

***THE BENJAMIN BANNEKER PREPARATORY  
CHARTER SCHOOL***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2024***

***THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL***

***The Benjamin Banneker Preparatory Charter School  
Board of Trustees  
Willingboro, New Jersey***

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

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024***

***Prepared by  
The Benjamin Banneker Preparatory Charter School  
Finance Department***

***And  
Barre & Company LLC, CPAs***

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***INTRODUCTORY SECTION***

***THE BENJAMIN BANNEKER PREPARATORY CHARTER  
SCHOOL  
1000 SALEM ROAD, SUITE D  
WILLINGBORO, NEW JERSEY 08046***

December 20, 2024

Honorable President and  
Members of the Board of Trustees  
The Benjamin Banneker Preparatory Charter School  
Willingboro, New Jersey 08046

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of The Benjamin Banneker Preparatory Charter School "Charter School" for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (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, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

## Charter School Organization

An elected four member Board of Trustees (the “Board”) serves as the policy maker 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 funds.

The Head of School is the chief executive officer of the Charter School, responsible to the Board for total educational and support operations. The Building Administrator/Director of Instruction is responsible to the Head of School for the instructional program of the Charter School. 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 Benjamin Banneker Preparatory Charter School is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by Statement No. 14, as amended. All funds of the Charter School are included in this report. The Benjamin Banneker Preparatory Charter School Board of Trustees constitutes the Charter School's reporting entity.

The Benjamin Banneker Preparatory Charter School, in its tenth year of operation, provided a full range of services appropriate to Grades K through 8th. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2023-2024 school year with an enrollment of 360 students. The following details the student enrollment of the Charter School for the five most recent years:

<u>Average Daily Enrollment (ADE)</u>		
<u>Fiscal Year</u>	<u>Actual Student Enrollment</u>	<u>Percent Change - ADE</u>
2023-2024	360	-2.38%
2022-2023	360	1.02%
2021-2022	360	0.00%
2020-2021	359	0.90%
2019-2020	358	0.00%

**2. MISSION AND GOALS:** The mission of The Benjamin Banneker Preparatory Charter School is to develop the next generation of outstanding leaders who will be equipped with the academic excellence, self-management skills and character necessary for them to positively influence their world. The vision of the Benjamin Banneker Preparatory Charter School is an educational environment, which supports student engagement and empowers all students to identify and utilize their own leadership abilities and gifts. The school has just completed its ninth year of operation. Every student in sixth and seventh grades is given the state mandated NJ ASK test. Our school did make AYP – the state criteria for achievement.

**3. FACILITY CONDITION AND OUTLOOK:** We are located at 300 Willingboro Way, Willingboro, New Jersey. Our school shares a building with Strayer University, who is a tenant in a separate part of the building. The school is also located next to the Willingboro Public Library. Our administrative team is at a facility offsite, located at 1000 Salem Road, Suite D, Willingboro, New Jersey. On June 29, 2017, the Charter School closed on the purchase of a new building to be used as our new school location, beginning in September, 2017. The new building is located at 315 Bridge Street, Westhampton, New Jersey.

**4. MAJOR INITIATIVES:** The Charter School has developed a comprehensive strategic plan to support its mission and vision and serves as a blueprint for the achievement of its goals. The plan includes objectives, such as pupil achievement as measured by standardized tests and teacher assessment instruments; formal professional for the certified and non-certified staff; and the implementation of a technology plan in all classrooms.

**5. 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 recognizes that:

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

As a recipient of federal and state financial assistance, the Board of Trustees 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's 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.

**6. BUDGETARY CONTROLS:** In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2024.

**7. CASH MANAGEMENT:** The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to Basic Financial Statement" Note 2. The Charter School has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires

governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**8. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, directors and officers insurance and workmen's compensation.

**9. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, LLC, Certified Public Accountants, was selected by the Board of Trustees. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and State of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports, related specifically to the single audit, are included in the single audit section of this report.

**10. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of The Benjamin Banneker Preparatory Charter School Board of Trustees for their concerns in providing fiscal accountability to the citizens and taxpayers of the participating 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 business office staff.

Respectfully submitted,

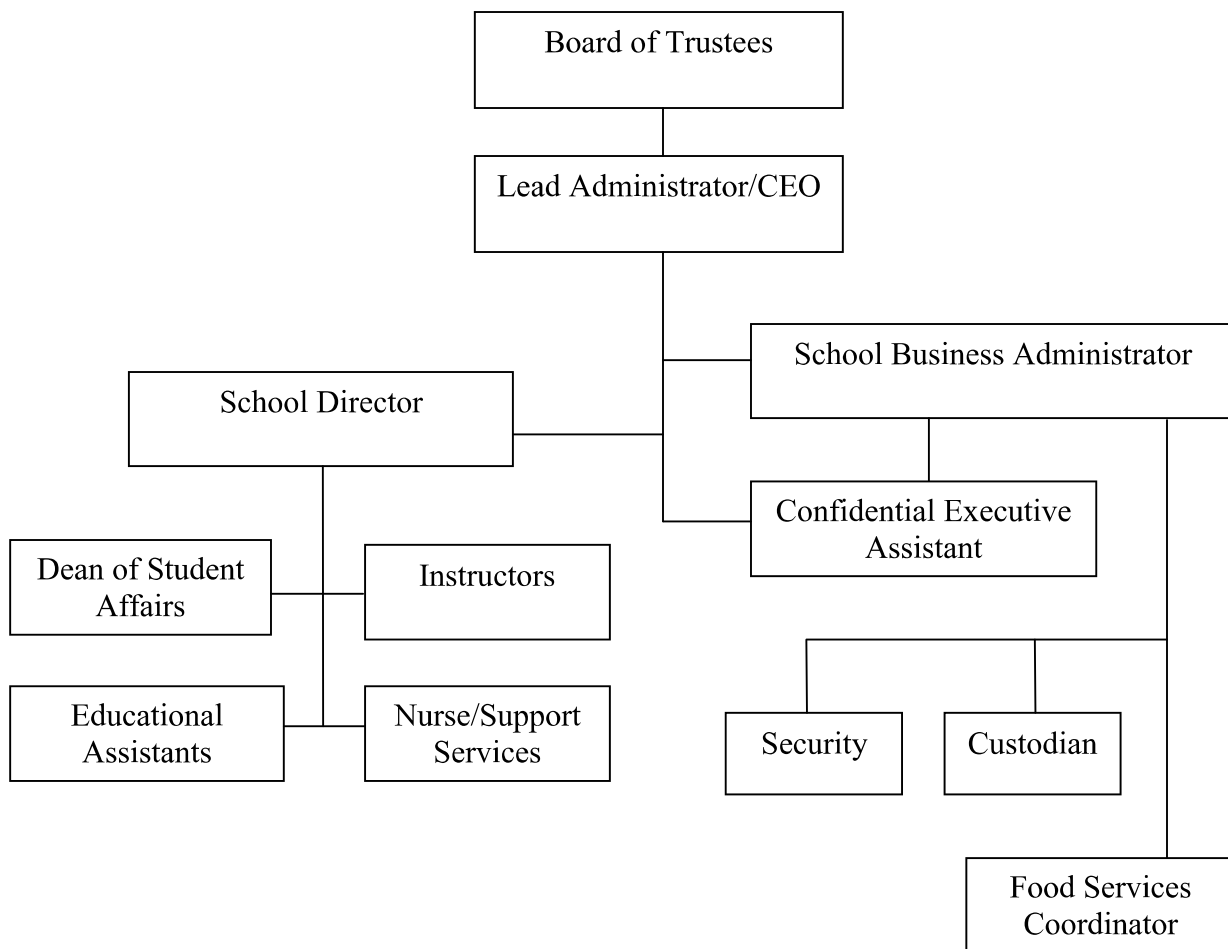


Richard L. Wilson, Jr., MA  
Lead Administrator/CEO



Glenn A. Richardson  
Business Administrator

## 1110 ORGANIZATIONAL CHART



Adopted: 24 September 2013  
Revised: 21 November 2013



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2024**

**MEMBERS OF THE BOARD OF TRUSTEES**

**POSITION**

Dejon Barbown

President

Kim Murray

Trustee

Andaiye Al-Uqotah

Trustee

Melda Grant

Trustee

**OTHER OFFICIALS**

Richard L. Wilson, Jr.

