its facilities under several operating lease agreements:

**75 Spruce Street, Paterson, New Jersey** – a lease covering 28,550 square foot space housing grades kindergarten through four and the administrative offices. The original lease term expired on June 30, 2015 and was renewed for a two-year term through June 30, 2017 with the stipulation that it will automatically renew for a period up to twenty (20) years (ultimately expiring on June 30, 2037) so long as the term of the Charter School's Charter is renewed or otherwise extended for the same period of years. The basic annual rent due each fiscal year is stipulated in a schedule attached to the lease agreement. The amount paid under this lease for the year ended June 30, 2024 was \$1,320,264.

**32 Spruce Street, Paterson, New Jersey** – a five-year lease through June 30, 2016 covering 10,000 square foot space housing Kindergarten and the business office. It was renewed on July 1, 2016 for another six (6) years through June 30, 2022 at the same annual rent of \$192,784. Renewed for another five years through June 30, 2027 at the same annual rent of \$192,784. The lease provides for the payment of the tenant's share of the facilities operating expenses in addition to the base rent. The total amount paid under this lease for the year ended June 30, 2024 was \$204,525. Starting from July 1, 2015 the facilities house the fifth graders and the business office.

**8-14 Morris Street, Paterson, New Jersey** – This is a new facility with 60,000 square foot space housing 400 students in the 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> grades. The lease was originally signed on November 12, 2018 stipulating that the landlord be given ample time to renovate the facility to the standards required by the Charter School (the tenant) and the building codes of the New Jersey Department of Education. It was delivered to the Charter School in June 2020 and the lease expires five years from the delivery date that is June 15, 2025. The current monthly rent is \$75,336 (\$904,032 annually) plus monthly maintenance fee of \$17,115 (\$205,380 annually). The total amount paid under this lease for the year ended June 30, 2024 was \$1,109,406. It should be noted that in addition to the 60,000-square foot space, the landlord was obligated by the lease agreement to construct a new gymnasium which was completed during the previous year ended June 30, 2021.

*It should be noted that NJCDC, the founder of the Charter School is in the process of purchasing the 8-14 Morris Street facilities using bond financing. NJCDC will become the new landlord after closing on the purchase.*

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**5 Lease Obligations - continued**

**Description of Lease Terms - continued**

**Facilities Lease - continued**

**Parking Space at 75 Spruce Street, Paterson, New Jersey** - the Charter School also leases several parking spaces under an operating lease agreement at a monthly payment of \$4,080. The parking spaces are for the use of its employees who are charged reasonable monthly fees. The amount paid under this lease for the year ended June 30, 2024 was \$48,960.

**Parking Space for the use of employees at 32 Spruce Street, Paterson, New Jersey** - the Charter School also leases several parking spaces under an operating lease agreement at a monthly payment of approximately \$750. The parking spaces are for the use of its employees. The amount paid under this lease for the year ended June 30, 2024 was \$9,000.

**Equipment Leases**

The Charter School leases office equipment (copiers) under several operating lease agreements. For the year ended June 30, 2024, the Charter School incurred \$77,946 in equipment lease expenditures.

Future minimum lease payments required under the operating leases are as follows:

<b>Year ending June 30:</b>	<b>75 Spruce Street</b>	<b>32 Spruce Street</b>	<b>8-14 Morris Street</b>	<b>Equipment Leases</b>	<b>Total</b>
2025	828,467	\$ 192,784	\$ 1,080,000	\$ -	\$ 2,101,251
2026	836,751	192,784	-	-	1,029,535
2027	845,119	192,784	-	-	1,037,903
2028	853,570	-	-	-	853,570
2029	862,106	-	-	-	862,106
Thereafter	7,214,586	-	-	-	7,214,586
	<u>\$ 11,440,599</u>	<u>\$ 578,352</u>	<u>\$ 1,080,000</u>	<u>\$ -</u>	<u>\$ 13,098,951</u>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**6 Pension Plans**

**Description of Plans**

Substantially all of the employees of the Charter School are covered by either the Public Employee's Retirement System or the Teacher's Pension and Annuity Fund (both of which are contributory defined benefits plans). Both were established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate.

The 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 for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

**Teachers' Pension and Annuity Fund (TPAF)**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the formulas mentioned above, but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**6 Pension Plans - *continued***

**Public Employees' Retirement System (PERS)**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the formulas mentioned above, but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**6 Pension Plans - *continued***

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board.

PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

The Charter School's contribution to PERS for the year ended June 30, 2024 was \$280,030.

In accordance with N.J.S.A 18A:66-66 the State of New Jersey reimbursed the Charter School \$259,486 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members. The State also paid \$1,546,533 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the Charter School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures**

**Teachers' Pension and Annuity Fund (TPAF)**

***Summary of Significant Accounting Policies***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

The employer contributions for the Charter School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Charter School (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the Charter School (employer) does 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 Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$21,142,332 as measured on June 30, 2023 and \$23,351,205 as measured on June 30, 2022.

For the year ended June 30, 2024, the Charter School recognized pension expense of \$519,406 and revenue of \$519,406 for support provided by the State. The measurement period for the pension expense and revenue reported in the Charter School's financial statements (A-2) at June 30, 2024 is based upon changes in the collective net pension liability with a measurement period of June 30, 2022 through June 30, 2023. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2022 and June 30, 2023.



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - *continued***

**Teachers' Pension and Annuity Fund (TPAF) - *continued***

Although the Charter School does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the Charter School. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u><b>June 30, 2023</b></u>	<u><b>June 30, 2022</b></u>
Collective deferred outflows of resources	\$ 2,413,548,676	\$ 4,885,289,911
Collective deferred inflows of resources	\$14,741,373,312	\$19,563,805,393
Collective net pension liability (non-employer State of New Jersey)	\$51,032,669,551	\$51,594,415,806
State's portion of the net pension liability that was associated with the Charter School	\$ 21,142,332	\$ 23,351,205
State's portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	0.041429%	0.045259%

***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 valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate - price	2.75%
Inflation rate - wage	3.25%
Salary increases: thereafter	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 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - *continued***

**Teachers' Pension and Annuity Fund (TPAF) - *continued***

***Actuarial Assumptions - continued***

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 - continued***

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% 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:

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - *continued***

**Teachers' Pension and Annuity Fund (TPAF) - *continued***

***Long-Term Expected Rate of Return - continued***

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Real Rate of Return</b>
US Equity	28.00%	8.98%
Non-US 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 Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
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***

The discount rate used to measure the State's 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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - *continued***

**Teachers' Pension and Annuity Fund (TPAF) - *continued***

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

Since the Charter School's has no proportionate share of the net pension liability because of the special funding situation, the Charter School would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf23.pdf>

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <https://www.nj.gov/treasury/pensions/gasb-notices.shtml>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - *continued***

**Public Employees' Retirement System (PERS)**

***Summary of Significant Accounting Policies***

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

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

At June 30, 2024, the Charter School reported a liability of \$3,024,230 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2022. The Charter School's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2023 and 2022, respectively. At June 30, 2023, the Charter School's proportion was 0.0208792599% which was a decrease of 0.0022805243% from its proportion measured as of June 30, 2022 which was 0.0231597842%.

For the year ended June 30, 2023, the Charter School recognized pension expense of \$280,030. At June 30, 2023, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

**7 Pension Plans – GASB 68 Disclosures - continued**

**Public Employees' Retirement System (PERS) - continued**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension - continued***

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 28,916	\$ 12,362
Changes in assumptions	6,644	183,281
Net difference between projected and actual earnings on pension plan investments	13,927	-
Changes in proportion and differences between Charter School's contributions and proportionate share of contributions	469,495	985,946
Subtotal	518,982	1,181,589
Charter School's contributions subsequent to the measurement date	280,030	-
Total	<u>\$ 799,012</u>	<u>\$ 1,181,589</u>

\$280,030 reported as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability measured as of June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30:</b>	<b>Pension Expense</b>
2024	\$ (723,858)
2025	(404,030)
2026	564,605
2027	(101,042)
2028	1,718
Thereafter	-
	<u>\$ (662,607)</u>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - continued**

**Public Employees' Retirement System (PERS) - continued**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension – continued***

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Collective deferred outflows of resources	\$ 1,101,221,923	\$ 1,715,543,211
Collective deferred inflows of resources	\$ 1,648,476,259	\$ 4,112,583,758
Collective net pension liability (Non-State Local Group)	\$ 14,484,374,047	\$ 15,091,376,611
Charter School's portion of the net pension liability	\$ 3,024,230	\$ 3,495,130
Charter School's proportion (percentage)	0.02087926%	0.02315978%

***Actuarial Assumptions***

The collective 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 valuation used the following actuarial assumptions:

Inflation rate - price	2.75%
Inflation rate - wage	3.25%
Salary increases: thereafter	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 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.

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.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - *continued***

**Public Employees’ Retirement System (PERS) - *continued***

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Real Rate of Return</b>
US Equity	28.00%	8.98%
Non-US 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 Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
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%



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - *continued***

**Public Employees' Retirement System (PERS) – *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 will be based on 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**7 Pension Plans – GASB 68 Disclosures - *continued***

**Public Employees' Retirement System (PERS) - *continued***

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

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

<b>2023</b>			
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Charter School's proportionate share of the pension liability	<u>\$ 3,970,095</u>	<u>\$ 3,024,230</u>	<u>\$ 2,266,371</u>
<b>2022</b>			
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Charter School's proportionate share of the pension liability	<u>\$ 4,528,246</u>	<u>\$ 3,495,130</u>	<u>\$ 2,670,698</u>

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**8 Post Retirement Benefits**

**Plan Description and Benefits Provided**

The Charter School is in a "special funding situation", as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the Charter School.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52: 14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total non-employer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

**Employees Covered by Benefit Terms.**

At June 30, 2023, the following employees were covered by the benefit terms:

*Active plan member = 217,212*

*Inactive plan members entitled to but not yet receiving benefits = 152,383*

*Inactive plan members or beneficiaries currently receiving benefits = -0-*

*Total plan members = 369,595*

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**8 Post Retirement Benefits – continued**

**Total Non-employer OPEB Liability**

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The Charter School's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the Charter School did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's ACFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2022.

