



ATLANTIC COMMUNITY
CHARTER SCHOOL

Atlantic Community Charter School, Inc.

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

ATLANTIC COMMUNITY CHARTER SCHOOL
Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	10
Required Supplementary Information - Part I Management's Discussion and Analysis	14
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	27
A-2 Statement of Activities	28
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	30
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	31
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
B-4 Statement of Net Position	N/A
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
B-6 Statement of Cash Flows	N/A
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	33
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	63
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	70
C-3 Notes to Required Supplementary Information - Part II Budgetary Comparison Schedule – Note to RSI	71

ATLANTIC COMMUNITY CHARTER SCHOOL
Table of Contents (Cont'd)

	Page
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the Charter School's Proportionate Share of the Net Pension Liability – PERS	73
L-2 Schedule of the Charter School's Contributions – PERS	74
L-3 Schedule of the Charter School's Proportionate Share of the Net Pension Liability – TPAF	75
L-4 Schedule of the Charter School's Contributions – TPAF	76
L-5 Notes to the Required Supplementary Information - Part III	77
Required Supplementary Information - Part IV	
M. Schedules Related to Accounting and Reporting for OPEB	
M-1 Schedule of Changes in the Charter School's Total OPEB Liability and Related Ratios	79
M-2 Notes to the Required Supplementary Information - Part IV	80
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	83
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status	N/A
F-2b Statement of Project Revenues, Expenditures, Project Balance and Project Status	N/A

ATLANTIC COMMUNITY CHARTER SCHOOL
Table of Contents (Cont'd)

Other Supplementary Information (Cont'd)	Page
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Statement of Fiduciary Net Position	N/A
H-2 Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations under Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	88
J-2 Changes in Net Position	89
J-3 Fund Balances - Governmental Funds	90
J-4 Changes in Fund Balances - Governmental Funds	91
J-5 General Fund Other Local Revenue by Source	92

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies and Collections	N/A

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	94
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A

ATLANTIC COMMUNITY CHARTER SCHOOL
Table of Contents (Cont'd)

	Page
STATISTICAL SECTION (Unaudited) (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	96
J-15 Principal Non-Governmental Employers	97
Operating Information	
J-16 Full-time Equivalent Charter School Employees by Function/Program	99
J-17 Operating Statistics	100
J-18 School Building Information	101
J-19 Schedule of Required Maintenance Expenditures by School Facility	N/A
J-20 Insurance Schedule	102
J-21 Charter School Performance Framework – Financial Indicators – Fiscal Ratios	108
SINGLE AUDIT SECTION	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	110
K-2 Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by State of New Jersey Circular 15-08-OMB	112
K-3 Schedule of Expenditures of Federal Awards, Schedule A	115
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	117
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	119
Schedule of Findings and Questioned Costs:	
K-6 Section 1 - Summary of Auditor's Results	121
K-6 Section 2 - Schedule of Financial Statement Findings	123
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	124

INTRODUCTORY SECTION



ATLANTIC COMMUNITY
CHARTER SCHOOL

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Galloway, NJ 08205
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AtlanticCommunityCharter.com

November 15, 2024

The Honorable President and
Members of the Board of Trustees
Atlantic Community Charter School
Galloway, New Jersey 08205

Dear Board Members:

We are pleased to present to you the Annual Comprehensive Financial Report (the "ACFR") of the Atlantic Community Charter School (the "Charter School") for the fiscal year ended June 30, 2024. This ACFR includes the Charter School's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (the "Board").

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

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

- The Introductory Section contains a Letter of Transmittal, Organizational Charter, Roster of Officials, and a listing of the Consultants and Advisors of the Charter;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected financial and demographic information, generally presented on a multi- year basis;
- The Single Audit Section -The Charter School is required to undergo an annual single audit, if applicable, in conformity with the provisions 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts, and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

An appointed seven member Board serves as the policymaker for the Charter School. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of the Charter School's tax money.

The Lead Person is the Chief Executive Officer of the Charter School, responsible to the Board for total educational and support operations. The Business Administrator is the Chief Financial Officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

1. REPORTING ENTITY AND ITS SERVICES

The Charter School is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the Charter School are included in this report. The Charter School's Board constitutes the Charter School's reporting entity.

The Charter School provides a full range of services appropriate to grade levels Kindergarten through Eighth grade. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2023-24 school year with an enrollment of 317 students.

2. ECONOMIC CONDITION AND OUTLOOK

The Charter School opened in September 2014 with a four-year charter expiring on June 30, 2018. On January 11, 2018, the State of New Jersey Department of Education renewed the Charter School's charter for a period of five years through June 30, 2023. On February 1, 2023, the charter was renewed for another five years through June 30, 2028. Enrollment at the Charter School has grown from an initial 150 students to 317 students as of June 30, 2024. Budgeted enrollment for 2024-25 school year is 360 students. Management is stable and the Charter School's finances support the anticipated growth of the student population.

3. MAJOR INITIATIVES

The Charter School has developed a comprehensive strategic plan focused on promoting academic excellence across all subjects, with a particular emphasis on literacy as a critical component for achieving its goals. This plan includes data-driven instruction and decision-making processes for both teachers and administrators, structured professional development for all certified and non-certified staff, and the integration of a technology program in each classroom.

The Charter School is implementing Climate Education and Resiliency Education. In collaboration with Stockton University and Tuckahoe Turf Farm, the Charter School will develop lessons focused on climate science. Additionally, the Charter School will provide interventions through high-impact tutoring and interventionists for ELA (English Language Arts) and Math during the school day.

Furthermore, the Charter School is focusing on restorative discipline practices. A major goal for the 2024/2025 school year is to improve daily student attendance and reduce the number of students who are chronically absent from school.

4. INTERNAL ACCOUNTING CONTROLS

Management of the Charter School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Charter School are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that:

- (a) The costs of a control should not exceed the benefits likely to be derived; and
- (b) The valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. There were no amounts to be reported as assignments of fund balance at June 30, 2024. (no re-appropriations)

6. ACCOUNTING SYSTEM AND REPORTS

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds.

7. CASH MANAGEMENT

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

8. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, directors and officer's liability, child molestation, accident insurance, workers compensation, hazard and theft on property and contents, benefits, and surety bonds.

9. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules 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.

10. ACKNOWLEDGEMENTS

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

Respectfully submitted,

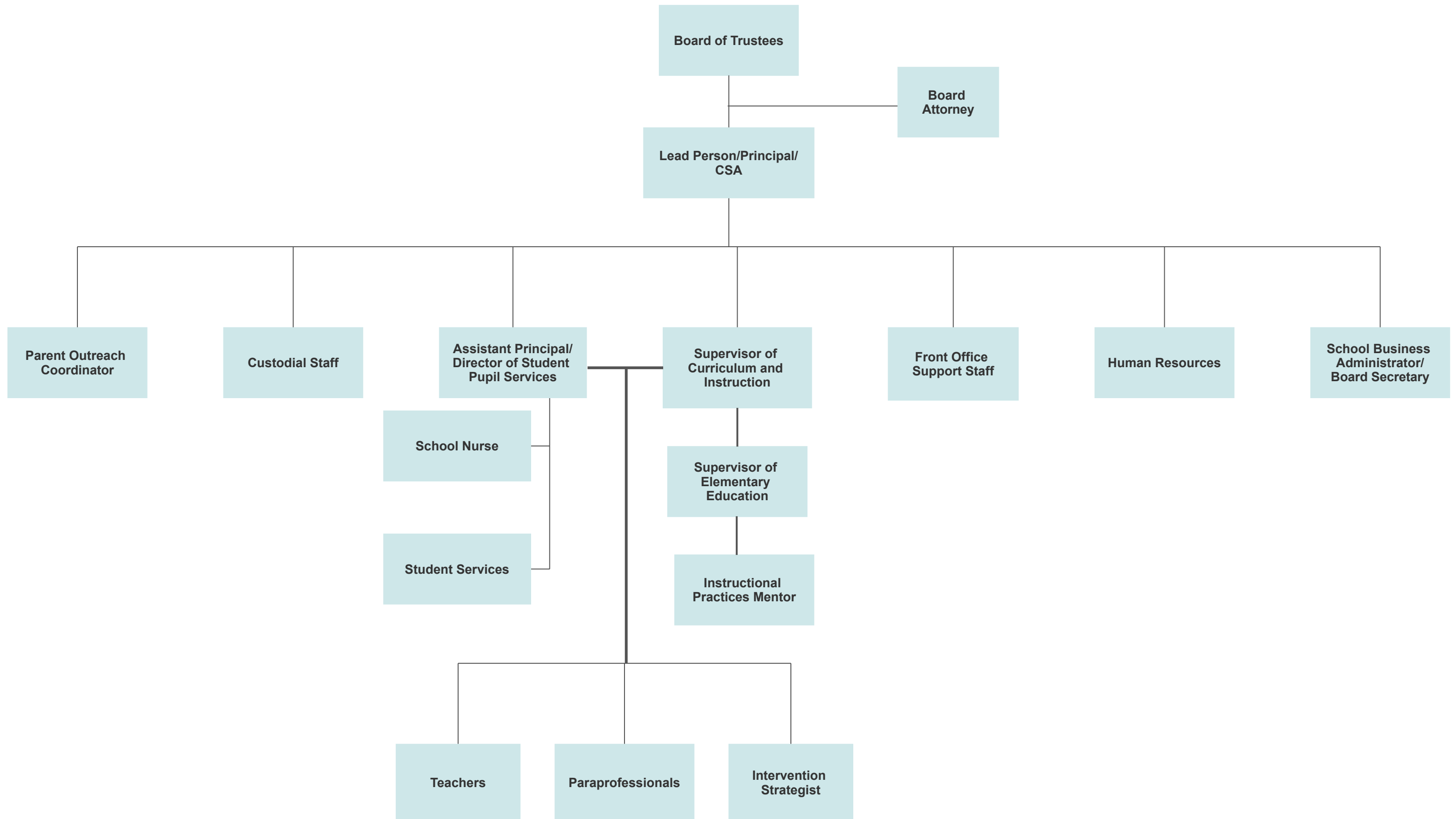


Mr. Glenn Richardson
School Business Administrator/Board Secretary



Mr. Christopher Armstrong
Lead Person/Principal

Atlantic Community Charter School 2023-2024 Organizational Chart



June 19, 2023

**ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GALLOWAY, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2024**

Members of the Board of Trustees

Officers:

Dr. Dominick Potena	President
Dr. Kenneth King	Vice President

Board Members:

Matthew Heinle
Peter Damon Seltzer
Marlene D. Frayne
Kimberly Vaughan
Douglas B. Groff

Staff:

Mr. Christopher Armstrong	Lead person
Steve DiMatteo	Principal/Director of Special Education
Mr. Glenn Richardson	School Business Administrator and Board Secretary

**ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GALLOWAY, NEW JERSEY**

CONSULTANTS & ADVISORS

June 30, 2024

Management Company:

CSMI, LLC
419 Avenue of the States
Chester, PA 19013

Board Secretary:

Mr. Glenn Richardson
Pressler Richardson Charter School Services
P.O. Box 69
Roosevelt, NJ 08555

School Business Administrator:

Mr. Glenn Richardson
Pressler Richardson Charter School Services
P.O. Box 69
Roosevelt, NJ 08555

Certified Purchasing Agent:

James Shoop
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Fairfield NJ 07004

Audit Firm:

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney:

Seth Broder
Broder Law Group, P. C.
110 Marter Avenue, Suite 103
Moorestown, NJ 08057

Official Depositories:

Fulton Bank of NJ
Suite 250
533 Fellowship Road
Mt. Laurel, NJ 08054

Insurance Broker:

Conner Strong & Buckelew
40 Lake Center Executive Park
401 Rt 73N
Marlton, NJ 08053

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
Atlantic Community Charter School, Inc.
Galloway, New Jersey 08205

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Atlantic Community Charter School, Inc., in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Atlantic Community Charter School, Inc., in the County of Atlantic, State of New Jersey, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, 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 a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the Charter School's proportionate share of the net pension liability, schedule of the Charter School's pension contributions, and schedule of changes in the Charter School's total OPEB liability and related ratios, as listed in the table of contents, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Supplementary Information (Cont'd)

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and 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

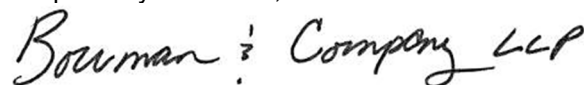
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024 on our consideration of the Atlantic Community Charter School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Atlantic Community Charter School, Inc.'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 Atlantic Community Charter School, Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
November 15, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2024

(Unaudited)

As management of the Atlantic Community Charter School, Inc. (hereafter referred to as the "Charter School"), we offer readers of the Charter School's annual comprehensive financial report this narrative overview and analysis of the financial activities for the fiscal year that ended on June 30, 2024. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Charter School's financial performance.

The 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 Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain required comparative information between the current fiscal year (2023-2024) and the prior fiscal year (2022-2023) is presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The net position of the Charter School, which represents the difference between the summation of assets and deferred outflows of resources and the summation of liabilities and deferred inflows of resources, totaled \$1,321,323 at the close of the current fiscal year all of which is for governmental activities. This included (\$672,707) net investment in capital assets, a restricted net position of \$3,111 for student activities and \$584 for unemployment and an unrestricted net position of \$1,990,335. At June 30, 2023, net position was a \$1,356,619.
- General revenues were \$7,842,500 or 76% of all revenues. Program specific revenues in the form of charges for services, operating grants and capital grants were \$2,440,166 or 24% of total revenues. The Charter School also realized a special item for an insurance recovery of \$48,206, or less than 1% of revenues. Total revenues were \$10,330,872. Total revenues at June 30, 2023 were \$11,918,544.
- Expenses were \$10,336,168. Expenses at June 30, 2023 were \$10,075,443.
- Capital assets net of accumulated depreciation were \$4,860,531. Capital assets net of accumulated depreciation at June 30, 2023 were \$4,954,532.
- General Fund fund balance at June 30, 2024 was \$3,195,637. General Fund fund balance at June 30, 2023 was \$3,028,279.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT

This annual comprehensive financial report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Charter School as a whole and present a longer-term view of the Charter School's finances. Fund financial statements for the governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Charter School's operations in more detail than the government-wide statements by providing information about the Charter School's most significant funds.

Reporting the Charter School as a Whole

One of the most important questions asked about the Charter School's finances is, "Is the Charter School as a whole better off or worse off as a result of the fiscal year's activities?" The statement of net position and the statement of activities report information about the Charter School as a whole and about its activities in a way that helps answer this question.

These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is like the accounting used by most private-sector companies. All the current fiscal year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the Charter School's *net position* and changes in it. You can think of the Charter School's net position - which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources - as one way to measure the Charter School's financial health, or *financial position*. Over time, *increases or decreases* in the Charter School's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Charter School's revenue base and the condition of the Charter School's capital assets, to assess the *overall health* of the Charter School.