Lead Administrator

Glenn A. Richardson

Business Administrator/Bd. Sec'y



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

***Audit Firm***

Barre & Company, LLC  
Certified Public Accountants  
2204 Morris Avenue, Suite 206  
Union, NJ 07083

***Attorneys***

Weiner Law Group LLP  
629 Parsippany Road  
P.O. Box 438  
Parsippany, NJ 07054

***Official Depository***

TD Bank  
13 Levitt Parkway  
Willingboro, NJ 08046

***FINANCIAL SECTION***

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

2204 Morris Avenue, Suite 206  
Union, New Jersey 07083  
908-686-3484  
FAX – 908-686-6055  
www.cpa-bc.com □ info@cpa-bc.com

**Independent Auditor's Report**

Honorable President  
Members of the Board of Trustees  
The Benjamin Banneker Preparatory Charter School  
Willingboro, New Jersey

**Report on the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund The Benjamin Banneker Preparatory Charter School "Charter School", in the County of Burlington, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund The Benjamin Banneker Preparatory Charter School, in the County of Burlington, State of New Jersey, as of June 30, 2024, and the respective changes in the 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 Benjamin Banneker Preparatory Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS 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 Benjamin Banneker Preparatory 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 Benjamin Banneker Preparatory 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, following this report, and pension and post-employment benefit schedules in Exhibits L-1 through L-3, and M-1, and the related notes and budgetary comparison information in Exhibits C-1 through C-3, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Benjamin Banneker Preparatory Charter School's basic financial statements. The combining and related major fund supporting statements and schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying 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 the State of New Jersey's Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated December 20, 2024 on our consideration of The Benjamin Banneker Preparatory Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey and the Office of School Finance, Department of Education, State of New Jersey in considering the Charter School's internal control over financial reporting and compliance.



BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants



Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
December 20, 2024

***REQUIRED SUPPLEMENTARY INFORMATION – PART I***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY**

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

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

**Financial Highlights**

Key financial highlights for 2024 are as follows:

- ❖ General revenues accounted for \$7,935,714 in revenue or 97% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$284,684 or 3% of total revenues of \$8,220,398.
- ❖ The Charter School had \$8,409,010 in expenses; only \$284,684 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$7,935,714 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$7,203,041 in revenues and \$7,380,132 in expenditures. The General Fund's fund balance decreased \$177,091 in its tenth year of operation. This increase was anticipated by the Board of Trustees.

**Using this Annual Comprehensive Financial Report (ACFR)**

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

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



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY**

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

**Reporting the Charter School as a Whole**

**Statement of Net Position and the Statement of Activities**

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

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

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

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

**Reporting the Charter School's Most Significant Funds**

**Fund Financial Statements**

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

**Governmental Funds**

The Charter School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY**

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

**Governmental Funds (Continued)**

accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Charter School's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 34 of this report.

**The Charter School as a Whole**

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

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

The Charter School's combined Net Position was \$805,127 for 2024 and \$993,739 for 2023.

**Governmental Activities**

The Charter School's total revenues were \$8,071,353 for the year ended June 30, 2024 and \$8,018,958 for 2023. This includes \$1,252,485 for 2024 and \$1,108,208 for 2023 of state reimbursed TPAF social security contributions, and TPAF On-Behalf pension, post-retirement medical and Long-Term Disability Insurance contributions.

The total cost of all program and services was \$8,271,273 for 2024 and \$7,226,374 for 2023. Instruction comprises 56% for 2024 and 46% for 2023 of Charter School expenses.

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY**

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

**Governmental Activities (Continued)**

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

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

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

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

**Business-Type Activity**

Revenues for the Charter School's business-type activity (food service program) are comprised of charges for services and federal and state reimbursements. The balances below are merely carryover amounts from the prior year as the Board of Education of the Borough of Willingboro has taken over the Food Service for the charter school.

**FOOD SERVICE**

- ❖ Revenues exceeded expenses by \$11,308 for 2024 and by \$61,001 for 2023.
- ❖ Charges for services represent \$18,028 for 2024 and \$20,253 for 2023.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunch, breakfast, and snack programs were \$131,017 for 2024 and \$61,796 for 2023.

**The Charter School's Funds**

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$7,472,452 for 2024 and \$7,420,057 for 2023, and expenditures were \$7,649,543 for 2024 and \$7,273,998 for 2023. The net change in fund balance for the year was most significant in the general fund, with a decrease of -\$177,091 in 2024 and an increase of \$146,059 in 2023.

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY**

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

**The Charter School's Funds (Continued)**

Revenues	2024 Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Local Sources	5,696,722	76.24%	\$ 3,233,060	131.23%
State Sources	<b>1,506,319</b>	20.16%	(2,994,247)	-66.53%
Federal Sources	269,411	3.60%	(186,418)	-40.90%
<b>Total</b>	<b>\$ 7,472,452</b>	<b>100.00%</b>	<b>\$ 52,395</b>	

The following schedule represents a summary of the expenditures of the governmental funds for the fiscal year ended June 30, 2024, and the amounts and percentages of increases in relation to prior year amounts.

Expenditures	2024 Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Instruction	\$ 2,567,289	33.56%	\$ 19,885	0.78%
Administration	4,145,470	54.19%	335,466	8.80%
Support Services	825,466	10.79%	19,673	2.44%
Principal Payments	111,318	1.46%	521	0.47%
<b>Total</b>	<b>\$ 7,649,543</b>	<b>100.00%</b>	<b>\$ 375,545</b>	

Changes in expenditures were the results of varying factors.

**General Fund Budgeting Highlights**

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

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
WILLINGBORO, NEW JERSEY**

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

**Capital Assets (Net of Accumulated Depreciation)**

The Charter School had 26,644 invested in capital assets at the end of the fiscal year 2024 and 0 invested in capital assets at the end of fiscal year 2023.

**For the Future**

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

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

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

This financial report is designed to provide our citizens with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Richard L. Wilson, Chief Education Officer at The Benjamin Banneker Preparatory Charter School, 1000 Salem Road, Suite D, Willingboro, New Jersey 08046. Please visit our website at <http://bbprep.com>.

***BASIC FINANCIAL STATEMENTS***

## **SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS**

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,172,818	\$ 18,562	\$ 1,191,380
Investments	50,068		50,068
Interfund Receivables	122,402		122,402
Receivables	330,837	28,902	359,739
Security Deposit	57,068		57,068
Right of Use Asset, Net of Amortization	268,983		268,983
Capital Assets, Net	2,360,520	26,644	2,387,164
 Total Assets	 4,362,696	 74,108	 4,436,804
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	1,333,653		1,333,653
 Total Deferred Outflows of Resources	 1,333,653		 1,333,653
<b>LIABILITIES:</b>			
Internal Balances		122,402	122,402
Payable to District	12,883		12,883
Unearned Revenue	273,478		273,478
Noncurrent Liabilities:			
Due Within One Year	135,883		135,883
Due Beyond One Year	2,281,545		2,281,545
Net Pension Liability	1,843,298		1,843,298
 Total Liabilities	 4,547,087	 122,402	 4,669,489
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	295,841		295,841
 Total Deferred Inflows of Resources	 295,841		 295,841
<b>NET POSITION:</b>			
Net Investment in Capital Assets	212,075		212,075
Restricted for:			
Escrow Fund	50,068		50,068
Unrestricted	591,278	(48,294)	542,984
 Total Net Position	 \$ 853,421	 \$ (48,294)	 \$ 805,127

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



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Statement of Activities  
For The Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>								
Instruction	\$ 3,686,253	\$ 957,390	\$ -	\$ 135,639	\$ -	\$ (4,508,004)	\$ -	\$ (4,508,004)
Administration	1,926,483	820,615				(2,747,098)		(2,747,098)
Support Services	492,610					(492,610)		(492,610)
Interest on Long-Term Debt	212,510					(212,510)		(212,510)
Unallocated Amortization and Depreciation	175,412					(175,412)		(175,412)
Total Governmental Activities	<u>6,493,268</u>	<u>\$ 1,778,005</u>	<u>-</u>	<u>135,639</u>	<u>-</u>	<u>(8,135,634)</u>	<u>-</u>	<u>(8,135,634)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Food Service and School Store	137,737		18,028	131,017			11,308	11,308
Total Business-Type Activities	<u>137,737</u>		<u>18,028</u>	<u>131,017</u>	<u>-</u>	<u>-</u>	<u>11,308</u>	<u>11,308</u>
Total Primary Government	<u>\$ 6,631,005</u>		<u>\$ 18,028</u>	<u>\$ 266,656</u>	<u>\$ -</u>	<u>(8,135,634)</u>	<u>11,308</u>	<u>(8,124,326)</u>
<b>GENERAL REVENUES</b>								
General Purposes						5,683,291	-	5,683,291
Federal and State Aid Not Restricted						2,238,992		2,238,992
Miscellaneous Income						13,431		13,431
Total General Revenues						<u>7,935,714</u>	<u>-</u>	<u>7,935,714</u>
Change in Net Position						(199,920)	11,308	(188,612)
Net Position - Beginning of Year						1,053,341	(59,602)	993,739
Net Position - Ending						<u>\$ 853,421</u>	<u>\$ (48,294)</u>	<u>\$ 805,127</u>

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

## ***SECTION B – FUND FINANCIAL STATEMENTS***

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

***GOVERNMENTAL FUNDS***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

Governmental Funds

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,018,271	\$ 154,544	\$ 1,172,815
Escrow Account	50,071		50,071
Interfund Receivables	164,073		164,073
Receivables from Other Governments	170,232	160,605	330,837
Security Deposit	57,068		57,068
<b>Total Assets</b>	<u>\$ 1,459,715</u>	<u>\$ 315,149</u>	<u>\$ 1,774,864</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Interfund Payables	\$ -	\$ 61,904	\$ 61,904
Payables to State Government	12,883		12,883
Deferred Revenues		273,478	273,478
<b>Total Liabilities</b>	<u>12,883</u>	<u>335,382</u>	<u>348,265</u>
<b>Fund Balances:</b>			
<b>Unrestricted:</b>			
Unassigned - General Fund	1,396,764		1,396,764
Restricted - Escrow Fund	50,068		50,068
<b>Total Fund Balances</b>	<u>1,446,832</u>	<u>-</u>	<u>1,446,832</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,459,715</u>	<u>\$ 335,382</u>	

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

Right of use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds

The cost of the assets is \$620,727 and the accumulated depreciation is \$351,744.