**Actuarial Assumptions and Other Inputs**

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

<b>Inflation Rate</b>	2.50%	
	<b><u>TPAF/ABP</u></b>	<b><u>PERS</u></b>
Salary increases:		
Through 2029	2.75 to 5.65% based on years of service	2.75 to 6.55% based on years of service
Thereafter	2.75 to 5.65% based on years of service	2.75 to 6.55% based on years of service

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**8 Post Retirement Benefits – *continued***

**Actuarial Assumptions and Other Inputs - *continued***

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2023. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2023. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2023.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2024 through 2024 are reflected. For PPO the trend is initially 5.74% in fiscal year 2025, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01 % in fiscal year 2025, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

**Discount Rate**

The discount rate for June 30, 2023 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

**8 Post Retirement Benefits – continued**

**Changes in the Total OPEB Liability Reported by the State of New Jersey**

	<b>Increase/(Decrease) Total OPEB Liability</b>
Balance as of June 30, 2022 measurement date	<u>\$ 50,646,462,966</u>
Changes recognized for the fiscal year:	
Service cost	\$ 2,136,235,476
Interest on total OPEB liability	1,844,113,951
Changes of benefit terms	-
Difference between expected and actual experiences	(980,424,863)
Effect of changes of assumptions	105,539,463
Gross benefits paid by the State	(1,437,516,858)
Contributions from the members	<u>47,258,104</u>
Net changes	<u>\$ 1,715,205,273</u>
Balance as of June 30, 2023 measurement date	<u><u>\$ 52,361,668,239</u></u>

**Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate**

The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%; as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	<b>2022</b>		
	<b>At 1% Decrease (2.65%)</b>	<b>At 1% Discount Rate (3.65%)</b>	<b>At 1% Increase (4.65%)</b>
Total OPEB liability attributable to the Charter School	<u>\$ 7,459,483</u>	<u>\$ 6,362,964</u>	<u>\$ 5,482,587</u>
	<b>2022</b>		
	<b>At 1% Decrease (2.54%)</b>	<b>At 1% Discount Rate (3.54%)</b>	<b>At 1% Increase (4.54%)</b>
Total OPEB liability attributable to the Charter School	<u>\$ 8,408,136</u>	<u>\$ 7,153,457</u>	<u>\$ 6,147,894</u>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**8 Post Retirement Benefits – continued**

**Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the total nonemployer OPEB Liability attributable to the Charter School as of June 30, 2023 and 2022, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the Charter School would be if it were calculated using a healthcare trend rate that is I-percentage-point lower or I-percentage-point higher than the current rate:

<b>2023</b>			
	<b><u>At 1% Decrease</u></b>	<b><u>Healthcare Cost Trend Rate</u></b>	<b><u>At 1% Increase</u></b>
Total OPEB liability attributable to the Charter School	<u>\$ 5,282,241</u>	<u>\$ 6,362,964</u>	<u>\$ 7,777,093</u>
<b>2022</b>			
	<b><u>At 1% Decrease</u></b>	<b><u>Healthcare Cost Trend Rate</u></b>	<b><u>At 1% Increase</u></b>
Total OPEB liability attributable to the Charter School	<u>\$ 5,912,769</u>	<u>\$ 7,153,457</u>	<u>\$ 8,783,175</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2024 the Charter School recognized OPEB expense of \$1,128,646 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

**8 Post Retirement Benefits – continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 7,639,717,639	\$ 13,791,541,217
Net difference between expected and actual earnings on OPEB plan investments	-	-
Assumption changes	7,445,895,322	14,449,948,556
Subtotal	15,085,612,961	28,241,489,773
Contributions made in fiscal year ended June 30, 2024 after the measurement date	TBD	N/A
Total	\$ TBD	\$ 28,241,489,773

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Measurement Period - Fiscal Year Ending June 30:</b>	<b>Total</b>
2024	\$ (2,611,225,301)
2025	\$ (2,611,225,301)
2026	\$ (2,269,523,460)
2027	\$ (1,338,024,839)
2028	\$ (273,877,609)
Thereafter	\$ (4,052,000,302)
	\$ (13,155,876,812)

**9 Deferred Compensation**

The Charter School offers its employees a deferred compensation plan created in accordance with the IRS code 403(b). The plan which is administered by AXA Equitable permits participants to defer a portion of their salaries until future years.



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**10 Economic Dependency**

The Charter School receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if it were to occur, could have an effect on the Charter School's programs and activities.

**11 Contingent Liabilities**

The Charter School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. *It should also be noted that the Charter School applied for and received a refundable employee retention credit which is subject to certain criteria.* Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government. *Also, the employee retention tax credit is subject to audit by the Internal Revenue Service (IRS) and the audit could lead to disallowance of a portion or all of the credits.*

As of June 30, 2024, significant amounts of grant expenditures (and the Employee Retention Tax Credits received during the year ended June 30, 2024) have not been audited by the various grantor agencies/the IRS but the Charter School believes that disallowed expenditures or credits, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

The Charter School's attorney's letter advises the following:

- a. **R.. v. Community Charter School of Paterson, et al** – "It is pending case in the Superior Court of New Jersey, Passaic County, Docket No. PAS-L-3466-23 and names the School as a defendant. The case involves a former employee alleging employment discrimination, harassment, and retaliation. The matter was tendered to the School's insurance carrier(s) and accepted subject to a reservation of rights. This matter is not expected to have any adverse financial impact on the School. We are not lead counsel in this matter."
- b. **E.S. v. Community Charter School of Paterson** – "The School is currently involved in mediation with the parents of a former student, on behalf of that student, involving an alleged assault on multiple occasions on School premises. To date, no complaint has been filed in any court against the School. The matter has been tendered to the School's insurance carrier(s) and is partially covered by insurance subject to a reservation of rights. The School may be required to contribute to the defense and settlement of this matter. We are not lead counsel in this matter."

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**11 Contingent Liabilities - *continued***

- c. **P-G v. Community Charter School of Paterson** – “A former employee, through an attorney, served a demand letter for alleged violations under the New Jersey Law Against Discrimination Act, among other claims. The employee also filed a complaint with the Equal Employment Opportunity Commission. The School and the employee reached an amicable settlement in or about December 2024. “
- d. **T.V. v. Community Charter School of Paterson** - “A former employee, through an attorney, served a demand letter in July 2024 for alleged violations under the New Jersey Conscientious Employee Protection Act, among other claims. The School’s insurance carrier confirmed coverage, per a reservation of rights. The matter has not been filed in court, nor otherwise acted upon.”
- e. In addition to the foregoing, the School has received notice of two former employees alleging discrimination and retaliation while employed at the School, which the School will contest. To date, no complaint has been filed in any court regarding these allegations

**12 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 and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (UNAUDITED) of this Annual Comprehensive Financial Report. **New Jersey Unemployment Compensation** - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund For benefits paid to its former employees and charged to its account with the State.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**13 Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2024 is as follows:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 1,118,503	\$ -
Special Revenue Fund	-	970,607
Enterprise Fund	-	147,896
Trust and Agency Fund	-	-
	<u>\$ 1,118,503</u>	<u>\$ 1,118,503</u>

The above balances are the results of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in negative position. Liquidation of these interfund balances is expected within the next fiscal year.

**14 Receivables**

Receivables as of June 30, 2024 consisted of accounts, intergovernmental, grants and miscellaneous receivables. All receivables are considered collectible in full. A summary of the principal items of receivables is as follows:

State aid	\$ 23,542
Federal aid	222,996
Other	101,761
Total receivables	<u>\$ 348,299</u>

**15 Employee Retention Tax Credit**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Charter School applied for and received a refundable employee retention credit subject to certain criteria. The Charter School received and recognized as other income \$1,863,028 (net of filing expenses) in employee retention credit during the fiscal year ended June 30, 2024. The credits were received for eligible quarters in 2021. The amount was recognized as special item - other income during the current fiscal year ended June 30, 2024.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**16 Subsequent Events**

The Charter School has evaluated all subsequent events occurring through the date of the independent auditor's report which is the date the financial statements were available to be issued. Based on this evaluation, the Charter School has determined that no subsequent events require disclosure in the financial statements except the following:

- NJCDC, the founder of the Charter School successfully acquired the school facilities at 8-14 Morris Street in Paterson. The building was previously leased by the Charter School from the former owner. NJCDC became the new landlord after closing on the purchase and will continue to lease the facilities to the Charter School.

**17 Fund Balance Appropriated – General Fund (Exhibit B- 1)**

The fund balance as of June 30, 2024 was \$14,465,068. By its resolution on June 30, 2022 (in the previous year), the Board of the Charter School designated \$4,000,000 of the fund balance for future capital expenditures. \$10,465,068 is unreserved and undesignated.

**18 Related Party**

New Jersey Community Development Corporation (NJCDC), a non-profit community development and social service agency based in Paterson is the founder of the Charter School. Officials of NJCDC are members of the Board of Trustees of the Charter School. NJCDC is the landlord of the two facilities leased by the Charter School – 75 and 32 Spruce Street, Paterson, New Jersey. In the opinion of management, the rental payments under the two leases approximate the market.

Further, NJCDC recently purchased the school facilities at 8-14 Morris Street in Paterson. The building was previously leased by the Charter School from the former owner. NJCDC became the new landlord after closing on the purchase and will continue to lease the facilities to the Charter School. The financing utilized by NJCDC for the purchase included a lease agreement for the Charter School with some loan covenants: The Charter School is required to maintain a cash on hand of not less than 60 days as of the last day of each fiscal year and must maintain a minimum rent coverage ratio of 100%.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2024**

---

**19 Risk and Uncertainties – COVID-19 and Its Impact**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 21, 2020, New Jersey State Governor Phil Murphy ordered the closure of the physical location of every “non-life sustaining” and “non-essential” business.

The Charter School’s operations are heavily dependent on both federal and state grant revenues. Its physical locations were closed from March 2020 through September 2020. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such it is uncertain as to the full impact that the pandemic will have on the Charter School’s financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity and operations. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19 pandemic. Nevertheless, the COVID-19 pandemic presents material uncertainty and risk with respect to the Charter School its performance, and its financial results.

However, it should be noted that as of the date of this report, the Charter School’s various federal and state grants have not been materially impacted.