Reporting the Charter School's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the Charter School as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Charter School can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - governmental funds are used to account for the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

Reporting the Charter School's Most Significant Funds (Cont'd)

The Charter School maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund, which are both, considered major funds. For the current and previous fiscal year, the Charter School did not have any activity in the capital projects fund.

The Charter School adopts an annual budget for its general fund and special revenue fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Proprietary Funds - The Charter School does not maintain a proprietary fund as its food services operation is outsourced to a New Jersey public school district.

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

THE CHARTER SCHOOL AS A WHOLE

During fiscal year 2024, the Charter School's net position decreased by (\$35,296). Net position at June 30, 2023 was \$1,356,619. At June 30, 2024, net position is \$1,321,323. The analysis that follows focuses on the net position (Table A-1), the impact on net position from the implementation of GASB 68 (Table A-2) and changes in net position (Table A-3) of the Charter School's governmental activities. The net cost of governmental activities is shown in Table A-4.

Table A-1
STATEMENTS OF NET POSITION

	<u>Governmental Activities</u>	
ASSETS:	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash and Cash Equivalents	\$ 4,066,110	\$ 3,397,056
Accounts Receivable, net	252,856	505,205
Prepaid Expenses	989	801
Restricted Cash and Cash Equivalents	148,870	23,750
Capital Assets, net	<u>4,860,531</u>	<u>4,954,532</u>
Total Assets	<u>9,329,356</u>	<u>8,881,344</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Related to Pensions	<u>539,891</u>	<u>861,489</u>

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Table A-1 (Cont'd)
STATEMENTS OF NET POSITION

	<u>Governmental Activities</u>	
LIABILITIES	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Accounts Payable and Accrued Expenses	\$ 809,599	\$ 803,714
Accrued Interest Payable		17
Payable to Local Government	459,533	176,573
Unearned Revenue	85,279	1,509
Noncurrent Liabilities:		
Due within One Year	131,864	119,342
Due beyond One Year	6,898,528	7,049,704
	<u>8,384,803</u>	<u>8,150,859</u>
Total Liabilities		
	<u>8,384,803</u>	<u>8,150,859</u>
DEFERRED INFLOWS OF RESOURCES:		
Related to Pensions	<u>163,121</u>	<u>235,355</u>
NET POSITION		
Net Investment in Capital Assets	(672,707)	(608,065)
Restricted	3,695	721
Unrestricted	<u>1,990,335</u>	<u>1,963,963</u>
Total Net Position (Deficit)	<u>\$ 1,321,323</u>	<u>\$ 1,356,619</u>

Table A-2
STATEMENT OF NET POSITION - EFFECT OF PENSION RELATED ITEMS

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 539,891	\$ 861,489	\$ (321,598)	-37%
Less: Net Pension Liability	(918,842)	(1,060,581)	141,739	-13%
Less: Deferred Inflows Related to Pensions	<u>(163,121)</u>	<u>(235,355)</u>	<u>72,234</u>	-31%
Total	<u>\$ (542,072)</u>	<u>\$ (434,447)</u>	<u>\$ (107,625)</u>	

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Total assets increased by \$448,012 or 5%. This net increase resulted from increases in the overall cash position by \$794,174; prepaid expense by \$188 and was offset by decreases for receivables by (\$252,349) and Capital Assets by (\$94,001). The decrease in capital assets is from increases for capital outlay of \$99,852 less current year depreciation of (\$193,853).

Deferred outflows decreased (\$321,598) because of Governmental Accounting Standards Board Statement No. 68 (GASB 68) for the Charter School's participation in the Public Employees' Pension Plan.

Overall liabilities increased by \$233,944 or 3%. This net increase included increases in accounts payable and accrued expenses of \$5,885; in unearned revenue of \$83,770 and in amounts payable to local governments of \$282,960; offset by a decrease in current accrued interest of (\$17). The net increases were also offset by a decrease in noncurrent liabilities of (\$138,654). The changes in noncurrent liabilities were a decrease in financed purchases payable of (\$29,359); and a net decrease in net pension liability of (\$141,739) offset by a net increase for compensated absences for \$14,441.

Deferred inflows of resources decreased by (\$72,234) because of Governmental Accounting Standards Board Statement No. 68 (GASB 68) for the Charter School's participation in the Public Employees' Pension Plan.

One portion of the Charter School's total net position at the end of the current fiscal year is a deficit of (\$672,707) reflecting its net investment in capital assets (i.e., land, land improvements, buildings, and equipment). This component represents capital assets, net of accumulated depreciation and net of outstanding balances of borrowings in the form of a financed purchases used for the acquisition of these assets. It is a deficit because the balance of the underlying debt exceeds the recorded value of the asset net of accumulated depreciation. This position was (\$608,065) at June 30, 2023. The Charter School uses these assets to provide educational services to students; consequently, these assets are not available for future spending.

The Charter School has restricted net position from its student activities of \$3,111 and for unemployment of \$584. At June 30, 2023, restricted net position was \$721 for student activities.

The final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the aforementioned component of net position. At the end of the current fiscal year, the Charter School's unrestricted net position at June 30, 2024 was \$1,990,335. This was \$1,963,963 at June 30, 2023.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

Table A-3
STATEMENTS OF ACTIVITIES

	Governmental Activities	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 7,223	\$ 2,717
Operating Grants and Contributions	2,423,943	3,421,759
Capital Grants and Contributions	9,000	30,784
General Revenues:		
Charter School Aid	7,718,715	6,840,158
State and Federal Aid - Not Restricted		10,243
Restricted Interest Income	465	
Miscellaneous Income	123,320	99,082
Special Items:		
Insurance Recovery	48,206	
Employee Retention Credit, Net		1,513,801
	<u>10,330,872</u>	<u>11,918,544</u>
Total Revenues and Special Items		
Expenses:		
Regular Instruction	2,307,749	2,531,440
Special Education Instruction	701,779	424,568
Bilingual Education Instruction	111,050	109,090
Support Services and Undistributed Costs:		
Student and Instruction Related Services	1,319,677	1,163,664
School Administrative Services	535,991	510,533
Other Administrative Services	2,007,556	1,938,378
Plant Operations and Maintenance	562,231	513,449
Pupil Transportation	98,480	94,029
Unallocated Benefits	2,262,613	2,337,285
Interest on Long-term Debt	459,042	453,007
	<u>10,366,168</u>	<u>10,075,443</u>
Total Expenses		
Change in Net Position	<u>(35,296)</u>	<u>1,843,101</u>
Net Position, July 1	1,356,619	(920,821)
Prior Period Adjustment		434,339
	<u>1,356,619</u>	<u>(486,482)</u>
Net Position (Deficit), July 1 (Restated)		
Net Position, June 30	<u>\$ 1,321,323</u>	<u>\$ 1,356,619</u>

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

THE CHARTER SCHOOL AS A WHOLE (CONT'D)

During fiscal year 2024, the Charter School's total revenues decreased by (\$1,587,672) decreasing from \$11,918,544 in fiscal year 2023 to \$10,330,872 in fiscal year 2024. The net decrease in total revenues is attributable to decreases in special items of (\$1,465,595); operating grants and contributions of (\$997,816), capital grants and contributions of (\$21,784); SEMI Medicaid of (9,998) and state aid for lead testing of (\$245) and offset by increases for charges for services of \$4,505; Charter School Aid of \$878,557, restricted interest income of \$465 and miscellaneous revenues of \$24,239.

The largest concentration of total revenues of the Charter School for fiscal year 2024 is Charter School Aid, which consisted of Local Levy Equalization Aid State and Local Share and Categorical Special Education and Security Aid which totaled \$7,718,715 and represented 75% of total revenues. Revenues also included operating and capital grants of \$2,432,943 or 24%. Revenue sources which were 1% or less each were charges for services from student activity of \$7,223; miscellaneous revenues of \$123,320; restricted interest income of \$465; and a special item for insurance recovery of \$48,206. Governmental activities rely heavily on the revenues coming from or passing through the student's district of residence, which are the Local Levy Equalization Aid State and Local Share and Categorical Aid, to fund general operations.

During fiscal year 2024, the Charter School's total expenses increased by \$290,725 from \$10,075,443 in fiscal year 2023 to \$10,366,168 in fiscal year 2024. The net increase in total expenses resulted from increases for instruction of \$55,480 or 2%; student and instruction related services of \$156,013 or 13%; school administrative services of \$25,458 or 5%; other administrative services of \$69,178 of 4%; plant operations of \$48,782 or 10%, pupil transportation of \$4,451 or 5% and interest on long-term debt of \$6,035 or 1%; offset by decreases for unallocated benefits of (\$74,672) or (3%).

Table A-4
NET COST OF GOVERNMENTAL ACTIVITIES

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Regular Instruction	\$ 2,307,749	\$ 1,969,113	\$ 2,531,440	\$ 1,504,390
Special Education Instruction	701,779	701,779	424,568	424,568
Bilingual Education Instruction	111,050	111,050	109,090	109,090
Support Services and Undistributed Costs:				
Student and Instruction Related Services	1,319,677	548,890	1,163,664	390,216
School Administrative Services	535,991	535,991	510,533	510,533
Other Administrative Services	2,007,556	2,007,556	1,938,378	1,938,378
Plant Operations and Maintenance	562,231	549,674	513,449	452,817
Pupil Transportation	98,480	98,480	94,029	94,029
Unallocated Benefits	2,262,613	944,427	2,337,285	743,747
Interest on Long-term Debt	459,042	459,042	453,007	452,415
Total Expenses	<u>\$ 10,366,168</u>	<u>\$ 7,926,002</u>	<u>\$ 10,075,443</u>	<u>\$ 6,620,183</u>

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

THE CHARTER SCHOOL'S FUNDS

Governmental Funds

As the Charter School completed the fiscal year, its governmental funds had a fund balance of \$3,198,748. At June 30, 2023, the fund balance was \$3,029,000.

General Fund - The general fund is the general operating fund of the Charter School and is used to account for the inflows and outflows of its financial resources. The acquisition of certain capital assets, such as land, land improvements, buildings, and equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the current fiscal year, the Charter School's fund balance in the general fund was \$3,195,637.

The primary factors affecting operations in the general fund were as follows:

- Total revenues (Table A-5) increased from fiscal year 2023 by \$760,106. The revenue sources primarily contributing to the increase were increases for Charter School Aid (Local Levy Equalization Aid – State and Local Share and Categorical Aid) of \$878,557, restricted interest income of \$465, and unrestricted miscellaneous revenues of \$24,704. These were offset by decreases for TPAF Pension and Social Security (\$132,912), Lead Testing for schools (\$245) and Federal Sources for SEMI Medicaid of (\$9,998).
- A special item for an insurance recovery that resulted from a lightning strike is recognized on Exhibit B-2 for \$48,206.
- Total expenditures (Table A-6) increased from fiscal year 2023 by \$1,319,948. As presented in Table A-6, each expenditure contributed to the increase except for TPAF Pension and Social Security which decreased (\$132,912).

Table A-5
SUMMARY OF GENERAL FUND REVENUE

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Revenues:		
Local Sources:		
Restricted Interest Income	\$ 465	
Unrestricted Miscellaneous Revenue	<u>123,785</u>	<u>\$ 99,081</u>
Total Local Sources	<u>124,250</u>	<u>99,081</u>
State Sources:		
Charter School Aid	7,718,715	6,840,158
Lead Testing for Schools		245
TPAF Pension and Social Security	<u>1,247,334</u>	<u>1,380,246</u>
Total State Sources	<u>8,966,049</u>	<u>8,220,649</u>
Federal Sources:		
SEMI Medicaid		<u>9,998</u>
Total General Fund Revenues	<u><u>\$ 9,089,834</u></u>	<u><u>\$ 8,329,728</u></u>

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

THE CHARTER SCHOOL'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

General Fund (Cont'd)

Table A-6
SUMMARY OF GENERAL FUND EXPENDITURES

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Regular Instruction	\$ 1,782,107	\$ 1,346,691
Special Education Instruction	701,779	424,568
Bilingual Education Instruction	111,050	109,090
Support Services and Undistributed Costs:		
Student and Instruction Related Services	551,280	390,937
School Administrative Services	525,678	518,947
Other Administrative Services	2,007,556	1,938,378
Plant Operations and Maintenance	548,725	462,782
Pupil Transportation	98,480	94,029
Unallocated Benefits	835,426	641,444
TPAF Pension and Social Security	1,247,334	1,380,246
Debt Service	470,415	343,622
Capital Outlay	90,852	
	<hr/>	<hr/>
Total General Fund Expenditures	<u>\$ 8,970,682</u>	<u>\$ 7,650,734</u>

General Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$7,842,508, a decrease of (\$550,039) from the original budget estimate of \$8,392,547. Total budgeted revenues realized equaled \$9,089,834, which was \$1,247,326 more than the final budget estimate. This excess is primarily from the recognition of revenues for TPAF Pension and Social Security, which were not budgeted. Also not budgeted and presented as a special item is an insurance recovery of \$48,206.

The final budgetary basis expenditure appropriation estimate was \$7,723,536, which is a decrease of (\$612,797) from the original budget estimate of \$8,336,333. Actual expenditures of \$8,970,682 were more than the final budget estimate by \$1,247,146. This excess was primarily the result of the recognition of expenditures for TPAF Pension and Social Security in the amount of \$1,247,334 which were not budgeted.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

THE CHARTER SCHOOL'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

Special Revenue Fund (Cont'd)

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants and student activities, which are restricted or committed to expenditure for specified purposes other than debt or capital projects. Fiscal year 2024 activity resulted from the Charter School administering and operating programs funded by the following federal awards: Title I Grants to Local Educational Agencies including SIA, Supporting Effective Instruction State Grants (Title II), Student Support & Academic Enrichment Grant (Title IV), BSCA Stronger Connections Grant; Rural and Low-Income School Program (Title V), Special Education Grants to States (I.D.E.A. Basic and Preschool), Education Stabilization Funds which included the Coronavirus Response and Relief Supplemental Appropriations (CRRSA ESSER II) and American Rescue Plan (ARP ESSER) and the State and Local Fiscal Recovery Funds New Jersey Learning Acceleration Program High-Impact Tutoring Grant. The Charter School also administered a state award: The Charter School Facilities Improvement Grant. Also included in the Special Revenue Fund is the revenues and expenditures for student activities. Total revenues were \$1,150,726 and total expenditures were \$1,148,336 for the programs in the special revenue fund. In the previous fiscal year, these were \$2,117,966 and \$2,117,245 respectively for the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Charter School's capital asset balance for its governmental activities as of June 30, 2024 amounted to a historical cost of \$5,917,601 or \$4,860,531 net of accumulated depreciation (see Table A-7). This balance of capital assets includes land, land improvements, buildings and improvements, and equipment. Net capital assets decreased by (\$94,001) in fiscal year 2024 from fiscal year 2023 which were reported at \$4,954,532 in the prior fiscal year. Changes in capital assets in fiscal year 2024 were from acquisitions of \$99,852 offset by depreciation expense on new and existing capital assets for (\$193,853).