268,983

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$2,719,388 and the accumulated depreciation is \$358,868.

2,360,520

Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds  
Long-term debt included as net position from lease liabilities

(2,417,428)

Net pension liability of \$1,843,298, deferred inflows of resources of \$295,841 less deferred outflows of resources of \$1,333,653 related to pensions are not reported in the governmental funds

(805,486)

Net Position of Governmental Activities

\$ 853,421

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
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
REVENUES:			
Local Sources:			
Local Tax Levy	2,377,579	\$ -	\$ 2,377,579
Interest on Investments			-
Miscellaneous	13,431		13,431
Total Local Sources	2,391,010	-	2,391,010
State Sources	4,812,031		4,812,031
Federal Sources		269,411	269,411
Total Revenues	7,203,041	269,411	7,472,452
EXPENDITURES:			
Instruction	2,433,768	133,521	2,567,289
Administration	4,145,470		4,145,470
Support Services	689,576	135,890	825,466
Debt Service: Principal Payments	111,318		111,318
Total Expenditures	7,380,132	269,411	7,649,543
Excess (Deficiency) of Revenues over Expenditures	(177,091)	-	(177,091)
NET CHANGE IN FUND BALANCES	(177,091)	-	(177,091)
FUND BALANCES, JULY 1	1,623,923	-	1,623,923
FUND BALANCES, JUNE 30	\$ 1,446,832	\$ -	\$ 1,446,832

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental funds (B-2) \$ (177,091)

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, on the statement of activities, the cost of those assets  
which are capitalized are allocated over their estimated useful lives  
as depreciation expense in the current fiscal year.

Capital Asset Addition	25,303	
Depreciation Expense	(51,267)	
Amortization Expense	<u>(124,145)</u>	(150,109)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

New long-term debt issued	-	
Principal payment on long-term debt		120,346
Increase in accrued interest payable		

Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized (79,081)

Repayment of capital lease principal 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. 86,015

Change in net position of governmental activities		<u>\$ (199,920)</u>
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***PROPRIETARY FUNDS***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

Proprietary Fund  
Statement of Net Position  
June 30, 2024

	Business-Type Activities Enterprise Funds Food Service
	<hr/>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents:	
Cash and Cash Equivalents	\$ 18,562
Intergovernmental Accounts Receivable:	
Federal	28,802
State	100
	<hr/>
Total Current Assets	47,464
	<hr/>
Noncurrent Assets:	
Capital Assets	
Machinery and Equipment	26,644
Less Accumulated Depreciation	
	<hr/>
	26,644
	<hr/>
Total Assets	\$ 74,108
	<hr/> <hr/>
<b>LIABILITIES AND NET ASSETS:</b>	
Liabilities:	
Interfund Accounts Payable	\$ 122,402
	<hr/>
Total Current Liabilities	122,402
	<hr/>
Total Liabilities	122,402
	<hr/>
Net Position:	
Unrestricted	(48,294)
	<hr/>
Total Net Position	(48,294)
	<hr/>
Total Liabilities and Net Position	\$ 74,108
	<hr/> <hr/>

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



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

## Proprietary Fund

## Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Fund
	<u>Business-Type Activities Enterprise</u>
	<u>Food</u>
	<u>Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Non-reimbursable Program	\$ 18,028
Total Operating Revenues	18,028
OPERATING EXPENSES:	
Cost of Sales	137,703
Miscellaneous Expenses	34
Total Operating Expenses	137,737
OPERATING INCOME (LOSS)	(119,709)
NONOPERATING REVENUES:	
Interest Earned	
State Source:	
State School Breakfast Program	289
State School Lunch Program	2,786
Federal Source:	
National School Breakfast Program	19,116
National School Lunch Program	57,865
National School Snack Program	11,212
Federal Supply Chain Assistance	13,105
U.S.D.A Equipment Grant	26,644
Total Nonoperating Revenues	131,017
CHANGE IN NET POSITION	11,308
TOTAL NET POSITION, JULY 1	(59,602)
TOTAL NET POSITION, JUNE 30	\$ (48,294)

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

Proprietary Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Fund Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 183
Cash Payments to Suppliers and Employees	(85,994)
Net Cash Provided By (Used In) Operating Activities	(85,811)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	131,017
Net Cash Provided By Noncapital Financing Activities	131,017
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of Capital Assets	(26,644)
Net Cash Used For Capital And Related Financing Activities	(26,644)
Net Increase (Decrease) In Cash And Cash Equivalents	18,562
Cash And Cash Equivalents, Beginning Of Year	-
Cash And Cash Equivalents, End Of Year	\$ 18,562
Reconciliation of Operating Loss to Net Cash Provided By (Used in) Operating Activities:	
Operating Income (Loss) Used in Operating Activities	\$ (119,709)
Depreciation	
Change in Assets and Liabilities:	
Increase in Receivables From Other Governments	(17,845)
Increase (Decrease) In Interfund Payable	51,743
Net Cash Provided By (Used In) Operating Activities	\$ (85,811)

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

***NOTES TO THE FINANCIAL STATEMENTS***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

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

**A. Reporting Entity**

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

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

**B. Basis of Presentation, Basis of Accounting**

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

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**Basis of Presentation, Basis of Accounting (Continued)**

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

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Charter School.

*Fund Financial Statements:* During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the Charter School's funds. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting models.

The Charter School reports the following governmental funds:

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

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting (Continued)**

from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: Not Applicable.

The Charter School reports the following proprietary funds:

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

**Basis of Accounting**

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

*Charter School-wide, and Proprietary Fund Financial Statements*: The financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**Basis of Presentation, Basis of Accounting (Continued)**

enterprise fund uses the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

**C. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. Budgets are prepared using the modified accrual basis of accounting except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**Budgets/Budgetary Control (Continued)**

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

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

There being no special revenue funds during the first year of operation for the Charter School, there is no presentation of a reconciliation of the special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting.

**D. Encumbrances Accounting**

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

Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as 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.



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**E. Assets, Liabilities, and Equity**

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office & Computer Equipment	10-15
Instructional Equipment	10
Grounds Equipment	15

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
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**JUNE 30, 2024**

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

**Assets, Liabilities, and Equity (Continued)**

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

**Unassigned Revenue:**

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

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

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

**Net Position:**

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

**Fund Balance Reserves:**

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**Assets, Liabilities, and Equity (Continued)**

Revenues — Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**Assets, Liabilities, and Equity (Continued)**

Extraordinary and Special Items:

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

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accrued Salaries and Wages:

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

**F. PENSIONS**

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

**G. IMPACT OF RECENTLY ISSUED ACCOUNTING POLICIES**

The GASB has adopted the following as of June 30, 2023 GASB No. 96, Subscription-Based Information Technology Arrangements (SBITA), is effective with the fiscal year ending June 30, 2023. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**G. IMPACT OF RECENTLY ISSUED ACCOUNTING POLICIES (CONTINUED)**

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

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

**NOTE 2:        CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as Investment GASB Statement No. 40 replaces in part, and otherwise modifies the prior GASB Statement No. 3, in addressing the requirements for disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

As a result of GASB 40, effective June 15, 2004, custodial credit risk disclosures are limited to deposits that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. The previous GASB Statement No. 3 disclosures generally referred to as Category 1 and Category 2 deposits and investments are eliminated. However, GASB No. 40 does not change the required disclosure of authorized investments or the requirements for reporting certain repurchase agreements and reverse repurchase agreements, and it maintains, with modification, the level-of-detail disclosure requirements of GASB Statement No. 3.