**20 Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of Certain Differences between the Governmental Fund Balance Sheet (B-1) and the Government-wide Statement of Net Position (A-1).**

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position - governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including deferred pension liability are not due and payable in the current period and therefore are not reported in the funds. The reconciliation is as follows:

Fund balance per B-1	\$ 14,544,451
Cost of capital assets net accumulated depreciation	4,362,646
Pension deferred outflows	518,982
Pension deferred inflows	(1,181,589)
Deferred pension liability as of June 30, 2024	(3,024,230)
Cost of right-to-use lease assets, net of accumulated depreciation	18,003,356
Principal balance of lease liabilities	(20,612,990)
Net position (per A-1) as of June 30, 2024	<u><u>\$ 12,610,626</u></u>

## Required Supplementary Information

### Part II

#### Budgetary Comparison

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**General Fund**

**C-1**

**Budget Comparison Schedule**

**Year ended June 30, 2024**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Revenues</b>					
Local Sources:					
Local tax levy	\$ 1,938,960	\$ -	\$ 1,938,960	\$ 1,938,960	\$ -
Miscellaneous	-	-	-	36,272	36,272
Total revenues -local sources	<u>1,938,960</u>	<u>-</u>	<u>1,938,960</u>	<u>1,975,232</u>	<u>36,272</u>
State sources:					
State aid	14,637,966	-	14,637,966	14,504,869	(133,097)
Reimbursed TPAF-Social Security (non-budgeted)	250,000	-	250,000	259,486	9,486
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	330,652	330,652
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	1,214,903	1,214,903
Long Term Disability Insurance (On-Behalf-Non-Budgeted)	-	-	-	978	978
Total -state sources	<u>14,887,966</u>	<u>-</u>	<u>14,887,966</u>	<u>16,310,888</u>	<u>1,422,922</u>
Total revenues	<u>16,826,926</u>	<u>-</u>	<u>16,826,926</u>	<u>18,286,120</u>	<u>1,459,194</u>
<b>Expenditures</b>					
Current expense:					
Instruction					
Salaries of teachers	3,298,795	(9,839)	3,288,956	3,103,683	185,273
Other salaries for instruction	378,325	(41,303)	337,022	337,022	-
Purchased profesional technical services	36,000	-	36,000	26,525	9,475
Other purchased services	41,000	1,000	42,000	606	41,394
General educational supplies	120,000	-	120,000	8,044	111,956
Textbooks	198,000	-	198,000	-	198,000
Miscellaneous expenses	35,000	25,000	60,000	57,761	2,239
	<u>4,107,120</u>	<u>(25,142)</u>	<u>4,081,978</u>	<u>3,533,641</u>	<u>548,337</u>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**General Fund**

**C-1**

**Budget Comparison Schedule**

**Year ended June 30, 2024**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Administrative cost:					
Salaries	2,690,112	(47,809)	2,642,303	2,394,495	247,808
Total benefit costs	3,111,892	(296,000)	2,815,892	2,274,235	541,657
Professional /Technical service	235,500	27,033	262,533	159,333	103,200
Other purchased services	428,165	(4,009)	424,156	346,368	77,788
Communications and Telephones	82,620	80,000	162,620	156,621	5,999
Supplies and materials	87,661	15,000	102,661	22,580	80,081
Miscellaneous expenses	65,971	35,000	100,971	96,210	4,761
	<u>6,701,921</u>	<u>(190,785)</u>	<u>6,511,136</u>	<u>5,449,842</u>	<u>1,061,294</u>
Support services:					
Salaries	1,709,791	61,185	1,770,976	1,433,973	337,003
Purchased prof/tech service	302,340	78,410	380,750	211,006	169,744
Other purchased services	245,125	21,103	266,228	266,228	-
Rent on land and buildings - other than Lease Purchase Agreements	2,644,195	-	2,644,195	455,678	2,188,517
Insurance-fidelity, liability property	178,195	-	178,195	131,261	46,934
Supplies and materials	400,562	25,230	425,792	113,148	312,644
Energy & Utilities	346,824	-	346,824	288,151	58,673
Miscellaneous expenses	67,600	-	67,600	59,730	7,870
Transportation other than to/from school	62,500	29,999	92,499	77,366	15,133
Lease interest expense	-	-	-	1,061,291	(1,061,291)
Principal payments on lease liabilities	-	-	-	1,122,826	(1,122,826)
Food Services - Transfer to cover deficit	-	-	-	-	-
Total support services	<u>5,957,132</u>	<u>215,927</u>	<u>6,173,059</u>	<u>5,220,658</u>	<u>952,401</u>



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**General Fund**

**C-1**

**Budget Comparison Schedule**

**Year ended June 30, 2024**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Capital outlay:					
Instructional equipment	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Purchase land/improvements	230,000	-	230,000	87,902	142,098
Miscellaneous expenses	-	-	-	-	-
Total capital outlay	<u>230,000</u>	<u>-</u>	<u>230,000</u>	<u>87,902</u>	<u>142,098</u>
 Reimbursed TPAF-Social Security (non-budgeted)	-	-	-	259,486	(259,486)
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	330,652	(330,652)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	1,214,903	(1,214,903)
Long Term Disability Insurance (On-Behalf-Non-Budgeted)	-	-	-	978	(978)
Total expenditures	<u>16,996,173</u>	<u>-</u>	<u>16,996,173</u>	<u>16,098,062</u>	<u>2,443,666</u>
 Excess (deficiency) of revenues over (under) expenditures before special item	(169,247)	-	(169,247)	2,188,058	2,357,305
 Special item:					
Employee Retention Tax Credit (ERTC) revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,863,025</u>	<u>(1,863,025)</u>
 Excess (deficiency) of revenues over (under) expenditures after special item	(169,247)	-	(169,247)	4,051,083	4,220,330
 Fund balances, beginning of year	<u>10,413,985</u>	<u>-</u>	<u>10,413,985</u>	<u>10,413,985</u>	<u>-</u>
 Fund balances, end of year	<u>\$ 10,244,738</u>	<u>\$ -</u>	<u>\$ 10,244,738</u>	<u>\$ 14,465,068</u>	<u>\$ 4,220,330</u>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Special Revenue Fund**

C-2

**Budget Comparison Schedule**  
**Budgetary Basis**  
**Year ended June 30, 2024**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Revenues</b>					
Federal sources	\$ 7,571,600	\$ -	\$ 7,571,600	\$ 7,571,600	\$ -
State sources	177,442	-	177,442	177,442	-
Local sources	32,385	-	32,385	32,385	-
Total revenues -all sources	<u>7,781,427</u>	<u>-</u>	<u>7,781,427</u>	<u>7,781,427</u>	<u>-</u>
<b>Expenditures</b>					
Current Expenditures:					
Instruction:					
Salaries of teachers	1,517,195	-	1,517,195	1,517,195	-
Purchased Prof. and technical services	72,907	-	72,907	72,907	-
Other purchased services	-	-	-	-	-
General supplies	983,188	-	983,188	983,188	-
Miscellaneous expenditures	1,800	-	1,800	1,800	-
Total instruction	<u>2,575,090</u>	<u>-</u>	<u>-</u>	<u>2,575,090</u>	<u>-</u>
Support services					
Support services salaries	368,722	-	368,722	368,722	-
Employee benefits	602,111	-	602,111	602,111	-
Purchased professional services	1,363,352	-	1,363,352	1,363,352	-
Other purchased services	463,280	-	463,280	463,280	-
Rental	-	-	-	-	-
Supplies	309,272	-	309,272	309,272	-
Miscellaneous expenditures					
Student activities	11,395	-	11,395	11,395	-
Total support services	<u>3,118,132</u>	<u>-</u>	<u>3,118,132</u>	<u>3,118,132</u>	<u>-</u>
Capital Outlay:					
Facilities acquisition and construction services					
Instructional equipment	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-
Construction services	2,054,781	-	2,054,781	2,054,781	-
Total facilities acquisition and construction services	<u>2,054,781</u>	<u>-</u>	<u>2,054,781</u>	<u>2,054,781</u>	<u>-</u>
Total expenditures	<u>\$ 7,748,003</u>	<u>\$ -</u>	<u>\$ 5,172,913</u>	<u>\$ 7,748,003</u>	<u>\$ -</u>

## Notes to Required Supplementary Information

**COMMUNITY CHARTER SCHOOL OF PATERSON**

**C-3**

**Note to Required Supplementary Information**

**Budget to GAAP Reconciliation**

**Year ended June 30, 2024**

		<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule:	[C-1]	\$ 18,286,120	
	[C-2]		\$ 7,781,427
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 reported on the statement of revenues, expenditures			
and changes in fund balances - governmental funds	[B-2]	<u>\$ 18,286,120</u>	<u>\$ 7,781,427</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the			
budgetary comparison schedule	[C-1]	\$ 16,098,062	
	[C-2]		\$ 7,781,427
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 reporting purposes.			-
Transfers to and from other funds are presented as outflows of			
budgetary resources but are not expenditures			
for financial reporting purposes.			
Net transfer (outflows) to general fund		<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues,			
expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 16,098,062</u>	<u>\$ 7,781,427</u>

Note 1) The general fund budget basis of the use/outflow of resources is GAAP, therefore no reconciliation is required.

COMMUNITY CHARTER SCHOOL OF PATERSON

L-1

Schedule of the Charter School's Proportionate Share of the Net Pension Liability - PERS  
Last Ten Fiscal Years  
(Unaudited)

	2023	2022	2021	2020	Fiscal Year Ended June 30,		2017	2016	2015	2014
					2019	2018				
Charter School's proportion of the net pension liability (assets)	0.0208792599%	0.0217226945%	0.0217226945%	0.0292393736%	0.0245760938%	0.0170631284%	0.0164703281%	0.0093782462%	0.0139802901%	0.0104217010%
Charter School's proportionate share of the net pension liability (assets)	3,024,230	3,495,130	2,573,379	4,768,177	4,428,239	3,359,645	3,834,029	2,777,568	3,138,295	1,951,227
Charter School's covered employee payroll	\$ 2,163,427	\$ 2,058,574	\$ 1,960,547	\$ 1,867,188	\$ 1,778,274	\$ 1,651,531	\$ 1,572,887	\$ 720,033	\$ 694,313	\$ 938,296
Charter School's proportionate share of the net pension liability (assets) as a percentage of its covered employee payroll	139.79%	169.78%	131.26%	255.37%	249.02%	203.43%	243.76%	385.76%	452.00%	207.95%
Plan fiduciary net position as a percentage of the total pension liability - local	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

Note

Until a full ten year trend is compiled, information will be presented for those years for which information is available.

COMMUNITY CHARTER SCHOOL OF PATERSON

L-2

Schedule of the Charter School's Contributions - PERS  
Last Ten Fiscal Years  
(Unaudited)

	2023	2022	2021	2020	Fiscal Year Ended June 30,		2017	2016	2015	2014
					2019	2018				
Contractually required contribution	\$ 280,030	\$ 292,056	\$ 260,661	\$ 319,865	\$ 242,639	\$ 207,444	\$ 205,497	\$ 139,613	\$ 120,193	\$ 85,915
Contribution in relation to the contractually required contribution	(280,030)	(292,056)	(260,661)	(319,865)	(242,639)	(207,444)	(205,497)	(139,613)	(120,193)	(85,915)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered employee payroll	\$ 2,163,427	\$ 2,058,574	\$ 2,163,427	\$ 1,867,188	\$ 1,778,274	\$ 1,651,531	\$ 1,572,887	\$ 720,033	\$ 694,313	\$ 938,296
Contributions as a percentage of covered employee payroll	12.94%	14.19%	12.05%	17.13%	13.64%	12.56%	13.06%	19.39%	17.31%	9.16%

Note

Until a full ten year trend is compiled, information will be presented for those years for which information is available.