Table A-7
CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)
As of June 30, 2024 and 2023

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Land	\$ 779,050	\$ 779,050
Land Improvements	16,356	
Buildings and Improvements	4,878,619	4,836,968
Equipment	243,576	201,731
Less Accumulated Depreciation	<u>(1,057,070)</u>	<u>(863,217)</u>
Net Capital Assets	<u>\$4,860,531</u>	<u>\$4,954,532</u>

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024
(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

Long-Term Debt

Financed Purchases. At the end of the current fiscal year, the Charter School had financed purchases of \$5,533,238 outstanding. This balance resulted from a decrease from the payment of principal on the building of (\$21,182) and the final payment on equipment of (\$8,177). In addition, the Charter School has accrued interest payable that is expected to be paid beyond one year of \$472,690.

Compensated Absences. At the end of the current fiscal year, the Charter School had a \$105,622 liability for compensated absences, a net increase of \$14,441 from the prior fiscal year balance of \$91,181. This liability represents the Charter School's contractual obligation to compensate employees for accumulated unused paid time off.

Net Pension Liability. At the end of the current fiscal year, the Charter School had a \$918,842 liability for its proportionate share of the net pension liability in the Public Employees' Retirement System. This is a net decrease of (\$141,739) from the prior fiscal year balance of \$1,060,581.

THE FUTURE OUTLOOK

The Charter School maintained its budget through the revenues that flow through students' district of residence, and state and federal grants.

For charter schools, revenues are driven by the residency of its student population and the level of enrollment of students in those districts.

The Charter School seeks to maintain its enrollment for the 2024-25 fiscal year.

CONTACTING THE CHARTER SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our parents, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have any questions about this report or need additional information, contact Glenn Richardson, School Business Administrator/Board Secretary, at Atlantic Community Charter School, Inc., 112 S New York Road, Galloway, New Jersey 08205.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Statement of Net Position

June 30, 2024

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 4,066,110
Accounts Receivable, net (Note 3)	252,856
Prepaid Expenses	989
Restricted Assets:	
Restricted Cash and Cash Equivalents	148,870
Capital Assets, net (Note 5)	4,860,531
Total Assets	9,329,356
DEFERRED OUTFLOWS OF RESOURCES:	
Related to Pensions (Note 7)	539,891
LIABILITIES:	
Accounts Payable and Accrued Expenses:	
Related to Pensions	85,135
Other	724,464
Payable to Local Government	459,533
Unearned Revenue	85,279
Noncurrent Liabilities (Note 6):	
Due within One Year	131,864
Due beyond One Year	6,898,528
Total Liabilities	8,384,803
DEFERRED INFLOWS OF RESOURCES:	
Related to Pensions (Note 7)	163,121
NET POSITION:	
Net Investment in Capital Assets	(672,707)
Restricted for:	
Unemployment	584
Student Activity	3,111
Unrestricted	1,990,335
Total Net Position	\$ 1,321,323

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

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Regular Instruction	\$ 2,307,749		\$ 338,636		\$ (1,969,113)	\$ (1,969,113)
Special Education Instruction	701,779				(701,779)	(701,779)
Bilingual Education Instruction	111,050				(111,050)	(111,050)
Support Services and Undistributed Costs:						
Student and Instruction Related Services	1,319,677	\$ 7,223	763,564		(548,890)	(548,890)
School Administrative Services	535,991				(535,991)	(535,991)
Other Administrative Services	2,007,556				(2,007,556)	(2,007,556)
Plant Operations and Maintenance	562,231		3,557	\$ 9,000	(549,674)	(549,674)
Pupil Transportation	98,480				(98,480)	(98,480)
Unallocated Benefits	2,262,613		1,318,186		(944,427)	(944,427)
Interest on Long-term Debt	459,042				(459,042)	(459,042)
Total Governmental Activities	10,366,168	7,223	2,423,943	9,000	(7,926,002)	(7,926,002)
Total Government	<u>\$ 10,366,168</u>	<u>\$ 7,223</u>	<u>\$ 2,423,943</u>	<u>\$ 9,000</u>	<u>(7,926,002)</u>	<u>(7,926,002)</u>
General Revenues:						
Charter School Aid					7,718,715	7,718,715
Restricted Interest Income					465	465
Miscellaneous Income					123,320	123,320
Special Item:						
Insurance Recovery					48,206	48,206
Total General Revenues and Special Item					7,890,706	7,890,706
Change in Net Position					(35,296)	(35,296)
Net Position -- July 1					1,356,619	1,356,619
Net Position -- June 30					<u>\$ 1,321,323</u>	<u>\$ 1,321,323</u>

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

FUND FINANCIAL STATEMENTS

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 4,075,844	\$ 139,136	\$ 4,214,980
Accounts Receivable:			
Other	4,487		4,487
Intergovernmental Accounts Receivable:			
State - Social Security Reimbursements	35,071		35,071
State - Unemployment	2,292		2,292
Federal - Special Revenue Fund		58,101	58,101
Other LEAs - State Aid	152,905		152,905
Prepaid Expenses	188		188
Total Assets	<u><u>\$ 4,270,787</u></u>	<u><u>\$ 197,237</u></u>	<u><u>\$ 4,468,024</u></u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 177,032	\$ 108,847	\$ 285,879
Accrued Expenses	62,760		62,760
Accrued Salaries and Wages	333,266		333,266
Payroll Deductions and Withholdings	31,117		31,117
Unemployment Compensation Claims Payable	11,442		11,442
Unearned Revenue		85,279	85,279
Intergovernmental Accounts Payable:			
Other LEA - State Aid	459,533		459,533
Total Liabilities	<u>1,075,150</u>	<u>194,126</u>	<u>1,269,276</u>
Fund Balances:			
Nonspendable	188		188
Restricted:			
Unemployment	584		584
Student Activity		3,111	3,111
Unassigned:			
General Fund	3,194,865		3,194,865
Total Fund Balances	<u>3,195,637</u>	<u>3,111</u>	<u>3,198,748</u>
Total Liabilities and Fund Balances	<u><u>\$ 4,270,787</u></u>	<u><u>\$ 197,237</u></u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:			
Payments made to vendors for services that will benefit periods beyond fiscal year end that are recorded as expenditures at the time of payment in the governmental funds.			801
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,917,601 and the accumulated depreciation is \$1,057,070.			4,860,531
Deferred outflows of resources related to pensions			539,891
Deferred inflows of resources related to pensions			(163,121)
Accounts payable related to the April 1, 2024 required PERS pension contribution that is not to be liquidated with current financial resources			(85,135)
Noncurrent liabilities, including financed purchases, compensated absences and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.			<u>(7,030,392)</u>
			<u><u>\$ 1,321,323</u></u>

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

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Sources	\$ 123,785	\$ 7,223	\$ 131,008
State Sources	8,966,049	12,557	8,978,606
Federal Sources		1,130,946	1,130,946
Total Revenues	9,089,834	1,150,726	10,240,560
EXPENDITURES:			
Regular Instruction	1,782,107	338,636	2,120,743
Special Education Instruction	701,779		701,779
Bilingual Education Instruction	111,050		111,050
Support Services and Undistributed Costs:			
Student and Instruction Related Services	551,280	768,397	1,319,677
School Administrative Services	525,678		525,678
Other Administrative Services	2,007,556		2,007,556
Plant Operations and Maintenance	548,725	3,557	552,282
Pupil Transportation	98,480		98,480
Unallocated Benefits	835,426	28,746	864,172
TPAF Pension and Social Security	1,247,334		1,247,334
Debt Service:			
Financed Purchase Principal	29,359		29,359
Financed Purchase Interest	441,056		441,056
Capital Outlay	90,852	9,000	99,852
Total Expenditures	8,970,682	1,148,336	10,119,018
Excess of Revenues over Expenditures	119,152	2,390	121,542
OTHER FINANCING SOURCES:			
Insurance Recovery	48,206		48,206
Total Other Financing Sources	48,206		48,206
Net Change in Fund Balances	167,358	2,390	169,748
Fund Balance -- July 1	3,028,279	721	3,029,000
Fund Balance -- June 30	\$ 3,195,637	\$ 3,111	\$ 3,198,748

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

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ 169,748
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 in the period.	
Depreciation Expense	\$ (193,853)
Capital Outlays	<u>99,852</u>
	(94,001)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	
	29,359
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a decrease in the reconciliation. (-)	
	(17,986)
In the statement of activities, certain operating expenses, (e.g., compensated absences; insurance) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	
	(14,441)
Governmental funds report Charter School pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the Charter School's pension contributions in the current period.	
	<u>(107,974)</u>
Change in Net Position of Governmental Activities	<u>\$ (35,296)</u>

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

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Atlantic Community Charter School, Inc. (the "Charter School") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The Charter School is a K-8 charter school located in the County of Atlantic, State of New Jersey. The original approval of its New Jersey Charter School Application by the State of New Jersey, Department of Education was on January 18, 2011. As a charter school, the Atlantic Community Charter School, Inc. functions independently through a Board of Trustees (the "Board"). In accordance with the bylaws of the Charter School, the Board is to consist of seven members. All Board members are elected at the annual meeting of the Board and serve a term of three years. Trustees may be elected to serve for successive three-year terms. The executive officers of the Charter School are chosen by the Board and are a President, Vice President, Secretary, Treasurer and other officers and assistant officers as needed. The President and the Secretary shall be a natural person of full age; however, the Treasurer may be a Corporation, but if a natural person, shall be of full age. Officers shall hold their offices for a term of one year and need not be trustees and any number of offices may be held by the same person. The Board's responsibility is to supervise and control the operations of the Charter School. The purpose of the Charter School is to educate students in grades K through 8th grade at its one school. The Charter School has an approximate enrollment at June 30, 2024 of 317.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *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, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the Charter School over which the Board exercises operating control.

Government-wide and Fund Financial Statements

The Charter School's basic financial statements consist of government-wide statements, and fund financial statements, which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the Charter School to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues from the Charter School's student's district of residence and other items not properly included among program revenues are reported instead as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

In regard to the fund financial statements, the Charter School segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the Charter School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues from the Charter School's student's district of residence are recognized as revenues in the year for which they are established based on enrollment. In accordance with New Jersey State Statute, the Charter School is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from the Charter School's student's district of residence, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

The Charter School reports the following 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 required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Charter Schools do not maintain debt service funds, therefore expenditures for principal and interest are accounted for in the general fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The Charter School reports the following major governmental funds (Cont'd):

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Proprietary funds are used to account for the Charter School's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses. The Charter School does not maintain a proprietary fund.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Charter School's own programs. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The Charter School does not maintain a fiduciary fund.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all Revenues from the Charter School's student's district of residence.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue and are submitted to the New Jersey Department of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on exhibit C-1 and exhibit C-2, includes all amendments to the adopted budget, if any.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the Charter School does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the Charter School has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents, and Investments

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes 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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 deposits 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 amount of their deposits to the governmental units.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

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

Revenues from District of Residence, Region of Residence and Non-Resident Districts

The Charter School's primary source of revenue is from the district of residence, region of residence or non-resident districts from which its students are enrolled in the Charter School. The amounts are calculated from the most recent budget data of the student's district.

Local Levy – Equalization Aid State and Local Share – The charter school's funding is pursuant to the *School Funding Reform Act of 2008*, which states the school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to 90% of the sum of the budget year equalization aid per pupil and the pre-budget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation.

Special Education / Security Aid – The school district of residence shall pay directly to the charter school the security aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024. The Charter School had prepaid expenses for the fiscal year ended June 30, 2024 of \$989.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund. As a result of a payment made in June for July 2024, the Charter School does have a prepaid expense for its payments for the financed purchase for the school building at June 20, 2024 of \$188.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the Charter School, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable or accounts payable.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Capital Assets**

Capital assets represent the cumulative amount of capital assets used by the Charter School. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The Charter School's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 Years
Buldings and Improvements	5 - 30 Years
Equipment	5 - 10 Years

The Charter School does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Charter School is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Charter School is eligible to realize the revenue.

Accrued Salaries and Wages

Certain Charter School employees who provide services to the Charter School over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account. As of June 30, 2024, the Charter School's liability for these earned but undisbursed amounts and the associated employer tax liability was \$333,266 and have subsequently been disbursed to the individual employees' financial institution.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The Charter School uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation or amortization of intangible capital assets, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Charter School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The Charter School reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Charter School's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Charter School's highest level of decision-making authority, which, for the Charter School, is the Board of Trustees. Such formal action consists of an affirmative vote by the Board of Trustees, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Trustees removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the Charter School's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Trustees or by the business administrator, to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Trustees.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the Charter School to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the Charter School to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the GUDPA, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2024, the Charter School's bank balances of \$4,252,445 were insured or protected by GUDPA.

Note 3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 consisted of intergovernmental awards / grants and other various accounts receivable. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the Charter School's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>
Intergovernmental Accounts Receivable:			
Federal Awards		\$ 58,101	\$ 58,101
State Awards	\$ 37,363		37,363
Local Awards	152,905		152,905
Accounts Receivable - Other	4,487		4,487
	<u>\$ 194,755</u>	<u>\$ 58,101</u>	<u>\$ 252,856</u>

Note 4: INVENTORY

At June 30, 2024, the Charter School did not maintain any inventory.

Note 5: CAPITAL ASSETS

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 779,050			\$ 779,050
Total Capital Assets, not being Depreciated	779,050			779,050
Capital Assets, being Depreciated:				
Land Improvements		\$ 16,356		16,356
Buildings and Improvements	4,836,968	41,651		4,878,619
Equipment	201,731	41,845		243,576
Total Capital Assets, being Depreciated	5,038,699	99,852		5,138,551
Total Capital Assets, Cost	5,817,749	99,852		5,917,601
Less Accumulated Depreciation for:				
Land Improvements		(1,636)		(1,636)
Buildings and Improvements	(698,578)	(170,242)		(868,820)
Equipment	(164,639)	(21,975)		(186,614)
Total Accumulated Depreciation	(863,217)	(193,853)		(1,057,070)
Total Capital Assets, being Depreciated, Net	4,175,482	(94,001)		4,081,481
Governmental Activities Capital Assets, Net	<u>\$ 4,954,532</u>	<u>\$ (94,001)</u>	<u>\$ -</u>	<u>\$ 4,860,531</u>

Depreciation expense was charged to functions / programs of the Charter School as follows:

Governmental Activities:	
Instruction	\$ 172,758
Administration	11,146
Support Services	9,949
Total Depreciation Expense - Governmental Activities	<u>\$ 193,853</u>

Note 6: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Net Pension Liability	\$ 1,060,581	\$ 882,872	\$ (1,024,611)	\$ 918,842	
Financed Purchases	5,562,597		(29,359)	5,533,238	\$ 26,242
Accrued Interest Payable	454,704	459,042	(441,056)	472,690	
Compensated Absences	91,181	41,689	(27,248)	105,622	105,622
	<u>\$ 7,169,063</u>	<u>\$ 1,383,603</u>	<u>\$ (1,522,274)</u>	<u>\$ 7,030,392</u>	<u>\$ 131,864</u>

The net pension liability, financed purchases, accrued interest payable, and compensated absences liability are liquidated by the general fund.