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**Deposits**

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

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

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

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

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

**Investments**

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

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

As of June 30, 2024, cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Special Revenue	Proprietary Fund	Total
Operating Account	\$ 1,068,342	\$154,544	\$ 18,562	\$1,241,448

The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was \$1,241,448 and the bank balance was \$1,400,214. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Risk Category**

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. Although GASB Statement No. 40 eliminated Categories 1 and 2 as previously established by GASB Statement No. 3, it maintained, with modification, the level-of-disclosure requirements of GASB Statement No. 3.

As of June 30, 2024, the Board had funds invested and on deposit in checking accounts. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and modified by GASB Statement No. 40, and as such, are deposits that are insured or collateralized with securities held by the Board or by its agent in the Board's name, both at year-end and throughout the year.

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

**New Jersey Cash Management Fund**

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

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3:      RECEIVABLES**

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

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

	Governmental Funds			Proprietary Fund		
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business Type Activities	Total
State Aid	\$ 155,259	\$ -	\$ 155,259	\$ 100	\$ 100	\$ 155,359
Federal Aid	-	160,605	160,605	28,802	28,802	189,407
Other	14,973	-	14,973	-	-	14,973
Gross Receivables	170,232	160,605	330,837	28,902	28,902	359,739
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 170,232	\$ 160,605	\$ 330,837	\$ 28,902	\$ 28,902	\$ 359,739

**NOTE 4:      INTERFUND TRANSFERS AND BALANCES**

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

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 164,073	\$ -
Special Revenue Fund	20,233	61,904
Proprietary Fund		122,402
Total	\$ 184,306	\$ 184,306

**NOTE 5:      CAPITAL ASSETS**

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Charter Schools in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives.

**NOTE 6:      LEASES**

The Charter School entered into a lease agreement, dated May 12, 2014, as a sub-tenant with Strayer University, for premises located at 300 Willingboro Parkway, Suite 125, Willingboro, New Jersey, to be used for additional classroom space. The term of this lease runs until August 31, 2021, with a schedule of rents which is set forth in the lease agreement.



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6: LEASES (CONTINUED)**

Right of use Lease Assets

The Charter School has recorded two right of use leased assets. The assets are right of use assets for leased equipment and leased school facility. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right of use lease assets are amortized on a straight-line basis over the terms of the related leases. Right of use asset activity for the Primary Government for the year ended June 30, 2024, was as follows:

<b>Leased Assets</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>Leased Assets Being Amortized</b>				
Leased - Real Estate Expense	620,727	-	-	620,727
<b>Total Leased Assets Being Amortized</b>	<b>620,727</b>	<b>-</b>	<b>-</b>	<b>620,727</b>
<b>Less: Accumulated Amortization</b>				
Leased - Real Estate Expense	(227,599)	(124,145)	-	(351,744)
<b>Total Accumulated Amortization</b>	<b>(227,599)</b>	<b>(124,145)</b>	<b>-</b>	<b>(351,744)</b>
<b>Total, Net of Accumulated Amortization</b>	<b>517,273</b>	<b>(124,145)</b>	<b>-</b>	<b>393,128</b>

Long-Term Obligations

Lease

In addition, the school entered into a separate lease agreement for space at 1000 Salem Road, Suite D, Willingboro, New Jersey, to be used for Administrative Offices. The term of this lease was for a period of three (3) years, commencing August 15, 2013, and with a monthly rental of \$2,500. This Lease was extended for an additional three (3) years by way of Agreement dated July 1, 2016, for a monthly rental of \$2,600. Lastly, an additional lease with D&D College Properties was entered into on May 28, 2014, for additional classroom space, at the same location that is shared with Strayer University. The term of this lease is for seven (7) years.

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

Lease (continued)

<b>Maturity Analysis</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
07/01/2024 - 06/30/2025	135,883	15,711	151,594
07/01/2025 - 06/30/2026	152,833	6,340	159,173
07/01/2026 - 06/30/2027	26,669	72	26,741
<b>Total</b>	<b>315,385</b>	<b>22,124</b>	<b>337,508</b>

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6: LEASES (CONTINUED)**

Long-Term Debt Rollforward

	Balance			Balance	Due Within
	July 1, 2023	Additions	Reductions	June 30, 2024	One Year
<b>Governmental Activities</b>					
Lease Liabilities	435,731	-	120,346	\$315,385	135,883
Mortgages Note Payable	2,184,764		97,534	\$2,087,230	
Net Pension Liability	802,128	-	1,041,170	1,843,298	-
Governmental Activity long-term liability	\$3,422,623	-	\$1,138,704	\$4,245,913	\$135,883

**NOTE 7: PENSION PLANS**

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

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

**Plan Description**

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

**Benefits Provided**

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

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**NOTE 7: PENSION PLANS (CONTINUED)**

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60<sup>th</sup> of final

average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits

are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources,

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**NOTE 7: PENSION PLANS (CONTINUED)**

**Allocation Methodology and Reconciliation to Financial Statements (Continued)**

collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

**Contributions**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The state's pension contributions is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023 measurement date, the State's pension contribution was less than the actuarial determined amount.

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

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assets. Charter School contributions to PERS amounted to \$170,104 for fiscal year 2024.

**NOTE 7: PENSION PLANS (CONTINUED)**

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

At June 30, 2024, the Charter School reported a liability of \$ 1,843,472 for its proportionate share of the net pension liability. The net pension liability was valued as of June 30, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Charter School's proportion was 0.01272731% which was a decrease of -0.00741102% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2024, the Charter School recognized pension expense of \$ 67,041. At June 30, 2024, the Charter School reported deferred outflows of resources and deferred inflows related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 4,050	\$ 111,722
Difference Between Expected and Actual Experience	8,489	7,536
Changes in Proportion	1,200,425	176,583
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	17,626	0
	<u>\$ 1,230,590</u>	<u>\$ 295,841</u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, 6.44, 5.48 years for the 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

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**NOTE 7: PENSION PLANS (CONTINUED)**

**Changes in Proportion (Continued)**

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2023	\$ 1,021,157.11
2024	569,971
2025	(796,496)
2026	142,541
2027	(2,424)
	<u>\$ 934,749</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2023. This Actuarial valuation used the following actuarial assumption, applied to all periods in the measurement.

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

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-2022.

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**NOTE 7: PENSION PLANS (CONTINUED)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the July 01, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based 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

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**NOTE 7: PENSION PLANS (CONTINUED)**

**Discount Rate (continued)**

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 to determine the total pension liability.

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

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

Measurement Date June 30, 2023				
	1% Decrease {6.00%}	Current Discount Rate {7.00%}	1% Increase {8.00%}	
Charter School's proportionate share of the Net Pension Liability	\$ 2,420,040	\$ 1,859,013	\$ 1,381,506	

Measurement Date June 30, 2022				
	1% Decrease {6.00%}	Current Discount Rate {7.00%}	1% Increase {8.00%}	
Charter School's proportionate share of the Net Pension Liability	\$ 2,488,469	\$ 1,936,993	\$ 1,467,665	

**Pension Plan Fiduciary Net Position**

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

**B. Teacher's Pension Annuity Fund (TPAF)**

**Pension Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).



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**NOTE 7: PENSION PLANS (CONTINUED)**

**Benefit Provided**

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

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

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

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows in resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2023 measurement date. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts

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**NOTE 7: PENSION PLANS (CONTINUED)**

**Allocation Methodology (Continued)**

presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

**Contributions**

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

**Special Funding Situation**

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

This note discloses the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal years ended 2024, the State of New Jersey contributed \$ 105,787 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$ 750,303 .

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the Charter School was 9,189,673 . The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

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**NOTE 7: PENSION PLANS (CONTINUED)**

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

The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Charter School's proportion was 0.0180074% which was an increase of -0.0026953% from its proportion measured as of June 30, 2022.

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>9,189,673</u>
<b>Total</b>	<b><u>\$ 9,189,673</u></b>

For the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the Charter School in the amount of 750,303 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

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

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

The \$ 2,502,380,838 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$ 14,830,205,473 reported as a deferred inflow of resources resulting from the difference between projected and actual.

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**NOTE 7: PENSION PLANS (CONTINUED)**

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 01, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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-2022.

The actuarial assumptions used in the July 01, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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**NOTE 7: PENSION PLANS (CONTINUED)**

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2023 is summarized in the following table:

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

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**NOTE 7: PENSION PLANS (CONTINUED)**

**Discount Rate – TPAF**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% 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 through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

<b>Measurement Date June 30, 2023</b>			
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
<b>Charter School's proportionate share of the Net Pension Liability</b>	<b>\$ 10,852,704</b>	<b>\$ 9,203,591</b>	<b>\$ 7,814,646</b>

<b>Measurement Date June 30, 2022</b>			
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
<b>Charter School's proportionate share of the Net Pension Liability</b>	<b>\$ 10,911,044</b>	<b>\$ 9,305,626</b>	<b>\$ 7,953,263</b>

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**JUNE 30, 2024**

**NOTE 7:      PENSION PLANS (CONTINUED)**

**Pension Plan Fiduciary Net Position – TPAF**

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

**C. Defined Contribution Retirement Program (DCRP)**

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

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

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8:      POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided**

The school is in a “special funding situation”, as described in GASB Statement No. 75 in that OPEB contributions and expense are legally required to be made by and are the sole responsibility of the State of New Jersey.