COMMUNITY CHARTER SCHOOL OF PATERSON

L-3

Schedule of the Charter School's Proportionate Share of the Net Pension Liability - TPAF  
Last Ten Fiscal Years  
(Unaudited)

	2023	2022	2021	2020	Fiscal Year Ended June 30,		2017	2016	2015	2014
					2019	2018				
Charter School's proportion of the net pension liability (assets)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charter School's proportionate share of the net pension liability (assets)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (assets) associated with the Charter School	\$ 23,351,205	\$ 23,351,205	\$ 19,462,031	\$ 19,462,031	\$ 26,442,137	\$ 25,353,538	\$ 20,642,917	\$ 14,659,299	\$ 23,156,160	\$ 18,742,901
Total	<u>\$ 23,351,205</u>	<u>\$ 23,351,205</u>	<u>\$ 19,462,031</u>	<u>\$ 19,462,031</u>	<u>\$ 26,442,137</u>	<u>\$ 25,353,538</u>	<u>\$ 20,642,917</u>	<u>\$ 14,659,299</u>	<u>\$ 23,156,160</u>	<u>\$ 18,742,901</u>
Charter School's covered employee payroll	\$ 3,312,758	\$ 4,257,551	\$ 4,054,811	\$ 3,861,725	\$ 3,677,833	\$ 4,133,287	\$ 3,936,464	\$ 2,107,257	\$ 2,268,474	\$ 2,939,626
Charter School's proportionate share of the net pension liability (assets) as a percentage of its covered employee payroll**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

\*\*Note

TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the Charter School (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the Charter School.

COMMUNITY CHARTER SCHOOL OF PATERSON

M-1

Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Charter School  
and Changes in the Total OPEB Liability and Related Ratios  
Public Employee's Retirement System and Teachers' Pension and Annuity Fund  
Last Seven Fiscal Years

	Fiscal Year Ending						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 965,469	\$ 1,446,297	\$ 1,793,759	\$ 1,000,010	\$ 896,834	\$ 808,532	\$ 976,895
Interest cost	224,096	189,575	223,593	207,532	226,552	194,722	154,834
Changes of benefit term	-	-	(9,174)	-	-	-	-
Difference between expected and actual experiences	(1,823,940)	(1,000,950)	(3,152,182)	2,059,664	(1,067,457)	40,167	-
Changes of assumptions	12,825	(1,918,979)	8,504	1,812,990	74,737	(577,353)	(839,856)
Member contributions	5,743	6,024	5,716	5,237	4,561	4,650	4,004
Gross benefit payments	(174,686)	(187,779)	(176,129)	(172,789)	(153,870)	(134,532)	(108,746)
Net change in total OPEB liability	(790,493)	(1,465,812)	(1,305,913)	4,912,644	(18,643)	336,186	187,131
Total OPEB liability - beginning	7,153,457	8,619,269	9,925,182	5,012,538	5,031,181	4,694,995	4,507,864
Total OPEB liability, ending	\$ 6,362,964	\$ 7,153,457	\$ 8,619,269	\$ 9,925,182	\$ 5,012,538	\$ 5,031,181	\$ 4,694,995
Covered employee payroll - PERS and TPAF	\$ 1,861,041	\$ 2,083,808	\$ 2,072,048	\$ 2,088,335	\$ 1,673,175	\$ 1,488,299	\$ 1,181,052
Total OPEB liability as a percentage of covered employee payroll	342%	343%	416%	475%	300%	338%	398%
State's proportionate share of the net OPEB liability (asset) associated with the Charter School	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Charter School's contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*\* Information not available.

Until a full ten year trend is compiled, information will be presented for those years for which information is available.



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2024**

---

**1. Pension – Public Employees’ Retirement System (PERS)**

Benefit Changes - There were none.

Changes of Assumptions - There were none.

**2. Pension – Teachers’ Pension and Annuity Fund (TPAF)**

Benefit Changes - There were none.

Changes of Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

**3. Other Post-Retirement Benefit Plan – Public Employees’ Retirement System (PERS) and Teachers’ Pension and Annuity Fund (TPAF)**

Benefit Changes - There were none.

Changes of Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

## Other Supplementary Information

## School Level Schedules

## Special Revenue Fund

COMMUNITY CHARTER SCHOOL OF PATERSON  
Special Revenue Fund

E-1

Combining Schedule of Program, Revenue and Expenditures  
Budgetary Basis

Year ended June 30, 2024

	Titl e 1A 2023-2024	TITL E I SEA 2023-2024	I D F A Bude 2023-2024	I D F A Preschool 2023-2024	Twentys-First Century 2023-2024	Twentys-First Century 2023-2024	I D F A 21st Century 2023-2024	I D F A 21st Century 2023-2024	CRRSA ESSFR II Learning Grant	CRRSA ESSFR II Mental Health Grant	ARP ESSFR III Grant	ARP ESSFR III Learning Coach	ARP ESSFR III Summer Learning	ARP ESSFR III Beyond School Day	ARP ESSFR III Mental Health	SDA Emergency Needs	SJ High Innovat Tutoring Program	Student Activity Fund	Total
<b>Revenues</b>																			
Federal sources	\$ 1,026,886	\$ 232,200	\$ 201,465	\$ 5,533	\$ 87,212	\$ 487,471	\$ 2,068	\$ 4,049	\$ 134,939	\$ 4,500	\$ 5,097,210	\$ 115,479	\$ 40,000	\$ 7,337	\$ 29,551	\$ 177,442	\$ 95,700	\$ -	\$ 7,571,600
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	177,442
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,385
Total revenues-all sources	\$ 1,026,886	\$ 232,200	\$ 201,465	\$ 5,533	\$ 87,212	\$ 487,471	\$ 2,068	\$ 4,049	\$ 134,939	\$ 4,500	\$ 5,097,210	\$ 115,479	\$ 40,000	\$ 7,337	\$ 29,551	\$ 177,442	\$ 95,700	\$ 32,385	\$ 7,781,427
<b>Expenditures</b>																			
<b>Instruction</b>																			
Salaries of teachers	\$ 832,227	\$ -	\$ 62,689	\$ -	\$ 51,416	\$ 198,091	\$ -	\$ -	\$ 113,326	\$ -	\$ 252,916	\$ -	\$ -	\$ 6,530	\$ -	\$ -	\$ -	\$ -	1,517,195
Purchased Prof. and technical services	-	-	-	-	3,400	69,507	-	-	-	-	-	-	-	-	-	-	-	-	72,907
Other purchased services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General supplies	-	232,200	-	-	8,826	37,276	2,068	4,049	-	-	698,769	-	-	-	-	-	-	-	983,188
Miscellaneous expenditures	-	-	-	-	-	1,800	-	-	-	-	-	-	-	-	-	-	-	-	1,800
Total instruction	832,227	232,200	62,689	-	63,642	306,674	2,068	4,049	113,326	-	951,685	-	-	6,530	-	-	-	-	2,555,090
<b>Support services</b>																			
Support services salaries	-	-	-	-	18,357	147,965	-	-	-	-	202,400	-	-	-	-	-	-	-	368,722
Employee benefits	162,225	-	12,349	-	5,057	25,282	-	-	21,613	-	374,778	-	-	807	-	-	-	-	602,111
Purchased professional services	-	-	126,427	5,533	-	-	-	-	-	4,500	986,162	115,479	-	-	29,551	-	95,700	-	1,363,352
Other purchased services	20,000	-	-	-	156	7,550	-	-	-	-	395,574	-	-	40,000	-	-	-	-	463,280
Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	309,272	-	-	-	-	-	-	-	309,272
Miscellaneous expenditures	12,434	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,434
Student activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,395
Total support services	194,659	-	138,776	5,533	23,570	180,797	-	-	21,613	4,500	2,268,186	115,479	40,000	807	29,551	-	95,700	-	3,130,566
<b>Facilities acquisition and construction services</b>																			
Instructional equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction services	-	-	-	-	-	-	-	-	-	-	1,877,339	-	-	-	-	177,442	-	-	2,054,781
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-	-	1,877,339	-	-	-	-	177,442	-	-	2,054,781
<b>Total expenditures</b>	1,026,886	232,200	201,465	5,533	87,212	487,471	2,068	4,049	134,939	4,500	5,097,210	115,479	40,000	7,337	29,551	177,442	95,700	11,395	7,760,437
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,990
<b>Fund balances, beginning of year</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,393
<b>Prior period adjustment</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fund balances, beginning of year (restated)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,393
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,383	\$ 79,383

### Capital Projects Fund

At June 30, 2024, there was no capital project fund.

## Enterprise Fund

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Enterprise Funds**

**G-1**

**Combining Statement of Net Position**

**June 30, 2024**

	<u>Food Services</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 78,912
Accounts receivable:	-
Federal	133,526
State	2,306
Interfund receivable - general fund	(147,896)
Total current assets	<u>\$ 66,848</u>
Noncurrent assets:	
Machinery and equipment	199,530
Less: accumulated depreciation	(79,812)
Total noncurrent assets	<u>119,718</u>
Total assets	<u>186,566</u>
<b>Liabilities</b>	
Current liabilities:	
Interfund payable - general fund	\$ -
Accounts payable	28,226
Total current liabilities	<u>\$ 28,226</u>
<b>Net position</b>	
Unrestricted	158,340
Total net position	<u><u>\$ 158,340</u></u>



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Enterprise Fund**

G-2

**Combining Statement of Revenues, Expenditures and Changes in Net Position**

**Year ended June 30, 2024**

	<u>Food Services</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ -
Daily sales - nonreimbursable programs	-
Miscellaneous revenue	26,411
Total operating revenues	<u>26,411</u>
Operating expenses:	
Cost of sales - reimbursable programs	766,326
Cost of sales - nonreimbursable programs	-
Salaries	-
Employee benefits	-
Professional /technical service	-
Supplies and materials	-
Depreciation	19,953
Miscellaneous	-
Total operating expenses	<u>786,279</u>
Operating income (loss)	<u>(759,868)</u>
Nonoperating revenues:	
State sources:	
State School Breakfast Program - After Bell	2,017
State School Lunch Program	9,213
Federal sources:	-
National School Lunch Program	434,885
National School Breakfast Program	166,703
After School Snacks	57,625
Healthy, Hunger Free Kids Act	10,977
Total nonoperating revenues	<u>681,420</u>
Net income/(loss) before contributions & transfers	(78,448)
Other financing sources:	
Transfer in/(out) - board contribution	-
	<u>-</u>
Change in net position	(78,448)
Total net position-beginning of year	<u>236,788</u>
Total net position-end of year	<u><u>\$ 158,340</u></u>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Enterprise Fund**

**G-3**

**Statement of Cash Flows**

**Year ended June 30, 2024**

	<u>Food Services</u>
<b>Cash flows from operating activities</b>	
Operating loss	\$ (759,868)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	19,953
Changes in assets and liabilities:	
Accounts receivable	(83,637)
Due to/(from) general fund	(324,941)
Accounts payable	18,435
Net cash used in operating activities	<u>(1,130,058)</u>
<b>Cash flows from noncapital financing activities</b>	
Cash received from state reimbursements	11,230
Cash received from federal reimbursements	670,190
Operating subsidies and transfers from other funds	-
Net cash provided by noncapital financing activities	<u>681,420</u>
<b>Cash flows from investing activities</b>	
Purchase of kitchen equipment	<u>-</u>
Net cash used in investing activities	<u>-</u>
Net change in cash and cash equivalents	(448,638)
Cash and cash equivalents, beginning	527,550
Cash and cash equivalents, ending	<u><u>\$ 78,912</u></u>

Fiduciary Fund  
Not Applicable

Page 108 is intentionally left blank.