Net Pension Liability - For details on the net pension liability, refer to note 7. The Charter School's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Financed Purchases - The Charter School's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

As of June 30, 2024, the Charter School is financing the land and school building located at 112 S NY Road in Galloway New Jersey with a total cost of \$5,564,644. The agreement is for a term of ten years with an interest rate of 7.50%. The final maturity of the financed purchase is December 1, 2028. There is a long-term accrued interest payable associated with this financed purchase of \$472,690.

The financed purchase is depreciated in a manner consistent with the Charter School's depreciation policy for owned assets.

The following is a schedule of the remaining future minimum payments under the financed purchase, and the present value of the net minimum payments at June 30, 2024:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 26,242	\$ 455,821	\$ 482,063
2026	25,978	453,834	479,812
2027	25,694	451,868	477,562
2028	22,832	449,980	472,812
2029	5,432,492	662,196	6,094,688
Total	<u>\$ 5,533,238</u>	<u>\$ 2,473,699</u>	<u>\$ 8,006,937</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 11 for a description of the Charter School's policy.

Note 7: PENSION PLANS

A substantial number of the Charter School's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, certain Charter School employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. The DCRP is administered by Empower (formerly Prudential Financial).

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq. and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Teachers' Pension and Annuity Fund - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after 10 years of service.

The membership tiers for PERS are the same as previously noted for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Charter School and all other related non-contributing employers. No normal or accrued liability contribution by the Charter School has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2024, was 39.11% of the Charter School's covered payroll, of which 0.00% of payroll was required from the Charter School and 100% of payroll was required from the State of New Jersey. The Charter School was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2024, because of the 100% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2024, was \$942,950, and was paid by April 1, 2024. Charter School employee contributions to the plan during the fiscal year ended June 30, 2024, were \$204,784.

Note 7: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2024, was 16.66% of the Charter School's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2023, the Charter School's contractually required contribution to the pension plan for the fiscal year ended June 30, 2024, was \$84,785, and was paid by April 1, 2024. Charter School employee contributions to the plan during the fiscal year ended June 30, 2024, were \$39,485.

Based on the most recent PERS measurement date of June 30, 2023, the State had no contractually required contribution on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2024.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Charter School contributes 3% of the employees' base salary, for each pay period.

At June 30, 2024, the Charter School has no employees participating in this program.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2024, the Charter School was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the Charter School is as follows:

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	11,549,212
	<u>\$ 11,549,212</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. For the June 30, 2023, measurement date, the Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2023, measurement date, the Charter School proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the Charter School was .0226310163%, which was an increase of .0051766364% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the Charter School, calculated by the Plan as of June 30, 2023, measurement date, was \$283,731. This on-behalf expense has been recognized by the Charter School in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2024, the Charter School reported a liability of \$918,842 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023, measurement date, the Charter School's proportion was .0063436791%, which was a decrease of (.0006840469%) from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2024, the Charter School recognized pension (benefit) expense of \$192,761, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2023, measurement date.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources - At June 30, 2024, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows Resources</u>
Differences between Expected and Actual Experience	\$ 8,785	\$ 3,756
Changes of Assumptions	2,019	55,686
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,231	-
Changes in Proportion and Differences between Contribution and Proportionate Share of Contributions	439,721	103,679
Contributions Subsequent to the Measurement Date	85,135	-
	<u>\$ 539,891</u>	<u>\$ 163,121</u>

Deferred outflows of resources in the amount of \$85,135 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2025	\$ 153,612
2026	96,854
2027	70,311
2028	(27,463)
2029	(1,679)
	<u>\$ 291,635</u>

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04	June 30, 2023	5.00	-
June 30, 2023	5.08	-			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04
			June 30, 2023	5.08	5.08

Actuarial Assumptions

The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2022. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 4.25%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For TPAF, 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. 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.

For PERS, 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.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2023, measurement date) 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 rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2023, measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market 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%
	<u>100.00%</u>	

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Teachers' Pension and Annuity Fund - 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 would 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.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the Charter School's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2023, the Plan's measurement date, attributable to the Charter School is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2023 (Plan's measurement date), attributable to the Charter School, calculated using the discount rate of 7.00% as well as what the State's 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:

	TPAF		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	-	-	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	\$ 13,618,617	\$ 11,549,212	\$ 9,806,281
	<u>\$ 13,618,617</u>	<u>\$ 11,549,212</u>	<u>\$ 9,806,281</u>

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Public Employees' Retirement System (PERS) - The following presents the Charter School's proportionate share of the net pension liability at June 30, 2023, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 1,196,137</u>	<u>\$ 918,842</u>	<u>\$ 682,828</u>

Pension Plan Fiduciary Net Position

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, which 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 No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") 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, charter school 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 or more years 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.

Employees Covered by Benefit Terms - At June 30, 2023, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>369,595</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension 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.

The State's proportionate share of the net OPEB liability associated with the Charter School as of June 30, 2024, was \$2,835,218. Since the OPEB liability associated with the Charter School is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. For the June 30, 2023, measurement date, the State's proportionate share of the non-employer OPEB liability associated with the Charter School was .00054146823%, which was a decrease of (.0004345336%) from its proportion measured as of June 30, 2022.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Mortality Rates - Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies - The actuarial assumptions used in the June 30, 2022, valuation, which was rolled forward to June 30, 2023, were based on the results of actuarial experience studies for the periods July 1, 2018, to June 30, 2021, for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - 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 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.40% 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 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, measurement date was 3.65%. 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.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the Charter School:

Balance at June 30, 2023		\$	2,962,421
Changes for the Year:			
Service Cost	\$	501,390	
Interest Cost		99,853	
Changes in Benefit Terms		-	
Difference between Expected and Actual Experience		(658,883)	
Changes in Assumptions		5,715	
Member Contributions		2,559	
Gross Benefit Payments		(77,837)	
Net Changes			(127,203)
Balance at June 30, 2024		\$	2,835,218

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2022, to June 30, 2023, due to changes in the census and premium and claims experience.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2022, to June 30, 2023, due to the combined effect of the discount rate change, and changes in the trend update.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	\$ 3,323,806.00	\$ 2,835,218.00	\$ 2,442,938.00

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the Charter School, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	\$ 2,353,668	\$ 2,835,218	\$ 3,465,327

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2024, the Charter School recognized \$806,064 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the Charter School. This expense and revenue were based on the OPEB Plan's June 30, 2023, measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the Charter School's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the Charter School; however, at June 30, 2024, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with Charter School, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 413,666	\$ 746,768
Changes of Assumptions	403,172	782,419
Changes in Proportion	1,657,264	270,793
	<u>\$ 2,474,102</u>	<u>\$ 1,799,980</u>

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the Charter School, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,		
2025	\$	205,828
2026		205,828
2027		224,331
2028		170,366
2029		104,170
Thereafter		(236,401)
	\$	<u>674,122</u>

Note 9: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$814,263, \$657, \$224,140, and \$9,286, respectively.

Note 10: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - 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. The Charter School is billed quarterly for amounts due to the State.

Note 10: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of the activity of the Charter School's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>	
					<u>Claims Payable</u>	<u>Restricted Fund Balance</u>
2024	\$ 119	\$ 7,921	\$ 465	\$ 21,574	\$ 11,442	\$ 584
2023	608	8,086	None	608	25,095	None
2022		7,334	None		17,009	None

In fiscal years 2020 and 2021, the Charter School established an accrued liability which totaled \$90,000 in anticipation of billings for unemployment. At June 30, 2024, the balance in this accrued liability is \$45,531 due to claims paid against it in fiscal years 2023 and 2024.

Note 11: 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, *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.

Based on the position, Charter School employees are eligible for up to eleven sick days per fiscal school year. Unused sick time may be carried over; however not to exceed 150 days for full-time employees. Charter School employees (non-teaching staff) receive up to ten vacation days per year based on their position and years of employment. Vacation time is not eligible to be carried forward.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2024, the liability for compensated absences reported on the government-wide statement of net position was \$105,622.

Note 12: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2024, there are no interfund balances and there were no transfers during the fiscal year ended June 30, 2024.

Note 13: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Charter School expects such amount, if any, to be immaterial.

Note 14: CONCENTRATIONS

The Charter School depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Charter School is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 15: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable fund balances of the Charter School, as of June 30, 2024, are summarized as follows:

General Fund - The Charter School has recorded a prepaid expense for a payment made in June for an expense for the fiscal year ended June 30, 2025. As a result, because the prepaid expense is recorded as an asset, even though it does not represent expendable financial resources, it is necessary to set aside fund balance at fiscal year-end. As of June 30, 2024, the nonspendable fund balance was \$188.

RESTRICTED

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the Charter School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 10). As a result, there exists at June 30, 2024, a restricted fund balance from employer contributions in the amount of \$584 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each charter school shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2024, is \$3,111.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The Charter School's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2024, \$3,194,865 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II
BUDGETARY COMPARISON SCHEDULES**

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES					
Local Sources:					
Restricted - Interest Earned in Unemployment Trust Fund				\$ 465	\$ 465
Unrestricted Miscellaneous Revenues	\$ 12,000	\$ 111,793	\$ 123,793	123,320	(473)
Total - Local Sources	12,000	111,793	123,793	123,785	(8)
State Sources:					
Charter School Aid:					
Local Levy/Equalization Aid:					
State and Local Share	7,893,154	(600,831)	7,292,323	7,292,323	
Total - Local Levy/Equalization Aid	7,893,154	(600,831)	7,292,323	7,292,323	
Categorical Aid:					
Special Education Aid	288,011	(48,339)	239,672	239,672	
Security Aid	199,382	(12,662)	186,720	186,720	
Total Categorical Aid	487,393	(61,001)	426,392	426,392	
Total Charter School Aid	8,380,547	(661,832)	7,718,715	7,718,715	
Other State Sources:					
On-behalf Contributions:					
T.P.A.F. Post-Retirement Medical				224,140	224,140
Teacher's Pension and Annuity Fund				814,263	814,263
T.P.A.F. Long-Term Disability Insurance				9,286	9,286
T.P.A.F. Non-contributory Insurance				657	657
Reimbursed TPAF Social Security Contributions				198,988	198,988
Total - Other State Sources				1,247,334	1,247,334
Total - State Sources	8,380,547	(661,832)	7,718,715	8,966,049	1,247,334
Total Revenues	8,392,547	(550,039)	7,842,508	9,089,834	1,247,326

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>EXPENDITURES</u>					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 111,848	\$ 2,779	\$ 114,627	\$ 114,627	
Grades 1-5	907,866	10,916	918,782	918,782	
Grades 6-8	298,904	33,876	332,780	332,780	
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	416,964	(205,032)	211,932	211,932	
Purchased Professional - Educational Services	40,356	55,313	95,669	95,669	
Other Purchased Services (400-500 series)	38,736	(15,606)	23,130	23,130	
General Supplies	36,138	(3,916)	32,222	32,222	
Textbooks	64,926	(3,525)	61,401	61,401	
Total Regular Programs - Instruction	1,915,738	(125,195)	1,790,543	1,790,543	
Special Education Instruction:					
Cognitive - Mild:					
Other Salaries for Instruction	141,831	(34,472)	107,359	107,359	
Purchased Professional - Educational Services	62,712	79,201	141,913	141,913	
General Supplies	23,000	(16,882)	6,118	6,118	
Total Cognitive - Mild	227,543	27,847	255,390	255,390	
Learning and/or Language Disabilities:					
Salaries of Teachers	111,240	(111,240)			
Total Learning and/or Language Disabilities	111,240	(111,240)			
Behavioral Disabilities:					
Salaries of Teachers	172,527	(31,755)	140,772	140,772	
Total Behavioral Disabilities	172,527	(31,755)	140,772	140,772	

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Special Education Instruction (Cont'd):					
Resource Room:					
Salaries of Teachers	\$ 294,151	\$ 11,466	\$ 305,617	\$ 305,617	
Total Resource Room	294,151	11,466	305,617	305,617	
Total Special Education - Instruction	805,461	(103,682)	701,779	701,779	
Bilingual Education - Instruction:					
Salaries of Teachers	111,818	(768)	111,050	111,050	
Total Bilingual Education - Instruction	111,818	(768)	111,050	111,050	
Total Instruction	2,833,017	(229,645)	2,603,372	2,603,372	
Undistributed Expenditures - Attendance and Social Work:					
Salaries	151,344	913	152,257	152,257	
Other Purchased Services (400-500 Series)	17,000	(10,508)	6,492	6,492	
Total Undistributed Expenditures - Attendance and Social Work	168,344	(9,595)	158,749	158,749	
Undistributed Expenditures - Health Services:					
Salaries	133,088	823	133,911	133,911	
Purchased Professional Services	7,570	9.00	7,579	7,579	
General Supplies	2,500	(1,943)	557	557	
Total Undistributed Expenditures - Health Services	143,158	(1,111)	142,047	142,047	
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services		15,147	15,147	15,147	
Total Undistributed Expenditures -Speech, OT, PT and Related Services		15,147	15,147	15,147	

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	\$ 125,275	\$ (1,732)	\$ 123,543	\$ 123,543	
Purchased Professional - Educational Services	6,000	(86)	5,914	5,914	
Total Undistributed Expenditures - Child Study Teams	131,275	(1,818)	129,457	129,457	
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Other Professional Staff	104,771	1,109	105,880	105,880	
Total Undistributed Expenditures - Improvement of Instructional Services	104,771	1,109	105,880	105,880	
Undistributed Expenditures - Support Services - General Administration:					
Legal Services	66,000	(31,232)	34,768	34,768	
Audit Services	30,000	9,000	39,000	39,000	
Other Purchased Professional Services	1,869,566	(172,244)	1,697,322	1,697,322	
Communications / Telephone	19,724	(1,442)	18,282	18,282	
Miscellaneous Purchased Services	165,500	(76,521)	88,979	88,979	
Supplies and Materials		156	156	156	
Total Undistributed Expenditures - Support Services - General Administration	2,150,790	(272,283)	1,878,507	1,878,507	
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals/ Program Directors	302,141	12,047	314,188	314,188	
Salaries of Secretarial and Clerical Assistants	90,491	(2,041)	88,450	88,450	
Other Salaries	19,500	(4,815)	14,685	14,685	
Other Purchased Services	77,277	(7,318)	69,959	69,959	
Travel		779	779	779	
Supplies and Materials	34,744	4,552	39,296	39,296	
Total Undistributed Expenditures - Support Services - School Administration	524,153	3,204	527,357	527,357	