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

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (continued)**

**Employees covered by benefit terms.**

At June 30, 2023 the OPEB plan's measurement date, the following employees were covered by the benefit terms:

<b>Active plan member</b>	<b>217,212</b>
<b>Inactive plan members entitled to but not yet receiving benefits</b>	<b>152,383</b>
	<b>-</b>
<b>Total</b>	<b>369,595</b>

**Total Nonemployer OPEB Liability**

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

**Actuarial Assumptions and Other Inputs**

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

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
<b>Salary Increases</b>			
<b>Through 2026</b>	<b>2.75% to 4.25%</b>	<b>2.75% to 6.55%</b>	<b>3.25% to 16.25%</b>
	<b>based on service</b>	<b>based on service</b>	<b>based on service</b>
	<b>years</b>	<b>years</b>	<b>years</b>

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-2024. 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-2024. 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-2024.

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (continued)**

Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2015- June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013- June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

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

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2023</b>	<b>\$ 2,320,473</b>
<b>Service cost</b>	<b>409,515</b>
<b>Interest on Total OPEB Liability</b>	<b>109,335</b>
<b>Effect on Changes of Benefit Terms</b>	<b>-</b>
<b>Difference between expected and actual experience</b>	<b>341,305</b>
<b>Effect of Changes of Assumptions</b>	<b>6,257</b>
<b>Effect of Changes of Proportion</b>	<b>-</b>
<b>Contributions - Employee</b>	<b>2,802</b>
<b>Gross Benefits Paid by the State</b>	<b>(85,229)</b>
<b>Net Changes</b>	<b>783,985</b>
<b>Balance at June 30, 2024</b>	<b>3,104,458</b>

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8: POST-RETIREMENT BENEFITS (Continued)**

**General Information about the OPEB Plan (continued)**

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

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

	<b>Measurement Date Ended June 30, 2023</b>		
	<b>At 1%</b>	<b>At current</b>	<b>At 1%</b>
	<b>Decrease (2.65%)</b>	<b>discount rate (3.65%)</b>	<b>Increase (4.65%)</b>
<b>Total OPEB Liability</b>	<b>\$ 3,639,444</b>	<b>\$ 3,104,458</b>	<b>\$ 2,674,926</b>

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

The following presents the total nonemployer OPEB liability as of June 30, 2023 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b>Measurement Date Ended June 30, 2023</b>		
	<b>At 1%</b>	<b>Trend Rate</b>	<b>At 1%</b>
	<b>decrease</b>		<b>Increase</b>
<b>Total OPEB Liability</b>	<b>\$ 2,577,179</b>	<b>\$ 3,104,458</b>	<b>\$ 3,794,404</b>

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

For the fiscal year ended June 30, 2023 the Charter School recognized OPEB expense of \$ 598,901 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8: POST-RETIREMENT BENEFITS (Continued)**

**General Information about the OPEB Plan (continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$3,104,458 , there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At the measurement date June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 452,949.33	\$ (817,683)
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 441,457.85	(856,719)
Sub Total	894,407	(1,674,403)
Contributions Made in Fiscal Year 2020 after June 30, 2019 Measurement Date	N/A	N/A
Total	894,407	(1,674,403)

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

<b>Fiscal Year ending June 30</b>		
<b>2023</b>	\$	(154,816)
<b>2024</b>	\$	(154,816)
<b>2025</b>	\$	(134,557)
<b>2026</b>	\$	(79,330)
<b>2027</b>	\$	(16,238)
<b>Total Thereafter</b>	\$	(240,238)
	\$	(779,996)

**NOTE 9: 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.

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10: FUND BALANCE**

General Fund

Of the \$1,446,715 fund balance total in General Fund at June 30, 2024, \$1,396,764 is unassigned.

**NOTE 11: CONTINGENCIES**

Grantor Agencies-Amounts received or receivable from grantor agencies could be subject to audits and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability for the applicable funds. The amount, if any, and 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 12: SUBSEQUENT EVENTS**

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

***REQUIRED SUPPLEMENTARY INFORMATION – PART II***

***SECTION C – BUDGETARY COMPARISON SCHEDULES***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
General Fund  
Budgetary Comparison Schedule  
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Levy Budget:					
District Equalization - Charter School Aid	\$ 6,204,871	\$ -	\$ 6,204,871	2,377,579	\$ (3,827,292)
Total Local Levy	6,204,871	-	6,204,871	2,377,579	(3,827,292)
Categorical Aid:					
Equalization - Local Levy Aid				3,305,712	3,305,712
Special Education Aid				135,639	135,639
Categorical Security Aid				118,195	118,195
Other State Aid					
Total Categorical Aid	-	-	-	3,559,546	3,559,546
Revenues From Other Sources:					
Miscellaneous Revenue				13,431	13,431
On-Behalf TPAF Pension Aid (Non - Budgeted)				865,822	865,822
On-Behalf TPAF Post Retirement Medical Aid (Non-Budgeted)				235,645	235,645
On-Behalf TPAF Long-Term Disability Aid (Non-Budgeted)				818	818
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				150,200	150,200
Total Revenues From Other Sources	-	-	-	1,265,916	1,265,916
Total Revenues	6,204,871	-	6,204,871	7,203,041	998,170
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	2,162,390	(449,703)	1,712,687	1,531,595	181,092
Other Salaries for Instruction	371,207	49,918	421,125	421,125	-
Purchased Prof/Tech Services	411,000	(80,656)	330,344	274,823	55,521
Other Purchased Services	50,000		50,000		50,000
General Supplies	197,000	(27,277)	169,723	101,501	68,222
Textbooks	70,000		70,000	61,481	8,519
Miscellaneous	42,000	7,041	49,041	43,243	5,798
Total Instruction	3,303,597	(500,677)	2,802,920	2,433,768	369,152
Administration:					
Salaries - General Administration	940,416	20,085	960,501	960,501	-
Salaries of Secretarial/Clerical Assistants	626,981	86,267	713,248	713,248	-
Total Benefits Cost	453,200	330,467	783,667	865,083	(81,416)
Purchases Prof/Tech Services	283,082	22,121	305,203	205,122	100,081
Other Purchased Services	48,200	1,625	49,825	47,770	2,055
Communications/Telephone	45,000		45,000	42,334	2,666
Supplies and Materials	65,000		65,000	13,245	51,755
Miscellaneous Expenses	45,715		45,715	45,682	33
Total Administration	2,507,594	460,565	2,968,159	2,892,985	75,174

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



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
General Fund  
Budgetary Comparison Schedule  
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Support Services:					
Purchased Prof/Tech Services	125,700	28,277	153,977	153,977	-
Rental of Land and Buildings	145,000		145,000		145,000
Debt Service: Principal and Interest				144,375	(144,375)
Other Purchased Services	31,750		31,750	15,062	16,688
Insurance for Property, Liability and Fidelity	33,000		33,000	2,991	30,009
Supplies and Materials	50,000	5,764	55,764	55,764	-
Energy Costs (Heat and Electricity)	110,000	1,728	111,728	106,138	5,590
Miscellaneous Expenses	25,000	4,343	29,343	211,269	(181,926)
Total Support Services	520,450	40,112	560,562	689,576	(129,014)
Capital Outlay:					
Instructional Equipment					
Debt Service: Principal Payments	300,000		300,000	111,318	188,682
Total Capital Outlay	300,000	-	300,000	111,318	188,682
On-Behalf TPAF Pension Contributions (Non Budgeted)				865,822	(865,822)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				235,645	(235,645)
On-Behalf TPAF Long-Term Disability Contributions (Non-Budgeted)				818	(818)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	150,200	(150,200)
Total Expenditures	6,631,641	-	6,631,641	7,380,132	352,976
Excess (Deficiency) of Revenues Over (Under) Expenditures	(426,770)	-	(426,770)	(177,091)	249,679
FUND BALANCE, JULY 1	1,623,923	-	1,623,923	1,623,923	-
FUND BALANCE, JUNE 30	\$ 1,197,153	\$ -	\$ 1,197,153	\$ 1,446,832	\$ 249,679
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,197,153	\$ -	\$ 1,197,153	\$ 1,446,832	\$ 249,679
Budgeted Fund Balance					
Total	\$ 1,197,153	\$ -	\$ 1,197,153	\$ 1,446,832	\$ 249,679