Long Term Debt  
At June 30, 2024, there was no long term debt.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Long-Term Debt**  
**Schedule of Obligations Under Renovation Loan**

I-2

Year ended June 30, 2024

NONE

<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2023</u>	<u>Acquired Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2024</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## Statistical Section

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

J-1

**Net Assets By Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Fiscal Year Ended June 30,</u>		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
					<u>2020</u>	<u>2019</u>				
Governmental activities										
Invested in capital assets, net of related debt	\$ 4,362,646	\$ 2,788,058	\$ 1,141,993	\$ 3,010,365	\$ 3,061,680	\$ 2,122,498	\$ 2,176,977	\$ 1,955,215	\$ 1,977,232	\$ 1,934,268
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,778,231	2,622,526	294,769	1,608,522	819,450	1,387,180	1,146,083	1,429,863	1,196,344	1,678,167
Total governmental activities net position	<u>\$ 11,140,877</u>	<u>\$ 5,410,584</u>	<u>\$ 1,436,762</u>	<u>\$ 4,618,887</u>	<u>\$ 3,881,130</u>	<u>\$ 3,509,678</u>	<u>\$ 3,323,060</u>	<u>\$ 3,385,078</u>	<u>\$ 3,173,576</u>	<u>\$ 3,612,435</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	38,622	97,117	223,822	220,053	367,667	346,183	250,002	303,117	162,367	57,455
Total business-type activities	<u>\$ 38,622</u>	<u>\$ 97,117</u>	<u>\$ 223,822</u>	<u>\$ 220,053</u>	<u>\$ 367,667</u>	<u>\$ 346,183</u>	<u>\$ 250,002</u>	<u>\$ 303,117</u>	<u>\$ 162,367</u>	<u>\$ 57,455</u>
School-wide										
Invested in capital assets, net of related debt	\$ 4,362,646	\$ 2,788,058	\$ 1,141,993	\$ 3,010,365	\$ 3,061,680	\$ 2,122,498	\$ 2,176,977	\$ 1,955,215	\$ 1,977,232	\$ 1,934,268
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,816,853	2,719,643	518,591	1,828,575	1,187,117	1,733,363	1,396,085	1,732,980	1,358,711	1,735,622
Total charter school net position	<u>\$ 11,179,499</u>	<u>\$ 5,507,701</u>	<u>\$ 1,660,584</u>	<u>\$ 4,838,940</u>	<u>\$ 4,248,797</u>	<u>\$ 3,855,861</u>	<u>\$ 3,573,062</u>	<u>\$ 3,688,195</u>	<u>\$ 3,335,943</u>	<u>\$ 3,669,890</u>



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
County of Passaic, New Jersey

J-2

Changes In Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Fiscal Year Ended June 30,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Expenses</b>											
Governmental activities											
Instruction											
Regular	\$ 6,108,731	\$ 5,691,114	\$ 5,505,771	\$ 5,059,221	\$ 5,539,697	\$ 5,197,256	\$ 5,611,946	\$ 6,028,561	\$ 6,183,596	\$ 4,777,832	
Support Services:											
General administration	6,007,423	5,118,989	8,752,396	6,780,383	5,946,606	5,991,083	4,948,480	4,293,551	4,329,775	2,754,677	
School administrative services	8,350,246	7,347,435	5,498,308	4,916,157	4,856,440	3,170,061	3,742,396	3,855,830	3,825,839	3,635,743	
On-behalf TPAF/FICA Reimbursements	1,546,533	2,169,750	2,332,632	1,576,699	2,253	1,208,455	808,345	450,527	516,300	414,838	
Capital outlay	-	-	-	-	-	-	-	-	-	-	
Unallocated depreciation	568,095	426,253	422,387	386,556	385,337	290,232	286,196	66,677	321,823	350,782	
Total governmental activities expenses	<u>22,581,028</u>	<u>20,753,541</u>	<u>22,511,494</u>	<u>18,719,016</u>	<u>16,730,333</u>	<u>15,857,087</u>	<u>15,397,363</u>	<u>14,695,146</u>	<u>15,177,333</u>	<u>11,933,872</u>	
Business-type activities:											
Food service	786,279	1,051,914	796,146	232,521	531,837	627,502	853,770	639,997	653,002	667,329	
Child Care	-	-	-	-	-	-	-	-	-	-	
Total business-type activities expense	<u>786,279</u>	<u>1,051,914</u>	<u>796,146</u>	<u>232,521</u>	<u>531,837</u>	<u>627,502</u>	<u>853,770</u>	<u>639,997</u>	<u>653,002</u>	<u>667,329</u>	
Total charter school expenses	<u>\$ 23,367,307</u>	<u>\$ 21,805,455</u>	<u>\$ 23,307,640</u>	<u>\$ 18,951,537</u>	<u>\$ 17,262,170</u>	<u>\$ 16,484,589</u>	<u>\$ 16,251,133</u>	<u>\$ 15,335,143</u>	<u>\$ 15,830,335</u>	<u>\$ 12,601,201</u>	
<b>Program Revenues</b>											
Governmental activities:											
Charges for services:											
Operating grants and contributions	\$ 7,760,437	\$ 5,053,605	\$ 3,311,727	\$ 2,344,883	\$ 1,815,532	\$ 1,810,120	\$ 1,691,254	\$ 1,686,916	\$ 1,593,462	\$ 879,624	
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-	
Total governmental activities program revenues	<u>7,760,437</u>	<u>5,053,605</u>	<u>3,311,727</u>	<u>2,344,883</u>	<u>1,815,532</u>	<u>1,810,120</u>	<u>1,691,254</u>	<u>1,686,916</u>	<u>1,593,462</u>	<u>879,624</u>	
Business-type activities:											
Charges for services											
Food service	26,411	102,302	-	-	20,324	-	1,303	96	15	13,854	
Child care	-	-	-	-	-	-	-	-	-	-	
Operating grants and contributions	681,420	802,954	779,962	264,484	532,997	723,683	799,352	780,651	757,899	687,151	
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-	
Total business type activities program revenues	<u>707,831</u>	<u>905,256</u>	<u>779,962</u>	<u>264,484</u>	<u>553,321</u>	<u>723,683</u>	<u>800,655</u>	<u>780,747</u>	<u>757,914</u>	<u>701,005</u>	
Total charter school program revenues	<u>\$ 8,468,268</u>	<u>\$ 5,958,861</u>	<u>\$ 4,091,689</u>	<u>\$ 2,609,367</u>	<u>\$ 2,368,853</u>	<u>\$ 2,533,803</u>	<u>\$ 2,491,909</u>	<u>\$ 2,467,663</u>	<u>\$ 2,351,376</u>	<u>\$ 1,580,629</u>	
<b>Net (Expense)/Revenue</b>											
Governmental activities	\$ (14,820,591)	\$ (15,699,936)	\$ (19,199,767)	\$ (16,374,133)	\$ (14,914,801)	\$ (14,046,967)	\$ (13,706,109)	\$ (13,008,230)	\$ (13,583,871)	\$ (11,054,248)	
Business-type activities	(78,448)	(146,658)	(16,184)	31,963	21,484	96,181	(53,115)	140,750	104,912	33,676	
Total charter school-wide net expense	<u>\$ (14,899,039)</u>	<u>\$ (15,846,594)</u>	<u>\$ (19,215,951)</u>	<u>\$ (16,342,170)</u>	<u>\$ (14,893,317)</u>	<u>\$ (13,950,786)</u>	<u>\$ (13,759,224)</u>	<u>\$ (12,867,480)</u>	<u>\$ (13,478,959)</u>	<u>\$ (11,020,572)</u>	

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

J-2

**Changes In Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	<b>Fiscal Year Ended June 30,</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,938,960	\$ 1,544,223	\$ 1,437,612	\$ 1,238,968	\$ 1,092,702	\$ 1,031,127	\$ 1,033,485	\$ 1,015,199	\$ 1,110,312	\$ 1,068,170
Grants and contributions	16,310,888	14,912,328	15,139,932	14,264,432	14,055,961	13,159,612	12,493,753	12,156,914	11,908,511	11,343,829
Miscellaneous income	36,272	69,868	32,277	33,523	137,590	42,846	116,853	47,619	126,189	31,446
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>18,286,120</u>	<u>16,526,419</u>	<u>16,609,821</u>	<u>15,536,923</u>	<u>15,286,253</u>	<u>14,233,585</u>	<u>13,644,091</u>	<u>13,219,732</u>	<u>13,145,012</u>	<u>12,443,445</u>
Business-type activities:										
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charter school-wide	<u>\$ 18,286,120</u>	<u>\$ 16,526,419</u>	<u>\$ 16,609,821</u>	<u>\$ 15,536,923</u>	<u>\$ 15,286,253</u>	<u>\$ 14,233,585</u>	<u>\$ 13,644,091</u>	<u>\$ 13,219,732</u>	<u>\$ 13,145,012</u>	<u>\$ 12,443,445</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,465,529	\$ 826,483	\$ (2,589,946)	\$ (837,210)	\$ 371,452	\$ 186,618	\$ (62,018)	\$ 211,502	\$ (438,859)	\$ 1,389,197
Business-type activities	(78,448)	(146,658)	(16,184)	31,963	21,484	96,181	(53,115)	140,750	104,912	33,676
Total charter school	<u>\$ 3,387,081</u>	<u>\$ 679,825</u>	<u>\$ (2,606,130)</u>	<u>\$ (805,247)</u>	<u>\$ 392,936</u>	<u>\$ 282,799</u>	<u>\$ (115,133)</u>	<u>\$ 352,252</u>	<u>\$ (333,947)</u>	<u>\$ 1,422,873</u>

COMMUNITY CHARTER SCHOOL OF PATERSON  
County of Passaic, New Jersey

J-3

**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
(Unaudited)

	2024	2023	2022	2021	Fiscal Year Ended June 30,		2018	2017	2016	2015
					2020	2019				
General Fund										
Unreserved	\$ 14,465,068	\$ 10,413,985	\$ 8,207,445	\$ 5,626,195	\$ 4,105,268	\$ 4,327,245	\$ 3,774,122	\$ 3,662,181	\$ 3,136,995	\$ 3,413,702
Total general fund	<u>\$ 14,465,068</u>	<u>\$ 10,413,985</u>	<u>\$ 8,207,445</u>	<u>\$ 5,626,195</u>	<u>\$ 4,105,268</u>	<u>\$ 4,327,245</u>	<u>\$ 3,774,122</u>	<u>\$ 3,662,181</u>	<u>\$ 3,136,995</u>	<u>\$ 3,413,702</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Charter School's Records