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Central Services:					
Salaries	\$ 82,370	\$ 8,383	\$ 90,753	\$ 90,753	
Purchased Professional Services	24,000	11,469	35,469	35,469	
Other Purchase Services (400-500 Series)		2,344	2,344	2,344	
Supplies and Materials		483	483	483	
Total Undistributed Expenditures - Central Services	106,370	22,679	129,049	129,049	
Undistributed Expenditures - Custodial Services:					
Salaries	47,840	15,439	63,279	63,279	
Cleaning, Repair and Maintenance Services	143,054	22,401	165,455	165,455	
Rental of Land and Buildings Other Than Lease Purchase	619,903	32,440	652,343	652,155	\$ 188
Insurance	71,321	(6,513)	64,808	64,808	
General Supplies	12,000	3,396	15,396	15,396	
Energy - Natural Gas	14,500	(1,754)	12,746	12,746	
Energy - Electricity	56,100	1,715	57,815	57,815	
Total Undistributed Expenditures - Custodial Services	964,718	67,124	1,031,842	1,031,654	188
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	45,000	(26,127)	18,873	18,873	
Total Undistributed Expenditures - Care and Upkeep of Grounds	45,000	(26,127)	18,873	18,873	
Total Undistributed Expenditures - Operation and Maintenance of Plant	1,009,718	40,997	1,050,715	1,050,527	188

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Contracted Services (Regular Education Students) - Vendors	\$ 174,749	\$ (76,269)	\$ 98,480	\$ 98,480	
Contracted Services (Other than Between Home and School) - Vendors	15,000	(15,000)			
Total Undistributed Expenditures - Student Transportation Services	189,749	(91,269)	98,480	98,480	
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	93,663	(24,544)	69,119	69,119	
Unemployment Compensation	35,000	(34,397)	603	603	
Workers' Compensation	56,525	(13,511)	43,014	43,014	
Health Benefits	687,400	(53,225)	634,175	634,175	
Other Employee Benefits	102,400	(13,885)	88,515	88,515	
Total Unallocated Benefits - Employee Benefits	974,988	(139,562)	835,426	835,426	
Non-Budget Expenditures:					
On-behalf Contributions:					
T.P.A.F. Post-Retirement Medical				224,140	\$ (224,140)
Teacher's Pension and Annuity Fund				814,263	(814,263)
T.P.A.F. Long-Term Disability Insurance				9,286	(9,286)
T.P.A.F. Non-contributory Insurance				657	(657)
Reimbursed TPAF Social Security Contributions				198,988	(198,988)
Total On-behalf Contributions and Reimbursed TPAF Social Security Contributions				1,247,334	(1,247,334)
Total Undistributed Expenditures	5,503,316	(432,502)	5,070,814	6,317,960	(1,247,146)
Total General Current Expense	8,336,333	(662,147)	7,674,186	8,921,332	(1,247,146)

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Capital Outlay:					
Equipment:					
Undistributed Expenditures - Instruction		\$ 2,999	\$ 2,999	\$ 2,999	
Undistributed Expenditures - Non-Instruction		46,351	46,351	46,351	
Total Equipment		49,350	49,350	49,350	
Total Capital Outlay		49,350	49,350	49,350	
Total Expenditures	\$ 8,336,333	(612,797)	7,723,536	8,970,682	\$ (1,247,146)
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,214	62,758	118,972	119,152	180
Other Financing Sources (Uses):					
Insurance Recovery		48,206	48,206	48,206	
Total Other Financing Sources (Uses)		48,206	48,206	48,206	
Excess (Deficiency) of Revenues Over (Under) Expenditures, and Other Financing Sources (Uses) and Special Items	56,214	110,964	167,178	167,358	180
Fund Balances, July 1	3,028,279		3,028,279	3,028,279	
Fund Balances, June 30	\$ 3,084,493	\$ 110,964	\$ 3,195,457	\$ 3,195,637	\$ 180
Recapitulation:					
Nonspendable - Prepaid Expenses				\$ 188	
Restricted - Unemployment				584	
Unassigned Fund Balance				3,194,865	
				<u>\$ 3,195,637</u>	

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
SPECIAL REVENUE FUND
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Federal Sources:					
Title I Grants to Local Educational Agencies	\$ 303,097	\$ (8,977)	\$ 294,120	\$ 294,120	
Title I SIA	41,580	(3,704)	37,876	37,876	
Supporting Effective Instruction State Grants (Title II, Part A)	21,200	2,168	23,368	23,368	
Student Support & Academic Enrichment (Title IV)	27,550	(4,158)	23,392	23,392	
BSCA Stronger Connections Grant		249,396	249,396	249,396	
Rural and Low-Income School Program (Title V)		14,936	14,936	14,936	
Special Education Grants to States (IDEA):					
Basic	94,163	(2,218)	91,945	91,945	
Preschool	2,337		2,337	2,337	
Education Stabilization Fund:					
Elementary and Secondary School Emergency Relief:					
Coronavirus Response and Relief Supplemental Appropriations (CRRSA):					
Appropriations (CRRSA-ESSER II):					
Addressing Student Learning		781	781	781	
Learning Acceleration		394	394	394	
(ARP-ESSER):					
ARP ESSER	247,566	67,353	314,919	314,919	
Accelerated Learning Coach and Educator Support	5,563	5,772	11,335	11,335	
Evidenced Based Summer Learning and Enrichment	3,400	68	3,468	3,468	
Evidenced Based Comprehensive Beyond the School Day	40,000		40,000	40,000	
State and Local Fiscal Recovery Funds:					
New Jersey Learning Acceleration Program:					
High-Impact Tutoring Grant		22,679	22,679	22,679	
Total - Federal Sources	786,456	344,490	1,130,946	1,130,946	
State Sources:					
Charter School Facilities Improvement Grant		12,557	12,557	12,557	
Total - State Sources		12,557	12,557	12,557	
Local Sources:					
Student Activity		7,223	7,223	7,223	
Total Local Sources		7,223	7,223	7,223	
Total Revenues	786,456	364,270	1,150,726	1,150,726	
EXPENDITURES:					
Instruction:					
Salaries	226,723	15,426	242,149	242,149	
Purchased Professional Educational Services	25,550	7,535	33,085	33,085	
Other Purchased Services		899	899	899	
Instructional Supplies	53,746	(7,176)	46,570	46,570	
Miscellaneous Expenses	21,257	(5,324)	15,933	15,933	
Total Instruction	327,276	11,360	338,636	338,636	
Support Services:					
Salaries	186,056	(34,371)	151,685	151,685	
Personal Services - Employee Benefits	27,971	775	28,746	28,746	
Purchased Professional and Technical Services	146,950	315,304	462,254	462,254	
Purchased Property Services		12,557	12,557	12,557	
Other Purchased Services	77,703	44,610	122,313	122,313	
General Supplies	12,500	11,724	24,224	24,224	
Miscellaneous Expenditures	8,000	(4,912)	3,088	3,088	
Student Activity		7,223	7,223	4,833	\$ 2,390
Total Support Services	459,180	352,910	812,090	809,700	2,390
Total Expenditures	786,456	364,270	1,150,726	1,148,336	2,390
Excess (Deficiency) of Revenues Over (Under) Expenditures				2,390	2,390
Fund Balance, July 1				721	
Fund Balance, June 30				\$ 3,111	

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Required Supplementary Information

Budgetary Comparison Schedule

Note to Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules (C-Series)	\$ 9,089,834	\$ 1,150,726
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 9,089,834</u>	<u>\$ 1,150,726</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-Series)	\$ 8,970,682	\$ 1,148,336
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 8,970,682</u>	<u>\$ 1,148,336</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS**

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
 Required Supplementary Information
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Seven Plan Years

	Measurement Date Ending June 30						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net Pension Liability	0.0063436791%	0.0070277260%	0.0058667106%	0.0038589530%	0.0013950780%	0.0027217883%	0.0009203435%
Proportionate Share of the Net Pension Liability	\$ 918,842	\$ 1,060,581	\$ 695,000	\$ 629,294	\$ 251,372	\$ 535,907	\$ 214,241
Covered Payroll (Plan Measurement Period)	560,200	537,020	450,304	307,204	99,136	191,144	21,252
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	164.02%	197.49%	154.34%	204.85%	253.56%	280.37%	1008.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Required Supplementary Information
Schedule of the Charter School's Contributions
Public Employees' Retirement System (PERS)
Last Eight Fiscal Years

	Fiscal Year Ended June 30,							
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 85,135	\$ 84,785	\$ 88,623	\$ 68,706	\$ 42,215	\$ 13,570	\$ 27,073	\$ 8,526
Contributions in Relation to the Contractually Required Contribution	<u>(85,135)</u>	<u>(84,785)</u>	<u>(88,623)</u>	<u>(68,706)</u>	<u>(42,215)</u>	<u>(13,570)</u>	<u>(27,073)</u>	<u>(8,526)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Fiscal Year)	\$ 510,980	\$ 475,259	\$ 485,100	\$ 495,192	\$ 362,990	\$ 251,417	\$ 116,805	\$ 133,412
Contributions as a Percentage of Covered Payroll	16.66%	17.84%	18.27%	13.87%	11.63%	5.40%	23.18%	6.39%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Required Supplementary Information
Schedule of the Charter School's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Six Plan Years

	Measurement Date Ending June 30,					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0%	0%	0%	0%	0%	0%
State's Proportion of the Net Pension Liability Associated with the Employer	100%	100%	100%	100%	100%	100%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Employer	11,549,212	9,005,485	9,259,314	12,276,454	8,840,516	5,207,769
	<u>\$ 11,549,212</u>	<u>\$ 9,005,485</u>	<u>\$ 9,259,314</u>	<u>\$ 12,276,454</u>	<u>\$ 8,840,516</u>	<u>\$ 5,207,769</u>
Covered Payroll (Measurement Period)	\$ 1,398,804	\$ 2,566,812	\$ 1,960,720	\$ 1,916,288	\$ 1,965,612	\$ 1,413,308
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	825.65%	350.84%	472.24%	640.64%	449.76%	368.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Required Supplementary Information
Schedule of Charter School's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The Charter School is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
 Required Supplementary Information
 Notes to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2024

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	4.86%
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	5.66%
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

**SCHEDULE RELATED TO ACCOUNTING AND
REPORTING FOR OTHER POSTEMPLOYMENT BENEFITS**

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Required Supplementary Information
Schedule of Changes in the Charter School's Total OPEB Liability and Related Ratios
Last Six Plan Years

	Measurement Date Ending June 30,					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the Charter School						
Changes for the Year:						
Service Cost	\$ 501,390	\$ 590,996	\$ 777,910	\$ 344,551	\$ 261,312	
Interest Cost	99,853	78,507	85,093	65,057	69,510	\$ (713)
Change in Benefit Terms			(3,491)			
Difference Between Expected and Actual Experience	(658,883)	(117,374)	(1,250,947)	1,159,328	(319,981)	1,777,269
Changes in Assumptions	5,715	(794,696)	3,236	681,948	23,043	(178,743)
Member Contributions	2,559	2,495	2,175	1,970	1,406	1,439
Gross Benefit Payments	(77,837)	(77,764)	(67,030)	(64,994)	(47,441)	(41,650)
Net Change in Total Non-Employer OPEB Liability	(127,203)	(317,836)	(453,054)	2,187,860	(12,151)	1,557,602
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>2,962,421</u>	<u>3,280,257</u>	<u>3,733,311</u>	<u>1,545,451</u>	<u>1,557,602</u>	
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 2,835,218</u>	<u>\$ 2,962,421</u>	<u>\$ 3,280,257</u>	<u>\$ 3,733,311</u>	<u>\$ 1,545,451</u>	<u>\$ 1,557,602</u>
Charter School's Covered Payroll (Plan Measurement Period)	<u>\$ 2,890,142</u>	<u>\$ 2,574,381</u>	<u>\$ 2,955,846</u>	<u>\$ 2,361,869</u>	<u>\$ 2,098,790</u>	<u>\$ 1,901,869</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Charter School as a Percentage of Covered Payroll	98.10%	115.07%	110.98%	158.07%	73.64%	81.90%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Required Supplementary Information
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Benefit Terms:

None.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included an update in trend.

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 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.40% 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 trend rate after seven years. For the Medicare Part B reimbursement, the trend is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Total	ESSA						I.D.E.A.		Total Brought Forward
		Title I Grants to Local Educational Agencies	Title I Grants SIA	Supporting Effective Instruction State Grants (Title II, Part A)	Student Support & Academic Enrichment (Title IV)	BSCA Stronger Connections Grant	Rural & Low-Income School Program (Title V)	Special Education Grants to States		
								Basic	Preschool	
REVENUES:										
Federal Sources	\$ 1,130,946	\$ 294,120	\$ 37,876	\$ 23,368	\$ 23,392	\$ 249,396	\$ 14,936	\$ 91,945	\$ 2,337	\$ 393,576
State Sources	12,557									12,557
Local Sources	7,223									7,223
Total Revenues	1,150,726	294,120	37,876	23,368	23,392	249,396	14,936	91,945	2,337	413,356
EXPENDITURES:										
Instruction:										
Salaries	242,149	114,457	35,536							92,156
Purchased Professional Educational Services	33,085				13,767					19,318
Other Purchased Services	899				899					
Instructional Supplies	46,570						8,871			37,699
Miscellaneous Expenditures	15,933	8,796								7,137
Total Instruction	338,636	123,253	35,536		14,666		8,871			156,310
Support Services:										
Salaries	151,685	89,017								62,668
Personal Services - Employee Benefits	28,746	15,896	2,340							10,510
Purchased Professional and Technical Services	462,254			23,368	37	235,942		91,945	2,337	108,625
Purchased Property Services	12,557									12,557
Other Purchased Services	122,313	65,277			8,689	6,911	6,065			35,371
General Supplies	24,224	677				3,455				20,092
Miscellaneous Expenditures	3,088					3,088				
Student Activity	4,833									4,833
Total Support Services	809,700	170,867	2,340	23,368	8,726	249,396	6,065	91,945	2,337	254,656
Total Expenditures	1,148,336	294,120	37,876	23,368	23,392	249,396	14,936	91,945	2,337	410,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,390									2,390
Fund Balance, July 1	721									721
Fund Balance, June 30	\$ 3,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,111
(Continued)										