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
State					
Federal	\$ 257,862	\$ -	\$ 257,862	\$ 269,411	\$ 11,549
Total Revenues	257,862	-	257,862	269,411	11,549
EXPENDITURES:					
Instruction:					
Salaries	239,234		239,234	83,980	155,254
Purchased Prof/Tech Services	24,000		24,000	24,000	-
General Supplies	93,075		93,075	25,541	67,534
Total Instruction	356,309	-	356,309	133,521	222,788
Support Services:					
Salaries	13,449		13,449	5,625	7,824
Purchased Technical Services	141,262		141,262	117,931	23,331
Other Purchased Services	12,334		12,334	12,334	-
Supplies and Materials	20,633		20,633		20,633
Total Support Services	187,678	-	187,678	135,890	51,788
Total Expenditures	543,987	-	543,987	269,411	274,576
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (286,125)	\$ -	\$ (286,125)	\$ -	\$ 286,125

***NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

Fiscal Year Ended June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 7,203,041	[C-2] \$ 269,411
 Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized	<hr/>	<hr/>
		-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>7,203,041</u>	[B-2] \$ <u>269,411</u>
 <b>Uses/Outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 7,380,132	[C-2] \$ 269,411
 Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		-
 Transfers to and from other fund are presented as outflows of budgetary resources but are not expenditures for financial accounting purposes.		
Net Transfers (Outflows) to/from general fund.	<hr/>	<hr/>
	-	
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>7,380,132</u>	[B-2] \$ <u>269,411</u>

***REQUIRED SUPPLEMENTARY INFORMATION – PART III***

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

THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SEVEN FISCAL YEARS  
UNAUDITED

	2018	2019	2020	2021	2022	2023	2024
Charter School's proportion of the net pension liability	0.233227%	0.002901650%	0.003571791%	0.005952290%	0.006855426%	0.005316292%	0.01272731%
Charter School's proportionate share of the net pension liability	\$ 542,915	\$ 571,320	\$ 643,582	\$ 970,662	\$ 812,128	\$ 802,302	\$ 1,843,472.00
Charter School's covered employees payroll	\$ 249,022	\$ 249,022	\$ 458,392	\$ 430,452	\$ 734,007	\$ 784,708	\$ 784,708
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	218%	229%	140%	225%	111%	102%	235%
Plan fiduciary net position as a percentage of the total pension liability	51.55%	51.55%	53.60%	53.60%	51.52%	51.52%	62.91%

THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SEVEN FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,						
	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 21,606	\$ 28,862	\$ 35,175	\$ 65,115	\$ 80,285	\$ 67,041	\$ 170,104
Contributions in relation to the contractually required contribution	(21,606)	(28,862)	(35,175)	(65,115)	(80,285)	(67,041)	(170,104)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered employee payroll	\$ 249,022	\$ 249,022	\$ 458,392	\$ 430,452	\$ 734,007	\$ 784,708	\$ 784,708
Contributions as a percentage of covered employee payroll	8.68%	11.59%	7.67%	15.13%	10.94%	8.54%	21.68%

Note: This schedule does not contain ten years of information as GASB No. 67 was implemented during the fiscal year ended June 30, 2024.



THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER'S PENSION AND ANNUITY FUND  
LAST SEVEN FISCAL YEARS  
UNAUDITED

	2018		2019		Fiscal Year Ending June 30, 2020		2021		2022		2023		2024	
State's proportion of the net pension liability attributable of the Charter School		0.00904638%		0.9046383%		0.01025144%		0.0118119%		0.01862410%		0.020702780%		0.01800743%
State's proportionate share of the net pension liability attributable to the Charter School	\$	6,099,398	\$	6,099,398	\$	5,658,421	\$	7,777,994	\$	8,953,571	\$	10,681,479	\$	9,189,673
Charter School's covered employees payroll	\$	1,187,670	\$	1,187,670	\$	2,178,651	\$	2,211,703	\$	2,357,853	\$	2,207,311	\$	1,919,407
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll		513.56%		513.56%		259.72%		351.67%		379.73%		483.91%		478.78%
Plan fiduciary net position as a percentage of the total pension liability		22.33%		22.33%		25.41%		26.95%		35.52%		35.52%		35.52%

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

***SECTION M –SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
OPEB (GASB 75)***

**The Benjamin Banneker Preparatory Charter School**  
**Required Supplementary Information Schedules**  
**Schedule of Changes in the Charter School's Net OPEB Liability and Related Ratios**  
**Last Six Fiscal Years**  
**(Unaudited)**

	Measurement Date Ending					
	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Total Non-Employer OPEB Liability- State's Proportionate Share of the Total OPEB Liability Associated with the Charter School						
OPEB Liability at Beginning of Measurement Period	\$ 1,387,318	\$ 1,359,288	\$ 948,308	\$ 1,201,046	\$ 3,032,378	\$ 2,320,473
Service cost	192,070	159,762	181,679	247,006	663,612	409,515
Interest on Total OPEB Liability	44,583	53,948	43,045	49,716	78,663	109,335
Effect on Changes of Benefit Terms	-	-	-	-	(3,228)	-
Difference between expected and actual experience	-	(491,386)	45,882	1,253,370	(1,021,980)	341,305
Effect of Changes of Assumptions	(234,358)	(108,823)	17,908	602,408	2,992	6,257
Contributions - Employee	1,159	876	1,093	1,740	2,011	2,802
Gross Benefits Paid by the State	(31,484)	(25,357)	(36,869)	(57,413)	(61,964)	(85,229)
Net Change in Total OPEB Liability	(28,030)	(410,880)	252,738	2,096,827	(285,495)	783,985
OPEB Liability at Beginning of Measurement Period	1,387,318	1,359,288	948,308	1,201,046	3,032,378	2,320,473
Total OPEB Liability at End of Measurement Period	1,359,288	948,308	1,201,046	3,297,873	3,032,378	3,104,458

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Notes to Schedule:**

Differences Between Expected and Actual Experiences: The \$1,399,200,736 increase in the liability from June 30, 2021 to June 30, 2022 is due to the combined effect of the following:

Update in census information	\$ 1,102,043,610
Premium and Claims Experience	287,157,126
Total	\$1,399,200,736

Changes in Assumptions:

The \$13,586,368,097 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the combined effect of the following:

Trend Update	\$ 1,934,312,842
Mortality Projection Scale Update	(2,690,739,174)
Discount Rate Change	(12,829,941,765)
Total Changes in Assumption	\$ (13,586,368,097)

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

***Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2024

	NCLB Title I	I.D.E.A. Part B	NCLB Title II Part A	NCLB Title IV	ARP ESSER	ARP ESSER Learning Accel Grant	ARP ESSER Compreh Beyond Grant	ARP ESSER Summer Lrn Grant	Grand Total
<b>REVENUE SOURCES:</b>									
State									
Federal	\$ 112,422	\$ 95,056	\$ 13,975	\$ 5,850	14,558	3,400	13,750	10,400	\$ 289,411
<b>Total Revenues</b>	112,422	95,056	13,975	5,850	14,558	3,400	13,750	10,400	289,411
<b>EXPENDITURES:</b>									
Instruction:									
Salaries	59,830						13,750	10,400	83,980
Purchased Prof/Tech Services	24,000								24,000
General Supplies	7,983			3,000	14,558				25,541
<b>Total Instruction</b>	91,813	-	-	3,000	14,558	-	13,750	10,400	133,521
Support Services:									
Salaries	2,775								5,625
Other Purchased Prof/Tech Services	5,500	95,056	13,975	2,850		3,400			117,931
Other Purchased Services	12,334								12,334
<b>Total Support Services</b>	20,609	95,056	13,975	2,850	-	3,400	-	-	135,890
<b>Total Expenditures</b>	112,422	95,056	13,975	5,850	14,558	3,400	13,750	10,400	289,411
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SECTION G – PROPRIETARY FUNDS  
DETAIL STATEMENTS**

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

*Food Services Fund – This fund provides for the operation of food services for the Charter School.*

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

***SCHEDULE I – LONG-TERM DEBT***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Schedule of Notes Payable  
June 30, 2024

Issue	Date of Issue	Amount of Issue	Interest Rate	Balance June 30, 2023	Issued	Retired	Balance June 30, 2024
Mortgage	6/29/17	\$ 2,440,000	6.39%	\$ 2,007,219	\$ -	\$ 90,421	\$ 1,916,798
Second Mortgage	6/29/17	\$ 210,000	8.00%	\$ 177,545	-	7,113	\$ 170,432
Third Mortgage	6/29/17	\$ 715,000	8.00%	\$ 695,973	-	13,784	\$ 682,189
				<u>\$ 2,880,737</u>	<u>\$ -</u>	<u>\$ 111,318</u>	<u>\$ 2,769,419</u>



**STATISTICAL SECTION (UNAUDITED)**

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

## **Contents**

### **Financial Trends**

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

### **Revenue Capacity (Not Applicable to Charter School)**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

***FINANCIAL TRENDS***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Net Assets/Position by Component  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