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
County of Passaic, New Jersey

J-4

**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Function	Fiscal Year Ended June 30,								
	2024	2022	2021	2020	2019	2018	2017	2016	2015
Revenues									
Local tax levy	\$ 1,938,960	\$ 1,544,223	\$ 1,238,968	\$ 1,092,702	\$ 1,031,127	\$ 1,033,485	\$ 1,015,199	\$ 1,110,312	\$ 1,068,170
Miscellaneous	36,272	69,868	33,523	137,590	42,846	116,853	47,619	126,189	31,446
State sources	16,488,330	14,961,331	14,264,432	14,055,961	13,159,612	12,493,753	12,156,914	11,908,511	11,343,829
Federal sources	7,571,600	4,930,932	2,325,593	1,815,532	1,810,120	1,679,479	1,670,101	1,555,427	879,624
Total revenue	<u>26,035,162</u>	<u>21,506,354</u>	<u>17,862,516</u>	<u>17,101,785</u>	<u>16,043,705</u>	<u>15,323,570</u>	<u>14,889,833</u>	<u>14,700,439</u>	<u>13,323,069</u>
Expenditures									
Instruction	6,108,731	5,691,114	5,059,221	5,539,697	5,197,256	5,611,946	6,028,561	6,183,596	4,777,832
Administration	5,449,842	3,846,705	3,999,742	3,950,461	4,105,942	3,323,268	3,132,629	3,203,316	2,245,294
Support Services	8,351,224	7,348,956	4,917,889	4,858,693	4,378,516	4,550,741	4,306,357	4,342,139	4,050,581
Capital Outlay	2,142,683	49,003	375,111	1,324,519	235,753	507,958	44,660	365,504	281,753
Total expenditures	<u>22,052,480</u>	<u>16,935,778</u>	<u>14,351,963</u>	<u>15,673,370</u>	<u>13,917,467</u>	<u>13,993,913</u>	<u>13,512,207</u>	<u>14,094,555</u>	<u>11,355,460</u>
Net change in fund balances	<u>\$ 3,982,682</u>	<u>\$ 4,570,576</u>	<u>\$ 3,510,553</u>	<u>\$ 1,428,415</u>	<u>\$ 2,126,238</u>	<u>\$ 1,329,657</u>	<u>\$ 1,377,626</u>	<u>\$ 605,884</u>	<u>\$ 1,967,609</u>

Source: Charter School's Records

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-5**

**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Function</b>	<b>Fiscal Year Ended June 30,</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Other local revenues										
Miscellaneous	\$ 36,272	\$ 69,868	\$ 32,277	\$ 33,523	\$ 137,590	\$ 42,846	\$ 116,853	\$ 47,189	\$ 126,189	\$ 31,446
Total other local revenue	<u>\$ 36,272</u>	<u>\$ 69,868</u>	<u>\$ 32,277</u>	<u>\$ 33,523</u>	<u>\$ 137,590</u>	<u>\$ 42,846</u>	<u>\$ 116,853</u>	<u>\$ 47,189</u>	<u>\$ 126,189</u>	<u>\$ 31,446</u>

Source: Charter School's Records

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-10**

**Ratio of Outstanding Debt By Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total Charter School	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-
2016	-	-	-	-	-	-	0.00%	-
2017	-	-	-	-	-	-	0.00%	-
2018	-	-	-	-	-	-	0.00%	-
2019	-	-	-	-	-	-	0.00%	-
2020	-	-	-	-	-	-	0.00%	-
2021	-	-	-	-	-	-	0.00%	-
2022	-	-	-	-	-	-	0.00%	-
2023	-	-	-	-	-	-	0.00%	-
2024	-	-	-	-	-	-	0.00%	-

**NO LONG TERM DEBT FOR THE CHARTER SCHOOL**

**Note:** Details regarding the Charter School's outstanding debt can be found in the notes to the financial statements.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-14**

**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2015	70,167	\$ 3,305,567,370	\$ 47,110	8.00%
2016	70,052	3,343,301,752	47,726	7.20%
2017	70,064	3,377,365,056	48,204	6.70%
2018	69,876	3,498,761,196	50,071	5.80%
2019	69,647	3,630,628,463	52,129	4.80%
2020	69,340	3,614,624,860	52,129	13.50%
2021	69,340	3,614,624,860	52,129	13.50%
2022	69,340	3,614,624,860	52,129	13.50%
2023	69,340	3,614,624,860	52,129	13.50%
2024	69,340	3,614,624,860	52,129	13.50%

**Source:**

<sup>a</sup> Population information provided by the New Jersey Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Personal capital income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the New Jersey Dept of Labor and Workforce Development

**J-15**

**2024**

a Information not available.



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-16**

**Full-Time Equivalent Charter School Employees by Function/Program**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b><u>Function/Program</u></b>	<b>Fiscal Year Ended June 30,</b>									
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Instruction										
Regular	67	67	67	67	67	67	65	65	65	55
Special education	12	12	12	12	12	12	12	14	11	11
Vocational										
Other instruction	13	13	13	13	13	13	13	13	11	11
Support Services:										
Student & instruction related services										
General administration	8	8	8	8	8	8	8	8	8	8
School administrative services										
Other administrative services										
Central services										
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	5	5	5	5	5	5	5	5	5	5
Pupil transportation										
Other support services	5	5	5	5	5	5	5	5	5	5
Special Schools										
Food Service	8	8	8	8	8	8	8	8	8	8
Total	<u>119</u>	<u>119</u>	<u>119</u>	<u>119</u>	<u>119</u>	<u>119</u>	<u>117</u>	<u>119</u>	<u>114</u>	<u>104</u>

**Source:** Charter School Personnel Records

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
County of Passaic, New Jersey

J-17

**Operating Statistics**

**Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Kindergarten	Elementary				
2015	796	\$ 11,073,707	\$ 13,912	15.30%	77	1:10	1:10	796	790	14.70%	99.25%
2016	892	13,729,051	15,391	23.98%	87	1:10	1:10	892	890	12.06%	99.78%
2017	900	13,467,547	14,964	-1.90%	92	1:10	1:10	896	890	0.45%	99.33%
2018	897	13,485,955	15,035	0.14%	90	1:10	1:10	897	890	0.11%	99.22%
2019	900	13,681,714	15,202	1.45%	92	1:10	1:10	897	890	0.00%	99.22%
2020	900	14,348,851	15,943	4.88%	92	1:10	1:10	897	890	0.00%	99.22%
2021	894	13,976,852	15,634	-2.59%	92	1:10	1:10	897	890	0.00%	99.22%
2022	895	15,983,152	17,858	14.35%	92	1:10	1:10	897	890	0.00%	99.22%
2023	885	16,886,775	19,081	5.65%	92	1:10	1:10	885	870	-1.34%	98.31%
2024	893	19,909,797	22,295	17.90%	92	1:10	1:10	885	870	0.00%	98.25%

**Sources:** Charter School records

**Note:** Enrollment based on annual June Charter School count.

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

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

c Average daily enrollment and average daily attendance

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-18**

**School Building Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<b>Fiscal Year Ended June 30,</b>									
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Square Feet	110,550	110,550	110,550	110,550	110,550	80,550	80,550	80,550	80,550	80,550
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	893	885	894	894	900	900	897	900	892	796

**Source:** School Records

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-19**

**Schedule of Required Maintenance Expenditures**  
**By School Facility**  
**Last Ten Fiscal Years**  
**(Unaudited)**

2015	\$ 2,621,497
2016	2,601,564
2017	2,666,902
2018	2,868,664
2019	2,862,611
2020	3,171,988
2021	3,016,915
2022	1,345,601
2023	1,540,913
2024	1,525,202
	-
Total	<u><u>\$ 24,221,857</u></u>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Charter School records

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-20**

**Insurance Schedule**

**June 30, 2024**  
**(Unaudited)**

	<u><b>Coverage</b></u>
Commercial property and general liability:	
<b>Property:</b>	
Personal Property	\$ 1,075,000
Business Income	3,450,000
Electronic Data Processing - Equipment Owned	60,000
Electronic Data Processing - Equipment In Transit	10,000
Employee Dishonesty	200,000
Forgery or Alteration	5,000
Building	8,100,000
<b>Commercial General Liability:</b>	
General Aggregate	3,000,000
Personal & Advertising Injury Limit	1,000,000
Damage to Premises Rented by Insured	300,000
Medical Expense Limit Per Person	5,000
Employee Benefits Liability	1,000,000
Abuse Sublimit - Per Person Limit	1,000,000
Abuse Sublimit - Aggregate Limit	1,000,000
 Automobile	 1,000,000
<b>Umbrella Liability:</b>	
Each Occurrence Limit	1,000,000
General Aggregate	1,000,000
Retained Limit	10,000
<b>Workman's Compensation:</b>	
Each Accident	1,000,000
Disease Policy Limit	1,000,000
Disease Each Employee	1,000,000
<b>Directors &amp; Officers:</b>	
Each Occurrence Limit	3,000,000
Retained Limit	5,000

Source: Charter School Records

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-21**

**Charter School Performance Framework Financial Indicators**  
**New Term Indicators**

**June 30, 2024**  
**(Unaudited)**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Cash	\$ 17,473,628	\$ 10,073,381	\$ 8,787,820
Current assets	438,299	1,904,041	946,288
Capital assets, net	4,482,364	2,927,729	3,324,931
Total assets	<u>22,394,291</u>	<u>14,905,151</u>	<u>13,059,039</u>
Current liabilities	3,328,854	1,407,927	989,615
Long term liabilities	-	-	-
Total liabilities	<u>3,328,854</u>	<u>1,407,927</u>	<u>989,615</u>
Net position	<u><u>\$ 19,065,437</u></u>	<u><u>\$ 13,497,224</u></u>	<u><u>\$ 12,069,424</u></u>
Total revenue	\$ 28,617,413	\$ 22,485,280	\$ 22,598,550
Total expenses	<u>(23,210,413)</u>	<u>(21,025,887)</u>	<u>(20,976,737)</u>
Change in net position	<u><u>\$ 5,407,000</u></u>	<u><u>\$ 1,459,393</u></u>	<u><u>\$ 1,621,813</u></u>
Depreciation expense	\$ 568,095	\$ 426,253	\$ 422,387
Interest expense	-	-	-
Principal payments	-	-	-
Interest payments	-	-	-
Final average daily enrollment	893	885	895
March 30th budgeted enrollment	900	900	900

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>Three Year Cumulative</b>
<b>NEAR TERM INDICATORS:</b>				
Current ratio	5.38	8.51	9.84	23.72
Unrestricted days cash	274.79	174.87	152.91	602.56
Enrollment variance	99%	98%	99%	99%
Default	N/A	N/A	N/A	N/A