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Education Stabilization Fund Elementary and Secondary School Emergency Relief Coronavirus Response and Relief Supplemental Appropriations (CRRSA-ESSER II) (ARP-ESSER)							State and Local Fiscal Recovery Funds NJ Learning Acceleration High-Impact Tutoring Grant	Total Brought Forward
	Total Carried Forward	Addressing Student Learning	Learning Acceleration	ARP ESSER	Accelerated Learning Coach and Education Support	Evidence Based Summer Learning and Enrichment	Evidence Based Comprehensive Beyond the School Day		
REVENUES:									
Federal Sources	\$ 393,576	\$ 781	\$ 394	\$ 314,919	\$ 11,335	\$ 3,468	\$ 40,000	\$ 22,679	
State Sources	12,557								\$ 12,557
Local Sources	7,223								7,223
Total Revenues	413,356	781	394	314,919	11,335	3,468	40,000	22,679	19,780
EXPENDITURES:									
Instruction:									
Salaries	92,156	781	394	51,743		3,222	14,949	21,067	
Purchased Professional and Technical Services	19,318			19,318					
Instructional Supplies	37,699			37,699					
Miscellaneous Expenditures	7,137			7,137					
Total Instruction	156,310	781	394	115,897		3,222	14,949	21,067	
Support Services:									
Salaries	62,668			51,333	11,335				
Personal Services - Employee Benefits	10,510			8,652		246		1,612	
Purchased Professional and Technical Services	108,625			108,625					
Purchased Property Services	12,557								12,557
Other Purchased Services	35,371			10,320			25,051		
General Supplies	20,092			20,092					
Student Activity	4,833								4,833
Total Support Services	254,656			199,022	11,335	246	25,051	1,612	17,390
Total Expenditures	410,966	781	394	314,919	11,335	3,468	40,000	22,679	17,390
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,390								2,390
Fund Balance, July 1	721								721
Fund Balance, June 30	\$ 3,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,111

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Total Carried Forward	Charter School Facilities Improvements Grant	Student Activity
REVENUES:			
State Sources	\$ 12,557	\$ 12,557	
Local Sources	7,223		\$ 7,223
Total Revenues	19,780	12,557	7,223
EXPENDITURES:			
Support Services:			
Purchased Property Services	12,557	12,557	
Student Activity	4,833		4,833
Total Support Services	17,390	12,557	4,833
Total Expenditures	17,390	12,557	4,833
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,390		2,390
Fund Balance, July 1	721		721
Fund Balance, June 30	\$ 3,111	\$ -	\$ 3,111

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

Financial trends information is intended to assist the user in understanding and assessing how the Charter School's financial position has changed over time. Please refer to the following exhibits for a historical view of the Charter School's financial performance.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	2024	2023	2022	2021	Fiscal Year Ended June 30,		2018	2017	2016	2015 (1)
					2020	2019				
Governmental Activities										
Net Investment in Capital Assets	\$ (672,707)	\$ (608,065)	\$ (498,421)	\$ 23,627	\$ 22,380	\$ 37,430	\$ 33,081	\$ 48,726	\$ 63,288	\$ 16,990
Restricted	3,695	721								
Unrestricted	1,990,335	1,963,963	(422,400)	229,441	104,495	102,026	114,249	113,707	35,636	(2,758)
Total Governmental Activities Net Position	<u>\$ 1,321,323</u>	<u>\$ 1,356,619</u>	<u>\$ (920,821)</u>	<u>\$ 253,068</u>	<u>\$ 126,875</u>	<u>\$ 139,456</u>	<u>\$ 147,330</u>	<u>\$ 162,433</u>	<u>\$ 98,924</u>	<u>\$ 14,232</u>
Government-wide										
Net Investment in Capital Assets	\$ (672,707)	\$ (608,065)	\$ (498,421)	\$ 23,627	\$ 22,380	\$ 37,430	\$ 33,081	\$ 48,726	\$ 63,288	\$ 16,990
Restricted	3,695	721								
Unrestricted	1,990,335	1,963,963	(422,400)	229,441	104,495	102,026	114,249	113,707	35,636	(2,758)
Total Government-wide Net Position	<u>\$ 1,321,323</u>	<u>\$ 1,356,619</u>	<u>\$ (920,821)</u>	<u>\$ 253,068</u>	<u>\$ 126,875</u>	<u>\$ 139,456</u>	<u>\$ 147,330</u>	<u>\$ 162,433</u>	<u>\$ 98,924</u>	<u>\$ 14,232</u>

Source: Charter School's Records

(1) For 2015, the operating period is January 1, 2014 - June 30, 2015.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	2024	2023	2022	2021	Fiscal Year Ended June 30,		2018	2017	2016	2015 (1)(2)
					2020	2019				
Expenses										
Governmental Activities										
Instruction										\$ 1,165,955
Administration										646,584
Support Services										956,934
Regular Instruction	\$ 2,307,749	\$ 2,531,440	\$ 2,263,985	\$ 1,969,165	\$ 2,120,470	\$ 1,976,547	\$ 2,105,747	\$ 1,462,225	\$ 1,319,616	
Special Education Instruction	701,779	424,568	462,577	831,081	798,541	757,807	440,649	344,073		
Bilingual Education Instruction	111,050	109,090	85,398	95,944	37,122	52,530	53,000	30,362		
Before and After School Programs Instruction					16,027	1,738		51,000		
Summer School Instruction				16,220	8,974					
Support Services and Undistributed Costs:										
Student and Instruction Related Services	1,319,677	1,163,664	971,088	657,510	569,282	440,643	409,292	267,535	87,994	
School Administrative Services	535,991	510,533	504,480	496,211	433,861	417,259	424,984	471,835	321,459	
Other Administrative Services	2,007,556	1,938,378	1,692,164	1,869,522	1,424,670	1,719,547	1,716,414	1,242,024	331,548	
Plant Operations and Maintenance	562,231	513,449	387,441	697,953	687,743	737,612	682,007	585,200	309,088	
Pupil Transportation	98,480	94,029	107,813	127,317	133,606	121,106	183,174	108,108	125,193	
Unallocated Benefits	2,262,613	2,337,285	2,441,887	2,501,917	1,641,756	1,164,090	514,119	382,708	242,009	
Interest on Long-term Debt	459,042	453,007	552,683	2,284	1,531	2,301				
Total Governmental Activities Expenses	10,366,168	10,075,443	9,469,516	9,265,124	7,873,583	7,391,180	6,529,386	4,945,070	2,736,907	2,769,473
Total Government-wide Expenses	\$ 10,366,168	\$ 10,075,443	\$ 9,469,516	\$ 9,265,124	\$ 7,873,583	\$ 7,391,180	\$ 6,529,386	\$ 4,945,070	\$ 2,736,907	\$ 2,769,473
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 7,223	\$ 2,717								
Operating Grants and Contributions	2,423,943	3,421,759	3,191,817	2,417,805	1,687,931	1,082,537	540,132	369,626	389,021	359,327
Capital Grants and Contributions	9,000	30,784	47,186	2,792		2,027			49,128	8,779
Total Governmental Activities Program Revenues	2,440,166	3,455,260	3,239,003	2,420,597	1,687,931	1,084,564	540,132	369,626	438,149	368,106
Total Governmental-wide Program Revenues	\$ 2,440,166	\$ 3,455,260	\$ 3,239,003	\$ 2,420,597	\$ 1,687,931	\$ 1,084,564	\$ 540,132	\$ 369,626	\$ 438,149	\$ 368,106
Net (Expense)/Revenue										
Governmental Activities	\$ 7,926,002	\$ 6,620,183	\$ 6,230,513	\$ 6,844,527	\$ 6,185,652	\$ 6,306,616	\$ 5,989,254	\$ 4,575,444	\$ 2,298,758	\$ 2,401,367
Total Government-Wide Net Expense	\$ 7,926,002	\$ 6,620,183	\$ 6,230,513	\$ 6,844,527	\$ 6,185,652	\$ 6,306,616	\$ 5,989,254	\$ 4,575,444	\$ 2,298,758	\$ 2,401,367
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Charter School Aid	\$ 7,718,715	\$ 6,840,158	\$ 5,750,766	\$ 5,569,111	\$ 5,435,054	\$ 5,330,558	\$ 5,499,386	\$ 4,285,952	\$ 2,352,423	\$ 2,358,258
State and Federal Aid - Not Restricted		10,243	184,159	692,154	733,521	952,800	471,996	405,995		
Restricted Interest Income	465									
Miscellaneous Income	123,320	99,082	16,382	4,461	4,496	15,384	4,352	6	31,027	57,341
Special Items:										
PPP Loan Forgiveness				704,994						
Employee Retention Credit		1,513,801								
Insurance Recovery	48,206									
Loss on Disposal of Capital Assets							(1,583)			
Total Governmental Activities	7,890,706	8,463,284	5,951,307	6,970,720	6,173,071	6,298,742	5,974,151	4,691,953	2,383,450	2,415,599
Total Government-wide	\$ 7,890,706	\$ 8,463,284	\$ 5,951,307	\$ 6,970,720	\$ 6,173,071	\$ 6,298,742	\$ 5,974,151	\$ 4,691,953	\$ 2,383,450	\$ 2,415,599
Change in Net Position										
Governmental Activities	\$ (35,296)	\$ 1,843,101	\$ (279,206)	\$ 126,193	\$ (12,581)	\$ (7,874)	\$ (15,103)	\$ 116,509	\$ 84,692	\$ 14,232

Source: Charter School's Records

(1) Prior to the fiscal year ended June 30, 2016, the Charter School reported expenses in three functions: Instruction, Administration and Support Services.

(2) For 2015, the operating period is January 1, 2014 - June 30, 2015.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
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 (1)
					2020	2019				
General Fund										
Committed	None	None	None	None	None	None	None	None	None	None
Assigned	None	None	None	None	None	None	None	None	None	None
Unassigned	\$ 3,195,637	\$ 3,028,279	\$ 835,484	\$ 706,656	\$ 433,215	\$ 321,138	\$ 178,725	\$ 129,629	\$ 35,632	None
All Other Governmental Funds										
Restricted	3,111	721	None	None	None	None	None	None	None	None
Total All Other Governmental Funds	3,111	721	None	None	None	None	None	None	None	None

Source: Charter School's Records

(1) For 2015, the operating period is January 1, 2014 - June 30, 2015.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 (1)(2)
Revenues										
Local Sources	\$ 131,008	\$ 101,798	\$ 16,383	\$ 4,461	\$ 4,496	\$ 15,384	\$ 4,352	\$ 6	\$ 31,027	\$ 57,341
State Sources	8,978,606	8,281,281	7,041,601	7,200,020	6,912,307	6,874,362	6,317,774	4,780,749	2,418,881	2,422,294
Federal Sources	1,130,946	2,064,615	1,699,790	685,895	524,327	392,448	317,217	280,824	371,691	304,070
Total Revenue	10,240,560	10,447,694	8,757,774	7,890,376	7,441,130	7,282,194	6,639,343	5,061,579	2,821,599	2,783,705
Expenditures										
Instruction										1,163,755
Administration										579,126
Support Services										948,205
Regular Instruction	2,120,743	2,358,105	2,074,787	1,942,293	2,044,487	1,932,279	2,096,490	1,442,355	1,308,603	
Special Education Instruction	701,779	424,568	462,577	831,081	798,541	757,807	435,268	344,073		
Basic Skills Remedial Instruction								53,000		
Bilingual Education Instruction	111,050	109,090	85,398	95,944	37,122	52,530	53,000	30,362		
Before and After School Programs Instruction					16,027	1,738		51,000		
Summer School Instruction				16,220	8,974					
Support Services and Undistributed Costs:										
Student and Instruction Related Services	1,319,677	1,163,664	971,088	657,510	569,282	440,643	408,175	267,535	87,994	
School Administrative Services	525,678	518,947	514,184	482,833	428,293	400,301	425,544	466,305	323,156	
Other Administrative Services	2,007,556	1,938,378	1,692,164	1,868,654	1,424,132	1,718,547	1,715,414	1,241,024	330,548	
Plant Operations and Maintenance	552,282	501,627	380,958	695,927	686,276	740,530	679,447	582,093	310,533	
Pupil Transportation	98,480	94,029	107,813	127,317	133,606	121,106	183,174	108,108	125,193	
Unallocated Benefits	864,172	897,688	851,729	626,354	417,798	357,299	247,343	292,925	175,575	
TPAF Pension and Social Security	1,247,334	1,380,246	1,080,056	947,016	750,605	591,004	346,392	88,802	66,458	28,583
Debt Service	470,415	350,853	358,288	20,199	13,910	13,910				
Capital Outlay	99,852	30,784	49,904	36,848		62,858			57,907	64,036
Total Expenditures	10,119,018	9,767,979	8,628,946	8,348,196	7,329,053	7,190,552	6,590,247	4,967,582	2,785,967	2,783,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	121,542	679,715	128,828	(457,820)	112,077	91,642	49,096	93,997	35,632	
Other Financing Sources (Uses)										
Total Other Financing Sources (Uses)	48,206			26,267		50,771				
Special Items										
Total Special Items		1,513,801		704,994						
Net Change in Fund Balances	\$ 169,748	\$ 2,193,516	\$ 128,828	\$ 273,441	\$ 112,077	\$ 142,413	\$ 49,096	\$ 93,997	\$ 35,632	\$ -
Debt Service as a Percentage of Noncapital Expenditures	4.9%	3.7%	4.4%	0.2%	0.2%	0.2%	N/A	N/A	N/A	N/A

Source: Charter School's Records

- (1) Prior to the fiscal year ended June 30, 2016, the Charter School reported its budget in these functions:
Instruction, Administration, Support Services and Capital Outlay.
(2) For 2015, the operating period is January 1, 2014 - June 30, 2015.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	2024	2023	2022	2021	Fiscal Year Ended June 30,		2018	2017	2016	2015 (1)
					2020	2019				
Donations, Contributions, Grants and Fundraising	\$ 18,585	\$ 19,930	\$ 16,383	\$ 2,787	\$ 1,153	\$ 1,953	\$ 2,000			
Interest	104,735	16,173		1,674	3,346					
Restricted Interest	465									
Interest on Employee Retention Credit		62,973								
Miscellaneous Refunds/Other		5					2,352	\$ 6	\$ 583	
New Jersey E-Childcare						6,336				
Revenues from Educational Management Organization									30,000	\$ 57,341
Sale of Assets						7,095				
Student Transportation Fees									444	
	\$ 123,785	\$ 99,081	\$ 16,383	\$ 4,461	\$ 4,499	\$ 15,384	\$ 4,352	\$ 6	\$ 31,027	\$ 57,341

Source: Charter School Records

(1) For 2015, the operating period is January 1, 2014 - June 30, 2015.

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the Charter School's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the Charter School's outstanding debt and its debt capacity.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

<u>Governmental Activities</u>							
Fiscal Year Ended June 30,	General Obligation Bonds	Mortgages Payable	Financed Purchases	Loan Payable	Total Charter School	Percentage of Personal Income	Per Capita
2024	N/A	N/A	\$ 5,533,238	N/A	\$ 5,533,238	Unavailable	Unavailable
2023	N/A	N/A	5,562,597	N/A	5,562,597	Unavailable	\$ 147
2022	N/A	N/A	6,645,509	N/A	6,645,509	0%	175
2021	N/A	N/A	34,416	N/A	34,416	0%	1
2020	N/A	N/A	25,738	N/A	25,738	0%	1
2019	N/A	N/A	37,635	N/A	37,635	0%	1
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015 (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) For 2015, the operating period is January 1, 2014 - June 30, 2015.