Fiscal Year Ending June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 212,075	\$ 95,146	186,520.00	150,766.00	182,319	(98,082.00)	(18,122.00)	(69,388.00)	-	\$ -
Unrestricted	\$ 641,346	958,195	673,138	837,148	448,202	156,997	(608,285)	(221,250)	99,192	63,940
Total Governmental Activities Net Position	<u>\$ 853,421</u>	<u>\$ 1,053,341</u>	<u>\$ 859,658</u>	<u>\$ 987,914</u>	<u>\$ 630,521</u>	<u>\$ 58,915</u>	<u>\$ (626,407)</u>	<u>\$ (290,638)</u>	<u>\$ 99,192</u>	<u>\$ 63,940</u>
Business-Type Activities										
Net Investment in Capital Assets/										
Unrestricted	\$ (48,294)	\$ (59,602)	\$ 1,399	\$ 1,399	\$ 7,755	\$ 7,755	\$ 8,522	\$ 16,753	\$ 16,316	\$ 10,479
Total Business-Type Activities Net Position	<u>\$ (48,294)</u>	<u>\$ (59,602)</u>	<u>\$ 1,399</u>	<u>\$ 1,399</u>	<u>\$ 7,755</u>	<u>\$ 7,755</u>	<u>\$ 8,522</u>	<u>\$ 16,753</u>	<u>\$ 16,316</u>	<u>\$ 10,479</u>
Charter School-wide										
Net Investment in Capital Assets	\$ 212,075	\$ 95,146	\$ 186,520	\$ 150,766	\$ 182,319	\$ (98,082)	\$ (18,122)	\$ (69,388)	\$ -	\$ -
Unrestricted	\$ 593,052	898,593	674,537	838,547	455,957	164,752	(599,763)	(204,497)	115,508	74,419
Total Charter School-wide Net Assets/Position	<u>\$ 805,127</u>	<u>\$ 993,739</u>	<u>\$ 861,057</u>	<u>\$ 989,313</u>	<u>\$ 638,276</u>	<u>\$ 66,670</u>	<u>\$ (617,885)</u>	<u>\$ (273,885)</u>	<u>\$ 115,508</u>	<u>\$ 74,419</u>

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Changes in Net Assets/Position  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$ 4,643,643	\$ 3,333,921	\$ 4,882,992	\$ 4,345,615	\$ 3,571,079	\$ 1,371,934	\$ 295,337	\$ 297,382	\$ 289,391	\$ 134,409
Administration	2,747,098	2,906,570	2,003,950	1,657,902	1,273,626	1,250,223	1,199,396	716,695	680,920	818,787
Support Services	492,610	471,095	556,722	500,328	565,196	436,625	423,514	261,417	355,319	388,518
Capital Outlay	-	130,797	-	-	81,160	131,227	224,141	27,897	818	42,933
Interest on Long-Term Debt	212,510	208,579	182,426	156,978	162,439	166,715	157,563	-	-	-
Unallocated Amortization and Depreciation	51,267	175,412	154,721	51,267	51,267	51,267	51,266	0	0	0
Total Governmental Activities Expenses	<u>124,145</u>	<u>7,226,374</u>	<u>7,780,811</u>	<u>6,712,090</u>	<u>5,704,767</u>	<u>3,407,991</u>	<u>2,351,217</u>	<u>1,303,391</u>	<u>1,326,448</u>	<u>1,384,647</u>
Business-Type Activities:										
Food Service and School Store	137,737	148,690	-	6,356	-	767	55,509	53,732	54,945	43,479
Total Business-Type Activities Expenses	<u>137,737</u>	<u>148,690</u>	<u>-</u>	<u>6,356</u>	<u>-</u>	<u>767</u>	<u>55,509</u>	<u>53,732</u>	<u>54,945</u>	<u>43,479</u>
Total Charter School Expenses	<u>\$ 261,882</u>	<u>\$ 7,375,064</u>	<u>\$ 7,780,811</u>	<u>\$ 6,718,446</u>	<u>\$ 5,704,767</u>	<u>\$ 3,408,758</u>	<u>\$ 2,406,726</u>	<u>\$ 1,357,123</u>	<u>\$ 1,381,393</u>	<u>\$ 1,428,126</u>
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 135,639	\$ 115,319	\$ 91,740	\$ 110,611	\$ 128,625	\$ 134,250	\$ 73,055	\$ 47,611	\$ 29,461	\$ 29,892
Total Governmental Activities Expenses	<u>135,639</u>	<u>115,319</u>	<u>91,740</u>	<u>110,611</u>	<u>128,625</u>	<u>134,250</u>	<u>73,055</u>	<u>47,611</u>	<u>29,461</u>	<u>29,892</u>
Business-Type Activities:										
Charges for Services	18,028	20,253	-	-	-	-	19,373	15,878	16,077	12,819
Operating Grants and Contributions	131,017	67,436	-	-	-	-	32,904	38,292	39,704	33,573
Total Business-Type Activities Expenses	<u>149,045</u>	<u>87,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,277</u>	<u>54,170</u>	<u>55,781</u>	<u>46,392</u>
Total Charter School Program Revenues	<u>\$ 284,684</u>	<u>\$ 203,008</u>	<u>\$ 91,740</u>	<u>\$ 110,611</u>	<u>\$ 128,625</u>	<u>\$ 134,250</u>	<u>\$ 125,332</u>	<u>\$ 101,781</u>	<u>\$ 85,242</u>	<u>\$ 76,284</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ 11,494	\$ (7,111,055)	\$ (7,689,071)	\$ (6,601,479)	\$ (5,576,142)	\$ (3,273,741)	\$ (2,278,162)	\$ (1,255,780)	\$ (1,296,987)	\$ (1,354,755)
Business-Type Activities	11,308	(61,001)	-	(6,356)	-	(767)	(3,232)	438	836	2,913
Total Charter School-wide Net Expense	<u>\$ 22,802</u>	<u>\$ (7,172,056)</u>	<u>\$ (7,689,071)</u>	<u>\$ (6,607,835)</u>	<u>\$ (5,576,142)</u>	<u>\$ (3,274,508)</u>	<u>\$ (2,281,394)</u>	<u>\$ (1,255,342)</u>	<u>\$ (1,296,151)</u>	<u>\$ (1,351,842)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
General Purposes	\$ 5,683,291	\$ 5,554,757	\$ 5,145,208	\$ 2,379,152	\$ 2,394,934	\$ 2,379,501	\$ 1,116,777	\$ 977,203	\$ 830,104	\$ 777,173
Federal and State Aid Not Restricted	2,238,992	1,703,657	2,202,025	3,956,938	3,532,669	3,476,340	2,189,485	1,747,498	1,576,798	1,343,532
Investment Earnings	-	-	-	-	-	-	-	5	-	-
Miscellaneous Income	13,431	46,324	213,582	33,757	23,981	28,813	38,964	8,571	39,558	12,617
Total Governmental Activities	<u>7,935,714</u>	<u>7,304,738</u>	<u>7,560,815</u>	<u>6,369,847</u>	<u>5,951,584</u>	<u>5,884,654</u>	<u>3,345,226</u>	<u>2,733,277</u>	<u>2,446,460</u>	<u>2,133,322</u>
Business-Type Activities:										
Transfers	\$ -	-	-	-	-	-	(5,000)	-	5,000	5,000
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Charter School-wide	<u>\$ 7,935,714</u>	<u>\$ 7,304,738</u>	<u>\$ 7,560,815</u>	<u>\$ 6,369,847</u>	<u>\$ 5,951,584</u>	<u>\$ 5,884,654</u>	<u>\$ 3,340,226</u>	<u>\$ 2,733,277</u>	<u>\$ 2,451,460</u>	<u>\$ 2,138,322</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 7,947,208	\$ 193,683	\$ (128,256)	\$ (231,632)	\$ 375,442	\$ 2,610,913	\$ 1,067,064	\$ 1,477,497	\$ 1,149,473	\$ 778,567
Business-Type Activities	11,308	(61,001)	-	(6,356)	-	(767)	(8,232)	438	5,836	7,913
Total Charter School	<u>\$ 7,958,516</u>	<u>\$ 132,682</u>	<u>\$ (128,256)</u>	<u>\$ (237,988)</u>	<u>\$ 375,442</u>	<u>\$ 2,610,146</u>	<u>\$ 1,058,832</u>	<u>\$ 1,477,935</u>	<u>\$ 1,155,309</u>	<u>\$ 786,480</u>

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Reserved	\$ 50,068	50,068	50,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	1,396,764	1,573,855	1,427,796	1,685,500	1,235,046	1,052,468	44,344	179,328	99,192	63,940
Total General Fund	<u>\$ 1,446,832</u>	<u>\$ 1,623,923</u>	<u>\$ 1,477,864</u>	<u>\$ 1,685,500</u>	<u>\$ 1,235,046</u>	<u>\$ 1,052,468</u>	<u>\$ 44,344</u>	<u>\$ 179,328</u>	<u>\$ 99,192</u>	<u>\$ 63,940</u>
All Other Governmental Funds										
Unassigned:										
Special Revenue Fund	-	-	2,559	(56,072)	61,938	-	-	3,195	-	-
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,559</u>	<u>\$ (56,072)</u>	<u>\$ 61,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,195</u>	<u>\$ -</u>	<u>\$ -</u>