Source: Charter School Records

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**County of Passaic, New Jersey**

**J-22**

**Charter School Performance Framework Financial Indicators**  
**Sustainability Indicators**

**June 30, 2024**  
**(Unaudited)**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Cash	\$ 17,473,628	\$ 10,073,381	\$ 8,787,820
Current assets	438,299	1,904,041	946,288
Capital assets, net	4,482,364	2,927,729	3,324,931
Total assets	<u>22,394,291</u>	<u>14,905,151</u>	<u>13,059,039</u>
Current liabilities	3,328,854	1,407,927	989,615
Long term liabilities	-	-	-
Total liabilities	<u>3,328,854</u>	<u>1,407,927</u>	<u>989,615</u>
Net position	<u><u>\$ 19,065,437</u></u>	<u><u>\$ 13,497,224</u></u>	<u><u>\$ 12,069,424</u></u>
Total revenue	\$ 28,617,413	\$ 22,485,280	\$ 22,598,550
Total expenses	<u>(23,210,413)</u>	<u>(21,025,887)</u>	<u>(20,976,737)</u>
Change in net position	<u><u>\$ 5,407,000</u></u>	<u><u>\$ 1,459,393</u></u>	<u><u>\$ 1,621,813</u></u>
Depreciation expense	\$ 568,095	\$ 426,253	\$ 422,387
Interest expense	-	-	-
Principal payments	-	-	-
Interest payments	-	-	-
Final average daily enrollment	893	885	895
March 30th budgeted enrollment	900	900	900

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>Three Year Cumulative</b>
<b>SUSTAINABILITY INDICATORS:</b>				
Total margin	19%	6%	7%	12%
Debt to asset	N/A	N/A	N/A	N/A
Cash flow	\$ 7,400,247	\$ 1,285,561	\$ 88,541	\$ 8,774,349
Debt service coverage ratio	N/A	N/A	N/A	N/A

Source: Charter School Records

## Single Audit Section



# GERALD D. LONGO

## CERTIFIED PUBLIC ACCOUNTANT

62 OLD QUEENS BOULEVARD, MANALAPAN, NEW JERSEY 07726-3648

Phone: (732) 446-4768 • Fax: (732) 792-3648 • e-mail: glongcpa@gmail.com

---

K-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 *Government Auditing Standards***

The Honorable President and  
Members of the Board of Trustees  
Community Charter School of Paterson  
County of Passaic  
Paterson, New Jersey

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Community Charter School of Paterson ("the Charter School"), in the County of Passaic, 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, and have issued my report thereon, dated January 23, 2025.

#### **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I 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 my 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, I do not express an opinion on the effectiveness of the Charter School's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

### **Purpose of this Report**

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

*Gerald D. Longo, CPA*

January 23, 2025  
Manalapan, New Jersey

GERALD D. LONGO, CPA



---

Gerald D. Longo, CPA  
Licensed Public School Accountant  
No. 20CS00206400

# GERALD D. LONGO

## CERTIFIED PUBLIC ACCOUNTANT

62 OLD QUEENS BOULEVARD, MANALAPAN, NEW JERSEY 07726-3648

Phone: (732) 446-4768 • Fax: (732) 792-3648 • e-mail: glongcpa@gmail.com

---

K-2

**Independent Auditor's Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance Required by The Uniform Guidance and State of New Jersey OMB's Circular Letter 15-08**

The Honorable President and  
Members of the Board of Trustees  
Community Charter School of Paterson  
County of Passaic,  
Paterson, New Jersey

**Report on Compliance for Each Major Federal and State Program**

**Opinion on Each Major Federal and State Program**

I have audited the Community Charter School of Paterson, in the County of Passaic, State of New Jersey's ("the Charter School's") compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and *State of New Jersey Department of Treasury Circular 15-08-OMB Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal and state programs for the year ended June 30, 2024. The 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 my opinion, the Charter School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

**Basis for Opinion on Each Major Federal and State Program**

I conducted my 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; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

Those standards, the Uniform Guidance, State of New Jersey Department of Treasury Circular 15-08-OMB and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the Charter School and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal and state program. My audit does not provide a legal determination of the 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, regulation, rules, and provisions of contracts or grant agreements applicable to the Charter School's federal and state programs.

### **Auditor's Responsibilities for the Audit of Compliance**

My 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 Charter School's compliance based on my 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 generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 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 omission, misrepresentation, 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 Charter School's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, I:

- Exercise professional judgement 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 the Charter School's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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 federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My 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.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance, State of New Jersey Department of Treasury Circular 15-08-OMB and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Accordingly, this report is not suitable for any other purpose.

*Gerald D. Longo, CPA*

January 23, 2025  
Manalapan, New Jersey

GERALD D. LONGO, CPA

A handwritten signature in black ink that reads "Gerald D. Longo". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

---

Gerald D. Longo, CPA  
Licensed Public School Accountant  
No. 20CS00206400

## COMMUNITY CHARTER SCHOOL OF PATERSON

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Federal Grant/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Federal Award Identification Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2023	Deferred Revenue at June 30, 2023	Due to Grantor at June 30, 2023	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2024	Deferred Revenue at June 30, 2024	Due to Grantor at June 30, 2024
<b>Special Revenue Fund:</b>															
<b>U.S. Department of Education, Pass Through Programs:</b>															
<b>Passed-Through New Jersey State Department of Education</b>															
Title I Part A - FY 2023-2024	84.010A	S010A240030	7/1/23-9/30/24	1,026,886	-	-	-	-	-	1,026,886	(1,026,886)	-	-	-	-
Title I SIA Part A - FY 2023-2024	84.010A	S010A230030	7/1/23-9/30/24	232,200	-	-	-	-	-	232,200	(232,200)	-	-	-	-
<b>Subtotal - Assistance Listing # 84.101A</b>					-	-	-	-	-	1,259,086	(1,259,086)	-	-	-	-
IDEA Part B - FY 2023-2024	84.027	H027A240100	7/1/23-9/30/24	201,465	-	-	-	-	-	201,465	(201,465)	-	-	-	-
IDEA Preschool - FY 2023-2024	84.173	H173A240114	7/1/23-9/30/24	5,533	-	-	-	-	-	5,533	(5,533)	-	-	-	-
IDEA Part B 21st Century Grant - FY 2023-2024	84.027X	H027X240100	7/1/23-9/30/24	30,000	-	-	-	-	-	-	(4,049)	-	(4,049)	-	-
IDEA Part B 21st Century Grant - FY 2022-2023	84.027X	H027X230100	7/1/22-9/30/23	35,000	(32,932)	-	-	-	-	35,000	(2,068)	-	-	-	-
<b>Subtotal - Special Education Cluster</b>					(32,932)	-	-	-	-	241,998	(213,115)	-	(4,049)	-	-
21st Century Grant - FY 2023-2024	84.287C	S287C240030	9/1/23 -8/31/24	550,000	-	-	-	-	-	402,050	(487,471)	-	(85,421)	-	-
21st Century Grant - FY 2022-2023	84.287C	S287C230030	9/1/22-8/31/23	550,000	(65,441)	-	-	14,484	-	138,169	(87,212)	-	-	-	-
<b>Subtotal - 21st Century - Assistance Listing # 84.287C</b>					(65,441)	-	-	14,484	-	540,219	(574,683)	-	(85,421)	-	-
CRRSA-ESSER II	84.425D	S425D210027	3/13/20-9/30/23	2,965,444	(661,532)	-	-	(1)	-	661,533	-	-	-	-	-
CRRSA-Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	190,307	(55,368)	-	-	-	-	190,307	(134,939)	-	-	-	-
CRRSA-Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(40,500)	-	-	-	-	45,000	(4,500)	-	-	-	-
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	6,664,643	(746,824)	-	-	-	-	6,664,643	(5,097,210)	-	-	820,609	-
ARP ESSER III - Accelerated Learning Coaching and Educate	84.425U	S425U210027	3/13/20-9/30/24	115,479	-	-	-	-	-	115,479	(115,479)	-	-	-	-
ARP ESSER III - Evidence Based Summer Learning and Enr	84.425U	S425U210027	3/13/20-9/30/24	40,000	-	-	-	-	-	40,000	(40,000)	-	-	-	-
ARP ESSER III - Evidence-Based Comprehensive Beyond the	84.425U	S425U210027	3/13/20-9/30/24	4,000	-	-	-	-	-	40,000	(7,337)	-	-	32,663	-
ARP ESSER III - NJTSS Mental Health Support Staffing Gran	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	-	-	-	45,000	(29,551)	-	-	15,449	-
GEER - New Jersey High Impact Tutoring Program	84.425V	S425V210031	10/11/23-8/31/24	97,000	-	-	-	-	-	95,700	(95,700)	-	-	-	-
<b>Subtotal - Elementary and Secondary School Education Emergency Relief (ESSER) Funds</b>					(1,504,224)	-	-	(1)	-	7,897,662	(5,524,716)	-	-	868,721	-
<b>Subtotal, U.S. Department of Education, Pass Through Programs</b>					(1,602,597)	-	-	14,483	-	9,938,965	(7,571,600)	-	(89,470)	868,721	-
<b>Subtotal, Passed-Through New Jersey Department of Education</b>					(1,602,597)	-	-	14,483	-	9,938,965	(7,571,600)	-	(89,470)	868,721	-
<b>Total Special Revenue</b>					(1,602,597)	-	-	14,483	-	9,938,965	(7,571,600)	-	(89,470)	868,721	-
<b>Enterprise Fund:</b>															
<b>U.S. Department of Agriculture, Pass-Through Programs:</b>															
<b>Passed-Through New Jersey State Department of Agriculture</b>															
National School Lunch Program	10.555	241NJ304N1099	7/1/23-6/30/24	434,885	-	-	-	-	-	349,331	(434,885)	-	(85,554)	-	-
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	531,029	(35,376)	-	-	-	-	35,376	-	-	-	-	-
Healthy, Hunger-Free Kids Act	10.555	241NJ304N1099	7/1/23-6/30/24	10,977	-	-	-	-	-	8,817	(10,977)	-	(2,160)	-	-
Healthy, Hunger-Free Kids Act	10.555	231NJ304N1099	7/1/22-6/30/23	11,018	(763)	-	-	-	-	763	-	-	-	-	-
After School Snacks	10.555	241NJ304N1099	7/1/23-6/30/24	57,625	-	-	-	-	-	46,078	(57,625)	-	(11,547)	-	-
After School Snacks	10.555	231NJ304N1099	7/1/22-6/30/23	58,698	(1,811)	-	-	-	-	1,811	-	-	-	-	-
<b>Subtotal Assistance Listing # 10.555</b>					(37,950)	-	-	-	-	442,176	(503,487)	-	(99,261)	-	-
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	166,703	-	-	-	-	-	132,438	(166,703)	-	(34,265)	-	-
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	184,955	(13,022)	-	-	-	-	13,022	-	-	-	-	-
<b>Subtotal Assistance Listing # 10.553</b>					(13,022)	-	-	-	-	145,460	(166,703)	-	(34,265)	-	-
<b>Total Enterprise Fund/Total U.S. Department of Agriculture, Pass-Through Programs/Child Nutrition Cluster</b>					(50,972)	-	-	-	-	587,636	(670,190)	-	(133,526)	-	-
<b>Total Expenditures of Federal Awards</b>					\$ (1,653,569)	\$ -	\$ -	\$ 14,483	\$ -	\$ 10,526,601	\$ (8,241,790)	\$ -	\$ (222,996)	\$ 868,721	\$ -