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the Charter School operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Charter Schools. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the Charter School operates.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Demographic and Economic Statistics (1)
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (2)(6)</u>	<u>Personal Income (3)(6)</u>	<u>Atlantic County Per Capita Personal Income (4)</u>	<u>Unemployment Rate (5)(6)</u>
2024	Unavailable	Unavailable	Unavailable	Unavailable
2023	37,876	Unavailable	Unavailable	5.3%
2022	37,870	\$ 2,117,614,660	\$ 55,918	4.5%
2021	37,925	2,211,406,750	58,310	8.2%
2020	35,487	1,980,245,574	55,802	16.5%
2019	35,596	1,824,188,212	51,247	4.4%
2018	35,763	1,720,557,930	48,110	5.1%
2017	35,967	1,665,415,968	46,304	6.3%
2016	38,202	1,708,966,470	44,735	10.1%
2015	38,682	1,701,002,268	43,974	13.2%

Source:

- (1) Data provided for Atlantic County, New Jersey.
- (2) Population information is provided by the NJ Dept of Labor and Workforce Development.
- (3) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (4) Per Capita personal income is based upon the US Bureau of Economic Analysis CA04 data table.
- (5) Unemployment data provided by the NJ Dept of Labor and Workforce Development.
- (6) For 2015 and 2016, data is provided for the City of Atlantic City, the Charter School's previous location. Beginning with 2017, data is provided for Galloway Township, the Charter School's current location.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer (1)</u>	<u>2024</u>			<u>2015 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Labor Force</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Labor Force</u>
Historic Smithville	300	1	1.72%			
Comfort Keepers	207	2	1.19%			
Seashore Gardens Living Center	200	3	1.15%			
Historic Smithville Inn	150	4	0.86%			
Shoprite of Galloway	130	5	0.75%			
Royal Suites	125	6	0.72%			
Health Center at Galloway	115	7	0.66%			
Diocese of Camden	112	8	0.64%			
Marriott Fairway Villas	100	9	0.57%			
Galloway National Golf Club	80	10	0.46%			
Rolland E. Rogers School	80	10	0.46%			
Romanelli's Garden Café	80	10	0.46%			
	<u>1,679</u>			<u>-</u>		

(1) Source: Data Axle Reference Solutions (formerly Reference USA) for the Township of Galloway, New Jersey

(2) Data was not available from sources contacted.

Operating Information

Operating information is intended to provide contextual information about the Charter School's operations and resources to assist readers in using financial statement information to understand and assess the Charter School's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the Charter School's operations.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
 Full-time Equivalent Charter School Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015 (1, 2)</u>
Regular Instruction	31	32	33	42	44	33	23	20	15.5	
Special Education Instruction	11	13	12	20	12	10	8	4		
Basic Skills Remedial Instruction	1							1		
Bilingual Education Instruction	2	2	1	2	1	1	1			
Student and Instruction Related Services	6	6	7.5	7	4	4	4	2		
School Administrative Services	9	7.5	7.5	6	4	4	3	4	1.5	
Other Administrative Services								2	1.5	
Plant Operations and Maintenance	1.5	1.5	1.5	1.25	1.25	1	1	1		
Instruction										14.38
Administration										3.00
Support Services										1.19
Total	61.50	62.00	62.50	78.25	66.25	53.00	40.00	34.00	18.50	18.57

Source: Charter School Personnel Records

- (1) Prior to the fiscal year ended June 30, 2016, the Charter School reported its budget in three functions: Instruction, Administration and Support Services.
- (2) For 2015, the operating period is January 1, 2014 - June 30, 2015.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary (K-5)	Elementary (6-8)				
2024	317	\$ 9,548,751	\$ 30,122	5%	33.00	8.87 to 1	16.2 to 1	332.6	305.7	4.8%	91.91%
2023	326.7	9,386,342	28,731	11%	32.00	8.85 to 1	16.2 to 1	326.7	293.4	2.9%	89.81%
2022	317.5	8,220,754	25,892	10%	34.00	8.6 to 1	12.8 to 1	317.5	279.4	-9.7%	88.01%
2021	351.8	8,291,149	23,569	19%	43.00	8.1 to 1	8.3 to 1	351.6	290.2	-2.7%	82.53%
2020	370.2	7,315,143	19,760	8%	39.00	8.3 to 1	23.7 to 1	361.5	345.7	-6.7%	95.63%
2019	390	7,113,784	18,240	7%	37.00	12.11 to 1	21 to 1	387.6	359.5	3.5%	92.75%
2018	385	6,590,247	17,118	4%	33.00	11.35 to 1	16.5 to 1	374.6	349.7	27.3%	93.35%
2017	301	4,967,582	16,504	-10%	27.00	10.8:1	15 to 1	294.2	266.7	98.8%	90.65%
2016	149.3	2,728,060	18,272	1%	15.50	9.63:1		148.0	138.0	0.2%	93.24%
2015 (4)	150	2,719,669	18,131	N/A	14.38	10:1		147.7	136.3	N/A	92.28%

Sources: Charter School Records

Note: Enrollment based on annual October enrollment count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- (4) For 2015, the operating period is January 1, 2014 - June 30, 2015.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

School Building Information
 Last Nine Fiscal Years
 Unaudited

	<u>Fiscal Year Ending June 30,</u>								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Charter School Building</u>									
<u>Elementary</u>									
Atlantic Community Charter School									
Square Feet	25,686	25,686	25,686	25,686	25,686	25,686	25,686	25,686	25,686
Capacity (students)	450	450	950	950	950	950	950	950	950
Enrollment	317	326.7	317.5	351.8	370.2	390	385	301	149.3
<u>Other Buildings</u>									
Sheds - Square Footage	322	322							

Number of Schools at June 30, 2024
 Elementary = 1

Source: Charter records, Enrollment Counts

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the fiscal year-end enrollment annually.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Insurance Schedule

June 30, 2024

Unaudited

	Coverage	Deductible
New Jersey School Insurance Group		
Cape May Atlantic Insurance Pool Sub Fund		
Article I - Property (per occurrence)		
Real and Personal Property	\$ 500,000,000	\$ 5,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Demolition and Increased Cost of Construction	25,000,000	
Loss of Rents	839,009	
Loss of Business Income/Tuition	9,179,002	
Limited Builders Risk	10,000,000	
Fire Department Service Charge	10,000	
Arson Rewards	10,000	
Pollutant Cleanup and Removal	250,000	
Special Flood Hazard Area Flood Zones	25,000,000	
Deductible per building		500,000
Deductible per building contents		500,000
Accounts Receivable	250,000	
All Flood Zones (deductible per member/per occurrence)	75,000,000	10,000
Earthquake	50,000,000	
Terrorism	1,000,000	
Article II - Electronic Data Processing		
Data processing equipment including data and media, extra expense, business income, duplicates, transit and debris removal	350,000	1,000
Computer Virus (NJSIG Annual Aggregate \$10,000,000)	250,000	
Article III - Equipment Breakdown		
Combined Single Limit per Accident for Property Damage and Business Income (Per accident)	100,000,000	5,000
Sublimits:		
Property Damage	Included	
Off Premises Property Damage	1,000,000	25,000
Business Income	Included	
Extra Expense	10,000,000	
Service Interruption (Waiting period 24 hours)	10,000,000	
Perishable Goods	1,000,000	
Data Restoration	1,000,000	
Contingent Business Income	1,000,000	
Demolition	1,000,000	
Ordinance of Law	1,000,000	
Expediting Expenses	1,000,000	
Hazardous Substances	1,000,000	
Newly Acquired Locations (120 days notice)	1,000,000	
Terrorism	Included	

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Insurance Schedule

June 30, 2024

Unaudited

	Coverage	Deductible
Article IV - Crime		
Insuring Agreements:		
Public Employee Dishonesty with Faithful Performance	\$ 100,000	\$ 500
Theft, Disappearance and Destruction - Loss of Money & Securities		
On or off Premises	25,000	500
Theft, Disappearance and Destruction - Money Orders & Counterfeit		
Paper Currency	25,000	500
Forgery and Alteration	100,000	500
Computer Fraud	100,000	500
Article V - Comprehensive General Liability		
Bodily Injury and Property Damage, per Occurrence	11,000,000	
Products and Completed Operations (annual aggregate)	11,000,000	
Sexual Abuse:		
Per occurrence	11,000,000	
Per member annual aggregate	15,000,000	
NJSIG Annual Aggregate	27,000,000	
Communicable Disease Outbreak	1,000,000	
Annual NJSIG aggregate	9,000,000	
Personal Injury and Advertising Injury - per occurrence/ annual aggregate	11,000,000	
Employee Benefits Liability - per occurrence/ annual aggregate	11,000,000	1,000
Premises Medical Payments:		
Each Claim	1,000	
Per Accident	10,000	
Limit Per Person	5,000	
Terrorism/ per occurrence/ annual NJSIG Aggregate	1,000,000	
Article VI - Automobile		
Hired and Non-owned		
Bodily Injury and Property Damage	11,000,000	
Uninsured/ Underinsured Motorists - All vehicles. Bodily Injury	Not covered	
Personal Injury Protection (Including pedestrians)	Not covered	
Medical Payments	Not covered	
Terrorism (Per occurrence/ annual NJSIG aggregate)	1,000,000	
Comprehensive/ Collision/ Hired Car Physical Damage	Not covered	
Communicable Disease		
Per occurrence	1,000,000	
Annual NJSIG aggregate	9,000,000	
Workers' Compensation and Employers' Liability Declaration		
Bodily Injury by Accident/ Each Accident	3,000,000	
Bodily Injury by Disease/ Each Employee	3,000,000	
Bodily Injury by Disease/ Aggregate Limit	3,000,000	

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Insurance Schedule

June 30, 2024

Unaudited

	Coverage	Deductible
School Leaders Errors and Omissions Liability Policy Declaration		
Coverage A (Retroactive 7/1/1986)		
Limit of Liability - Each policy period		
NJSIG	\$ 10,000,000	
QBE Specialty Insurance Co.	1,000,000	
Deductible Each Claim		\$ 15,000
Coverage B (Retroactive July 1, 1986)		
Limit of Liability - Each Claim	100,000	
Limit of Liability - Each policy period	300,000	
Deductible Each Claim		15,000
Basic Student Accident Policy - Full Excess (Excluding Football)		
Berkley Life and Health Insurance Company		
Accident Medical Expense Limit	1,000,000	
Accident Medical Coverage for Volunteer Workers	25,000	
Catastrophic Student Accident Policy (Excluding Football)		
United States Fire Insurance Company		
Accident Medical Expense Limit	5,000,000	25,000
Public Officials Bonds		
Selective Insurance Company of America		
School Business Administrator	200,000	
Evolve Cyber Insurance Services LLC		
Cyber Incident Response:		
Section A: Incident Response Costs		
Limit of Liability Each and Every Claim	1,000,000	None
Section B: Legal and Regulatory Costs		
Limit of Liability Each and Every Claim	1,000,000	2,500
Section C: IT Security and Forensic Costs		
Limit of Liability Each and Every Claim	1,000,000	2,500
Section D: Crisis Communication Costs		
Limit of Liability Each and Every Claim	1,000,000	2,500
Section E: Privacy Breach Management Costs		
Limit of Liability Each and Every Claim	1,000,000	2,500
Section F: Third Party Privacy Breach Management Costs		
Limit of Liability Each and Every Claim	1,000,000	2,500
Section G: Post Breach Remediation Costs		
Limit of Liability	50,000	None
Each and Every Claim, subject to a maximum of 10% of all sums we have paid as a direct result of the cyber event		

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Insurance Schedule

June 30, 2024

Unaudited

	Coverage	Deductible
Evolve Cyber Insurance Services LLC (Cont'd)		
Cyber Crime:		
Section A: Funds Transfer Fraud		
Limit of Liability Each and Every Claim	\$ 250,000	\$ 2,500
Section B: Theft of Funds Held Escrow		
Limit of Liability Each and Every Claim	250,000	2,500
Section C: Theft of Personal Funds		
Limit of Liability Each and Every Claim	250,000	2,500
Section D: Extortion		
Limit of Liability Each and Every Claim	1,000,000	2,500
Section E: Corporate Identify Theft		
Limit of Liability Each and Every Claim	250,000	2,500
Section F: Telephone Hacking		
Limit of Liability Each and Every Claim	250,000	2,500
Section G: Push Payment Fraud		
Limit of Liability Each and Every Claim	50,000	2,500
Section H: Unauthorized Use of Computer Resources		
Limit of Liability Each and Every Claim	250,000	2,500
System Damage and Business Interruption		
Section A: System Damage and Rectification Costs		
Limit of Liability Each and Every Claim	1,000,000	2,500
Section B: Income Loss and Extra Expense		
Limit of Liability Each and Every Claim	1,000,000	2,500
Sub-limited to \$1,000,000 in respect of system failure		
Section C: Additional Extra Expense		
Limit of Liability Each and Every Claim	100,000	2,500
Section D: Dependent Business Interruption		
Limit of Liability Each and Every Claim	1,000,000	2,500
Sub-limited to \$1,000,000 in respect of system failure		
Section E: Consequential Reputational Harm		
Limit of Liability Each and Every Claim	1,000,000	2,500
Section F: Claim Preparation Costs		
Limit of Liability Each and Every Claim	25,000	None
Section G: Hardware Replacement Costs		
Limit of Liability Each and Every Claim	1,000,000	2,500
Network Security & Privacy Liability		
Section A: Network Security Liability		
Aggregate Limit of Liability, including costs and expenses	1,000,000	2,500
Section B: Privacy Liability		
Aggregate Limit of Liability, including costs and expenses	1,000,000	2,500
Section C: Management Liability		
Aggregate Limit of Liability, including costs and expenses	1,000,000	2,500
Section D: Regulatory Fines		
Aggregate Limit of Liability, including costs and expenses	1,000,000	2,500
Section E: PCI Fines, Penalties and Assessments		
Aggregate Limit of Liability, including costs and expenses	1,000,000	2,500

(Continued)

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Insurance Schedule
June 30, 2024
Unaudited

	Coverage	Deductible
Evolve Cyber Insurance Services LLC (Cont'd)		
Media Liability		
Section A: Defamation		
Aggregate Limit of Liability, including costs and expenses	\$ 1,000,000	\$ 2,500
Section B: Intellectual Property Rights Infringement		
Aggregate Limit of Liability, including costs and expenses	1,000,000	2,500
Court Attendance Costs		
Aggregate Limit of Liability, Each and Every Claim	100,000	None

Source: Charter School's Insurance Policies and Certificate of Insurance

Charter School Financial Framework - Financial Indicators

The New Jersey Department of Education (NJDOE) developed the comprehensive Performance Framework to ensure that each and every NJ charter school is serving students with a high-quality education. The Performance Framework - Financial Indicators set the fiscal standards by which all NJ public charter schools will be evaluated, informing both the NJDOE and individual school officials about school performance and sustainability. By utilizing the Performance Framework throughout the charter school's life cycle, NJDOE officials will expand the rigorous standards and metrics by which each and every public charter school is evaluated. Please refer to the following exhibit for the Charter School's Performance Framework Financial Indicators.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
New Jersey Performance Framework Financial Ratios
Audited Performance Indicators
Unaudited

	2021 Audit	2022 Audit	2023 Audit	2024 Audit	Source
Cash	1,485,947	1,591,624	3,420,806	4,214,980	Audit: Exhibit A-1
Current Assets (include cash)	1,806,305	2,205,845	3,926,812	4,468,825	Audit: Exhibit A-1
Current Liabilities	1,165,454	1,504,924	981,813	1,354,411	Audit: Exhibit A-1
Total Expenses	6,844,527	6,230,513	6,620,183	7,926,002	Audit: Exhibit A-2
Change in Net Position	126,193	(279,206)	1,843,101	(35,296)	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	351.6	317.5	326.7	332.6	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	378.0	367.0	373.0	358.0	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>					
Depreciation Expense	26,923	222,349	187,124	193,853	Auditor/Workpapers
Interest Expense	2,284	552,683	453,007	459,042	Auditor/Workpapers
Principal Payments	17,589	44,063	6,639	29,359	Auditor/Workpapers
Interest Payments	2,610	314,225	344,214	441,056	Auditor/Workpapers

Performance Indicators		2022	2023	2024	3 YR CUMMULATIVE	Calculation****	Target****
Near Term Indicators		2021					
1a.	Current Ratio (working capital ratio)	1.55	1.47	4.00	3.30	Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	79	93	189	194	Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	93%	87%	88%	93%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cumulative
1d.**	Default on loans or delinquent in debt payments	No	No	No	No	Auditor	not in default
Sustainability Indicators							
2a***	3 Year Cumulative Cash Flow	1,083,217	105,677	1,829,182	794,174	Net change in cash flow from prior years	3 yr cumulative positive with most recent year positive
2b	Debt Service Coverage Ratio	7.69	1.38	7.08	1.31	N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available

** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No

*** 2023 =2023 Cash - 2022 Cash; 2022 =2022 Cash-2021 Cash; 2021 =2021 Cash-2020 Cash

**** Refer to NJ Performance Framework

Meets Standard

Does Not Meet Standard

Falls Far Below Standard

SINGLE AUDIT SECTION

Exhibit K-1**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and
Members of the Board of Trustees
Atlantic Community Charter School, Inc.
Galloway, New Jersey 08205

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement 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 and each major fund of the Atlantic Community Charter School, Inc., in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated November 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Atlantic Community Charter School, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Atlantic Community Charter School, Inc.'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
November 15, 2024

Exhibit K-2**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and
Members of the Board of Trustees
Atlantic Community Charter School, Inc.
Galloway, New Jersey 08205

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

We have audited the Atlantic Community Charter School, Inc.'s, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal and state programs for the fiscal 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 our opinion, the Atlantic Community Charter School, Inc., in the County of Atlantic, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our 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, regulations, 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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we 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 Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and 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.

Report on Internal Control over Compliance (Cont'd)

Our 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 our audit we did not identify any deficiencies in internal control over compliance that we 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
November 15, 2024

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

Federal Grantor/ Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period	
						From	To
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
E.S.S.A.:							
Title I Grants to Local Educational Agencies	84.010		S010A220030	ESEA606023	291,980	7/1/2022	9/30/2023
Title I Grants to Local Educational Agencies	84.010		S010A230030	ESEA606024	299,671	7/1/2023	9/30/2024
Title I Grants to Local Educational Agencies (SIA)	84.010		S010A230030	ESEA606024	37,875	7/1/2023	9/30/2024
Total Title I Grants to Local Educational Agencies							
Supporting Effective Instruction State Grants (Title II)	84.367		S367A230029	ESEA606024	23,368	7/1/2023	9/30/2024
Total Title II, Part A							
Student Support & Academic Enrichment Grant (Title IV)	84.424		S424A220031	ESEA606023	28,702	7/1/2022	9/30/2023
Student Support & Academic Enrichment Grant (Title IV)	84.424		S424A230031	ESEA606024	23,943	7/1/2023	9/30/2024
Bipartisan Safer Communities Act:							
Stronger Connections Grant Program	84.424	84.424F	S424F230031	24E00102	947,588	9/1/2023	9/30/2025
Total Student Support & Academic Enrichment Grant (Title IV)							
Rural and Low-Income School Program (Title V)	84.358	84.358B	S358B220030	ESEA606023	8,055	7/1/2022	9/30/2023
Rural and Low-Income School Program (Title V)	84.358	84.358B	S358B230030	ESEA606024	9,200	7/1/2023	9/30/2024
Total Rural and Low-Income School Program (Title V)							
Special Education Cluster (IDEA):							
Special Education Grants to States (IDEA, Basic)	84.027		H027A220100	FT60623	87,849	7/1/2022	9/30/2023
Special Education Grants to States (IDEA, Basic)	84.027		H027A230100	FT60624	91,945	7/1/2023	9/30/2024
Total Special Education Grants to States (IDEA Basic)							
Special Education Preschool Grants (IDEA Preschool)	84.173		H173A230114	FT60624	2,337	7/1/2023	9/30/2024
Total Special Education Preschool Grants (IDEA Preschool)							
Total Special Education Cluster (IDEA)							
Education Stabilization Fund (ESF):							
Coronavirus Response and Relief Supplemental Appropriations:							
(CRRSA-ESSER II):							
Addressing Student Learning	84.425	COVID-19, 84.425D	S425D210027	N/A	887,952	3/13/2020	9/30/2023
Learning Acceleration	84.425	COVID-19, 84.425D	S425D210027	N/A	56,985	3/13/2020	9/30/2023
American Rescue Plan (ARP ESSER):							
ARP ESSER	84.425	COVID-19, 84.425U	S425U210027	N/A	1,995,616	3/13/2020	9/30/2024
Accelerated Learning Coach and Educator Support	84.425	COVID-19, 84.425U	S425U210027	N/A	50,000	3/13/2020	9/30/2024
Evidence Based Summer Learning and Enrichment	84.425	COVID-19, 84.425U	S425U210027	N/A	40,000	3/13/2020	9/30/2024
Evidence Based Comprehensive Beyond the School Day	84.425	COVID-19, 84.425U	S425U210027	N/A	40,000	3/13/2020	9/30/2024
Total Education Stabilization Fund							
Total U.S. Department of Education							
State and Local Fiscal Recovery Funds:							
New Jersey Learning Acceleration Program							
High-Impact Tutoring Grant	21.027	COVID-19, 21.027	C2221SLFRF21	E2400446	48,000	10/11/2023	8/31/2024
Total Special Revenue Fund							
Total Federal Financial Assistance							

(a) see note 6 to the schedules of expenditures of federal awards and state financial assistance

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

Balance July 1, 2023	Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	Balance June 30, 2024		
			Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ (71,080)		\$ 75,686	\$ 4,606		\$ 4,606				\$ (28,716)		
		260,798	289,514		289,514						
		37,875	37,876		37,876		\$ 1				
(71,080)		374,359	331,996		331,996		1		(28,716)		
		23,368	23,368		23,368						
		23,368	23,368		23,368						
(14,425)		14,425									
		22,711	23,392		23,392				(681)		
		241,295	249,396		249,396				(8,101)		
(14,425)		278,431	272,788		272,788				(8,782)		
(1,870)		8,055	6,185		6,185						
		8,751	8,751		8,751						
(1,870)		16,806	14,936		14,936						
(359)		359			-						
		90,002	91,945		91,945				(1,943)		
(359)		90,361	91,945		91,945				(1,943)		
		1,800	2,337		2,337				(537)		
		1,800	2,337		2,337				(537)		
(359)		92,161	94,282		94,282				(2,480)		
(5,074)		5,855	781		781						
(7,936)		8,330	394		394						
(265,465)		563,882	314,919		314,919				(16,502)		
(3,174)		14,509	11,335		11,335						
(537)		4,005	3,468		3,468						
		40,000	40,000		40,000						
(282,186)		636,581	370,897		370,897				(16,502)		
(369,920)		1,421,706	1,108,267		1,108,267		1		(56,480)		
		21,058	22,679		22,679				(1,621)		
		21,058	22,679		22,679				(1,621)		
(369,920)		1,442,764	1,130,946		1,130,946		1		(58,101)		
\$ (369,920)	\$ -	\$ 1,442,764	\$ 1,130,946	\$ -	\$ 1,130,946	\$ -	\$ 1	\$ -	\$ (58,101)	\$ -	\$ -

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023		Carryover / (Walkover) Amount	
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor		
General Fund:								
New Jersey Department of Education:								
Passed-Through Local Education Agencies:								
Current Expense:								
State Aid - Public:								
Charter School Aid:								
Local Levy Equalization Aid - State and Local Share	23-495-034-5120-078	6,440,545	7/1/22	6/30/23	\$ (98,057)	\$ 176,573		
Local Levy Equalization Aid - State and Local Share	24-495-034-5120-078	7,292,323	7/1/23	6/30/24				
Categorical Special Education Aid	24-495-034-5120-089	239,672	7/1/23	6/30/24				
Categorical Security Aid	24-495-034-5120-084	186,720	7/1/23	6/30/24				
Total Passed-Through Local Education Agencies					(98,057)	176,573		
Total State Aid - Public					(98,057)	176,573		
Reimbursed T.P.A.F. Social Security Contributions	23-495-034-5094-003	194,994	7/1/22	6/30/23	(33,186)			
Reimbursed T.P.A.F. Social Security Contributions	24-495-034-5094-003	198,988	7/1/23	6/30/24				
Total Reimbursed TPAF Social Security Contributions					(33,186)			
On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted):								
T.P.A.F. Post-Retirement Medical	24-495-034-5094-001	224,140	7/1/23	6/30/24				
Teacher's Pension and Annuity Fund	24-495-034-5094-002	814,263	7/1/23	6/30/24				
T.P.A.F. Long-Term Disability Insurance	24-495-034-5094-004	9,286	7/1/23	6/30/24				
T.P.A.F. Non-contributory Insurance	24-495-034-5094-004	657	7/1/23	6/30/24				
Total On-Behalf TPAF Pension Contributions (Non-Budgeted)								
Total General Fund					(131,243)	176,573		
Special Revenue Fund:								
Charter School and Renaissance School Project Emergent and Capital Maintenance Fund Allocations	24-495-034-5120-124	97,836	7/1/23	6/30/24				
Total Special Revenue Fund								
Total State Financial Assistance					\$ (131,243)	\$ 176,573	\$ -	

Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:

General Fund (Non-Cash Assistance):

New Jersey Department of Education:

On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted):

T.P.A.F. Post-Retirement Medical	24-495-034-5094-001	224,140	7/1/23	6/30/24
Teacher's Pension and Annuity Fund	24-495-034-5094-002	814,263	7/1/23	6/30/24
T.P.A.F. Long-Term Disability Insurance	24-495-034-5094-004	9,286	7/1/23	6/30/24
T.P.A.F. Non-contributory Insurance	24-495-034-5094-004	657	7/1/23	6/30/24

Total General Fund (Non-Cash Assistance)

Total State Financial Assistance subject to Major Program Determination for State Single Audit

(a) see note 6 to the schedules of expenditures of federal awards and state financial assistance

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

Balance June 30, 2024								Memo	
Cash Received	Total Budgetary Expenditures	Passed - Through Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2024	Cumulative Total Expenditures
\$ 98,057				\$ (176,573)					\$ 6,440,545
7,598,950	\$ 7,292,323		\$ 1		\$ (152,905)		\$ 459,533		7,292,323
239,672	239,672								239,672
186,720	186,720								186,720
8,123,399	7,718,715		1	(176,573)	(152,905)		459,533		14,159,260
8,123,399	7,718,715		1	(176,573)	(152,905)		459,533		14,159,260
33,186									194,994
163,917	198,988				(35,071)				198,988
197,103	198,988				(35,071)				393,982
224,140	224,140								224,140
814,263	814,263								814,263
9,286	9,286								9,286
657	657								657
1,048,346	1,048,346								1,048,346
9,368,848	8,966,049		1	(176,573)	(187,976)		459,533	-	15,601,833
97,836	12,557					85,279			12,557
97,836	12,557					85,279			12,557
\$ 9,466,684	\$ 8,978,606	\$ -	\$ 1	\$ (176,573)	\$ (187,976)	\$ 85,279	\$ 459,533	\$ -	\$ 15,614,390
	\$ 224,140								
	814,263								
	9,286								
	657								
	1,048,346								
	\$ 7,930,260								

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

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

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance ("the schedules") include federal and state award activity of the Atlantic Community Charter School, Inc. (hereafter referred to as the "Charter School"). The Charter School is defined 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the Charter School, it is not intended to and does not present the financial position and changes in operations of the Charter School.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting. This basis of accounting is described in note 1 to the Charter School's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedules are presented at the federal and state participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

The Charter School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

There is no net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis for the general or the special revenue funds. See exhibit C-3, 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.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 8,966,049	\$ 8,966,049
Special Revenue	\$ 1,130,946	12,557	1,143,503
GAAP Basis Revenues	1,130,946	8,978,606	10,109,552
Total Awards and Financial Assistance Expended	\$ 1,130,946	\$ 8,978,606	\$ 10,109,552

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent rounding differences between expenditures and amounts collected from awarding agencies.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2024, the Charter School was the recipient of federal and state assistance that represented either a reimbursement to the Charter School or payments made on-behalf of the Charter School. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2024

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Education Stabilization Fund:
		Elementary and Secondary School Emergency Relief Fund:
84.425D	S425D210027	(CRRSA- ESSER II) - Addressing Student Learning
84.425D	S425D210027	(CRRSA- ESSER II) - Learning Acceleration
84.425U	S425U210027	ARP ESSER
84.425U	S425U210027	(ARP ESSER) - Accelerated Learning Coach and Educator Support
84.425U	S425U210027	(ARP ESSER) - Evidence Based Summer Learning and Enrichment
84.425U	S425U210027	(ARP ESSER) - Evidence Based Comprehensive Beyond the School Day

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? X yes no

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 1- Summary of Auditor's Results (Cont'd)**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ noSignificant deficiency(ies) identified? ☐ yes ☒ none reported

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

UnmodifiedAny audit findings disclosed that are required to be reported in
accordance with New Jersey Circular 15-08-OMB?☐ yes ☒ no

Identification of major programs:

State Grant / Project #**Name of State Program**495-034-5120-078**State Aid - Public:**Equalization Aid495-034-5120-089Categorical Special Education Aid495-034-5120-084Categorical Security Aid

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

\$ 750,000.00

Auditee qualified as low-risk auditee?

☒ yes ☐ no

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None.

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

ATLANTIC COMMUNITY CHARTER SCHOOL, INC.
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