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

COMMUNITY CHARTER SCHOOL OF PATERSON

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2023	Deferred Revenue at June 30, 2023	Due to Grantor at June 30, 2023	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2024	Deferred Revenue at June 30, 2024	Due to Grantor at June 30, 2024
<b>New Jersey State Department of Education</b>														
<b>General Fund:</b>														
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 15,522,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,809,669	\$ (15,522,638)	\$ -	\$ (101,761)	\$ -	\$ 185,270
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	12,759,244	(83,950)	-	61,419	-	-	83,950	-	(61,419)	-	-	-
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	405,978	-	-	-	-	-	405,978	(405,978)	-	-	-	-
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	515,213	-	-	-	-	-	515,213	(515,213)	-	-	-	-
State Adjustment Aid	24-495-034-5120-085	7/1/23-6/30/24	-	-	-	-	-	-	-	-	-	-	-	-
TPAF/FICA Reimbursements	24-495-034-5095-003	7/1/23-6/30/24	259,486	-	-	-	-	-	238,250	(259,486)	-	(21,236)	-	-
TPAF/FICA Reimbursements	23-495-034-5095-003	7/1/22-6/30/23	267,956	(26,296)	-	-	-	-	26,296	-	-	-	-	-
TPAF Post Retirement Medical Contribution	24-495-034-5094-001	7/1/23-6/30/24	330,652	-	-	-	-	-	330,652	(330,652)	-	-	-	-
TPAF Pension Contribution - Normal & NCGI	24-495-034-5094-002	7/1/23-6/30/24	1,214,903	-	-	-	-	-	1,214,903	(1,214,903)	-	-	-	-
TPAF Long Term Disability Insurance Premium	24-495-034-5094-004	7/1/23-6/30/24	978	-	-	-	-	-	978	(978)	-	-	-	-
<b>Total General Fund/Total State Department of Education</b>				<u>(110,246)</u>	<u>-</u>	<u>61,419</u>	<u>-</u>	<u>-</u>	<u>18,625,889</u>	<u>(18,249,848)</u>	<u>(61,419)</u>	<u>(122,997)</u>	<u>-</u>	<u>185,270</u>
<b>Special Revenue Fund:</b>														
Charter & Renaissance School Project Emergent and Capital Maintenance Funds	24-495-034-5120-071	7/1/23-6/30/24	260,154	-	-	-	-	(39,524)	260,154	-	-	-	220,630	-
Charter & Renaissance School Project Emergent and Capital Maintenance Funds	23-495-034-5120-071	7/1/23-6/30/24	137,918	-	137,918	-	-	39,524	-	(177,442)	-	-	-	-
Preschool and Charter Security Grant	24-495-034-5120-086	7/1/21-9/30/23	49,051	(49,003)	-	-	(48)	-	49,051	-	-	-	-	-
<b>Total Special Revenue Fund</b>				<u>(49,003)</u>	<u>137,918</u>	<u>-</u>	<u>(48)</u>	<u>-</u>	<u>309,205</u>	<u>(177,442)</u>	<u>-</u>	<u>-</u>	<u>220,630</u>	<u>-</u>
<b>Total New Jersey State Department of Education</b>				<u>(159,249)</u>	<u>137,918</u>	<u>61,419</u>	<u>(48)</u>	<u>-</u>	<u>18,935,094</u>	<u>(18,427,290)</u>	<u>(61,419)</u>	<u>(122,997)</u>	<u>220,630</u>	<u>185,270</u>
<b>New Jersey State Department of Agriculture - Direct Programs</b>														
<b>Enterprise Fund:</b>														
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	9,213	-	-	-	-	-	7,400	(9,213)	-	(1,813)	-	-
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	9,450	(650)	-	-	-	-	650	-	-	-	-	-
State School Breakfast Program - After Bell	24-100-010-3350-023	7/1/23-6/30/24	2,017	-	-	-	-	-	1,524	(2,017)	-	(493)	-	-
State School Breakfast Program - After Bell	23-100-010-3350-023	7/1/22-6/30/23	7,804	(571)	-	-	-	-	571	-	-	-	-	-
<b>Total Enterprise Fund/Total State Department of Agriculture - Direct Programs</b>				<u>(1,221)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,145</u>	<u>(11,230)</u>	<u>-</u>	<u>(2,306)</u>	<u>-</u>	<u>-</u>
<b>Total State Financial Assistance</b>				<u>\$ (160,470)</u>	<u>\$ 137,918</u>	<u>\$ 61,419</u>	<u>\$ (48)</u>	<u>\$ -</u>	<u>\$ 18,945,239</u>	<u>(18,438,520)</u>	<u>\$ (61,419)</u>	<u>\$ (125,303)</u>	<u>\$ 220,630</u>	<u>\$ 185,270</u>
<b>Less Amounts Not Subject to Single Audit:</b>										330,652				
TPAF Post Retirement Medical Contribution										1,214,903				
TPAF Pension Contribution - Normal & NCGI										978				
TPAF Long Term Disability Insurance Premium														
<b>Total Expenditures of State Financial Assistance Subject to Single Audit</b>										<u>\$ (16,891,987)</u>				

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



**COMMUNITY CHARTER SCHOOL OF PATERSON  
(County of Passaic)**

**Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
Year Ended June 30, 2024**

---

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal awards and state financial assistance of the Charter School. All federal awards and state financial assistance 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.

**2. Basis of Accounting**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Charter School's basic financial statements. The information in these schedules is presented in accordance with the 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 provisions of New Jersey Department of the Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the Charter School's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or expenditures have been made. The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to GAAP basis is \$-0- for the general fund and \$-0- for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**Year Ended June 30, 2024**

---

**3. Relationship to Basic Financial Statements - *continued***

Federal awards and state financial assistance revenues are reported in the Charter School's basic financial statements on a GAAP basis as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ -	\$ 18,249,848	\$ 18,249,848
Special Revenue Fund	7,571,600	177,442	7,749,042
Enterprise Fund	670,190	11,230	681,420
Total	<u>\$ 8,241,790</u>	<u>\$ 18,438,520</u>	<u>\$ 26,680,310</u>

**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.

**5. Other**

TPAF Social Security contribution in the amount of \$259,486 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF pension representing on-behalf employer's portion of the Pension System Contributions, Post-Retirement Medical Benefits Contributions and Long-Term Disability Insurance Premium Contributions in the amount of \$1,546,533 represents the amount paid by the State on behalf of the Charter School for the fiscal year ended June 30, 2024.

**6. On-Behalf Programs not Subject to State Single Audit**

On-behalf state programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a state single audit and therefore are excluded from major program determination. The schedule of expenditures of state financial assistance provides a reconciliation of state financial assistance reported in the charter school's basic financial statements and the amount subject to state single audit and major program determination.

**7. De Minimis Indirect Cost**

The Charter School has not elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2024**

---

**Part I Summary of Auditors' Results**

**Financial Statements Section**

Type of auditors' report issued: Unmodified  
Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ Yes ☒ No

Significant deficiencies identified? \_\_\_\_\_ Yes ☒ None reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes ☒ No

**Federal Awards Section**

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes ☒ No

Significant deficiencies identified? \_\_\_\_\_ Yes ☒ 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 2 CFR 200.516(a)? \_\_\_\_\_ Yes ☒ No

Identification of major programs:

**Assistance Listing**

<u>Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	S010A240030	Title IA and Title I SIA
10.553	241NJ304N1099	National School Breakfast Prog – Child Nutrition Cluster
10.555	241NJ304N1099	National School Lunch Program – Child Nutrition Cluster
10.555	241NJ304N1099	Healthy Hunger Free Kids Act – Child Nutrition Cluster
10.555	241NJ304N1099	After School Snack Program – Child Nutrition Cluster

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

Auditee qualifies as low-risk auditee? ☒ Yes \_\_\_\_\_ No

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**(County of Passaic)**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2024**

---

**Part I Summary of Auditors' Results**

**State Financial Assistance Section**

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

Auditee qualifies as low-risk auditee? ☒ Yes ☐ No

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

Internal control over major programs:

Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported  
in accordance with NJ OMB Circulars 15-08 as applicable? ☐ Yes ☒ No

Identification of Major Programs:

<u>State Grant/Program Number(s)</u>	<u>Name of State Program or Cluster</u>
24-495-034-5120-078	Equalization Aid
24-495-034-5120-089	Special Education Aid
24-495-034-5120-084	Security Aid

**COMMUNITY CHARTER SCHOOL OF PATERSON  
(County of Passaic)  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

---

**Part II – Schedule of Financial Statement Findings**

NONE

**COMMUNITY CHARTER SCHOOL OF PATERSON  
(County of Passaic)  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

---

**Part III – Schedule of Federal Awards**

NONE

**Part III – Schedule of State Financial Assistance**

NONE

**COMMUNITY CHARTER SCHOOL OF PATERSON  
(County of Passaic)  
Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2024**

---

**Major Program - Schedule of State Financial Assistance**

**2023-001 – FICA Reimbursement from Schools to the State Treasury (FICA) TPAF  
Pension Reimbursement from Schools to the State Treasury  
TPAF Reimbursement to the State for Federal Salary Expenditures  
Reimbursement Amount Not Remitted to the State Timely**

**Information on State Financial Assistance  
New Jersey Department of Education**

<u>State Grant #</u>	<u>State Grant</u>
23-495-034-509-003	Reimbursed TPAF Social Security Contributions

**State Grant Compliance Supplement –FICA Reimbursement from Schools**

*Condition/Context*

As part of our audit we were required to obtain a copy of the *N.J.S.A.* 18A:66-90 reimbursement request letter and accompanying reimbursement calculation and transmittal form issued by the Department during July 2023 from the Department website and a copy of the cancelled check, representing reimbursement back to the State for TPAF pension and FICA payments made by the State for TPAF member wages.

I noted that the Charter School properly determined the amount of the TPAF/FICA to be reimbursed to the State and the payable was properly accrued as of June 30, 2023. However, the amount was not paid to the State as of the date of my report. It should be noted that the amount was statutorily due on September 30, 2023 – 90 days after June 30, 2023 year end. The amounts due were subsequently paid prior to June 30, 2024.

**Current Year's Status:** This condition did not exist for the fiscal year ended June 30, 2024.