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues:</b>										
Local Sources:										
Local Tax Levy	\$ 5,683,291	\$ 5,554,757	\$ 5,145,208	\$ 2,379,152	\$ 2,394,934	\$ 2,379,501	\$ 1,116,777	\$ 977,203	\$ 830,104	\$ 777,173
Miscellaneous	13,431	46,324	213,582	33,757	23,981	28,813	38,964	8,571	39,558	12,617
Intermediate Sources	-	-	-	-	-	-	-	-	-	-
State Sources	1,506,319	1,363,147	1,478,370	3,954,104	3,511,066	3,504,894	1,933,204	1,715,411	1,545,337	1,307,893
Federal Sources	269,411	455,829	815,395	113,445	150,228	105,696	105,789	79,698	60,922	65,531
Special Items	-	-	-	589,025	-	-	-	-	-	-
Total Revenues	<u>7,472,452</u>	<u>7,420,057</u>	<u>7,652,555</u>	<u>7,069,483</u>	<u>6,080,209</u>	<u>6,018,904</u>	<u>3,194,734</u>	<u>2,780,883</u>	<u>2,475,921</u>	<u>2,163,214</u>
<b>Expenditures:</b>										
Instruction	2,567,289	2,547,404	3,198,892	2,540,105	2,467,525	2,133,544	1,186,965	1,172,332	1,085,577	993,706
Administration	2,892,985	2,701,796	2,514,106	2,452,517	2,098,006	1,761,067	1,185,547	934,379	815,396	900,740
Support Services	2,077,951	1,914,001	2,061,178	1,545,977	1,088,898	871,375	733,065	496,755	538,878	436,458
Capital Outlay	111,318	110,797	706,742	80,430	243,202	244,794	224,141	97,285	818	42,933
Total Expenditures	<u>7,649,543</u>	<u>7,273,998</u>	<u>8,480,918</u>	<u>6,619,029</u>	<u>5,897,631</u>	<u>5,010,780</u>	<u>3,329,718</u>	<u>2,700,751</u>	<u>2,440,669</u>	<u>2,373,837</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(177,091)	146,059	(828,363)	450,454	182,578	1,008,124	(134,984)	80,132	35,252	(210,623)
<b>Other Financing Sources (Uses):</b>										
Transfers In	-	-	620,727	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>620,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (177,091)</u>	<u>\$ 146,059</u>	<u>\$ (207,636)</u>	<u>\$ 450,454</u>	<u>\$ 182,578</u>	<u>\$ 1,008,124</u>	<u>\$ (134,984)</u>	<u>\$ 80,132</u>	<u>\$ 35,252</u>	<u>\$ (210,623)</u>

**Source: Charter School records**

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

General Fund - Other Local Revenue by Source

Last Ten Fiscal Years

*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Donations	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2024	\$ -	\$ -	\$ 13,431	\$ 13,431
2023	-	-	46,324	46,324
2022	-	107,871	105,711	213,582
2021	-	-	33,757	33,757
2020	-	-	23,981	23,981
2019	-	-	28,813	28,813
2018	-	-	38,964	38,964
2017	-	4,061	4,510	8,571
2016	-	-	39,558	39,558
2015	-	-	12,617	12,617

Source: Charter School records



***OPERATING INFORMATION***

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
 Full-Time Equivalent Charter School Employees by Function  
 Last Ten Fiscal Years

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	36	38	38	44	42	40	16	16	12	13
Administrative	8	8	7	8	10	8	3	3	3	3
Support Services	15	14	15	12	7	5	4	4	7	4
Food Service	1	3	3	1	1	1	1	1	1	1
Total	60	63	63	65	60	54	24	24	23	21

**Source:** Charter School Personal Records

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2024	360	\$ 7,649,543	\$ 21,249	5.16%	27	N/A	11:1	355	342	-2.38%	95.00%
2023	360	7,273,998	20,206	-14.23%	29	N/A	11:1	363.67	338.47	1.02%	93.33%
2022	360	8,480,918	23,558	27.77%	29	N/A	11:1	360	337.93	0.00%	93.87%
2021	359	6,619,029	18,437	11.92%	12	N/A	11:1	360	337.93	0.90%	93.87%
2020	358	5,897,631	16,474	17.70%	12	N/A	11:1	356.8	338.9	0.00%	94.98%
2019	358	5,010,780	13,997	-17.19%	12	N/A	11:1	356.8	338.9	100.56%	94.98%
2018	197	3,329,718	16,902	13.28%	12	N/A	11:1	177.9	175	17.04%	98.37%
2017	181	2,700,751	14,921	N/A	12	N/A	11:1	152	152	1.00%	100.00%
2016	155	2,440,669	15,746	2.15%	12	N/A	11:1	150.5	142	0.80%	94.35%
2015	154	2,373,837	15,415	13.49%	11	N/A	11:1	149.3	141	26.10%	94.44%

**Sources:** Charter School records

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

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certified staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS).

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
 School Building Information  
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b><u>Charter School Building</u></b>										
<u>Middle School</u>										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capacity (students)	180	180	180	360	155	150	150	150	150	150
Enrollment	180	180	180	360	155	150	120	120	120	120
<b><u>Other</u></b>										
<u>Administration Offices</u>										
Square Feet	5,100	5,100	5,000	1,475	1,475	1,475	1,475	1,475	1,475	1,475

Number of Schools at June 30, 2024  
 Middle School = 1

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**

Insurance Schedule  
June 30, 2024

<b><u>COVERAGE</u></b>	<b><u>LIMITS</u></b>	<b><u>SUMMARY</u></b>
<b>Markel Insurance Company</b>		Annual Premium - \$7,842 (Package) CHP70003053 10/18/17 - 10/18/18 Covered Locations: 11 South Sunset Road 1900 Mt Holly Road Suite 3
<b><u>Property</u></b>		
Business Personal Property	\$500,000	11 South Sunset Road
Business Personal Property	\$50,000	1900 Mt Holly Road Suite 3
Business Income	\$300,000	\$1,000 Deductible
<b><u>General Liability Coverage</u></b>		
General Aggregate Limit	\$3,000,000	
Each Occurrence Limit	\$1,000,000	
Products/Completed Operations Aggregate Limit	\$3,000,000	
Sexual Abuse per occurrence	\$1,000,000	
Sexual Abuse Aggregate	\$2,000,000	
Personal Injury/Advertising Injury	\$1,000,000	
Medical Expense Limit	\$10,000	
Damage to Premises Rented to You	\$1,000,000	
<b><u>Educators' Liability</u></b>		
Each Wrongful Act w/\$2,500 Deductible	\$1,000,000	
Aggregate w/\$2,500 Deductible	\$2,000,000	
<b><u>Crime</u></b>		
Employee Theft	\$130,000	\$2,500 Deductible
Inside the Premise/Robbery or Safe Burglary	\$130,000	\$1,000 Deductible
<b><u>Automobile Liability - Hired &amp; Non-Owned Occurrence</u></b>	\$1,000,000	
<b><u>Umbrella</u></b>		
<b>Markel Insurance Company</b>		Annual Premium - \$1,275.00 CHU70003053 10/18/17 - 10/18/18
Each Occurrence	\$1,000,000	\$10,000 Deductible
<b><u>Darwin National Assurance Company</u></b>		Annual Premium - \$5,658.00
<b><u>Educators E&amp;O/EPLI</u></b>		0202-5168 6/25/16-6/25/17
Employers E&O Limit	\$1,000,000	\$2,500 Deductible
Employment Practices Liability Limit	\$1,000,000	\$25,000 Deductible
Supplementary Payments for Defense Expenses-Each Claim	\$50,000	\$2,500 Deductible
Supplementary Payments for Defense Expenses-All Claims	\$100,000	\$2,500 Deductible
<b>Markel Insurance Company</b>		Annual Premium - \$702.00
<b><u>Student Accident</u></b>		CHA70003053
Accident Medical Excess Benefit (Gold Plan)	\$1,000,000	
AD&D	\$10,000	
<b>Markel Insurance Company</b>		Annual Premium - \$24,495.00
<b><u>Workers Compensation</u></b>		MWC0099067
Each Accident	\$1,000,000	8/31/17-8/31/18
Each Employee	\$1,000,000	Based on School Professional \$1,498,727
Policy Limit	\$1,000,000	and School Non-Professional \$75,752

Source: Charter School's Records

**THE BENJAMIN BANNER PREPARATORY CHARTER SCHOOL**  
 New Jersey Performance Framework Financial Ratios  
 Audited Performance Indicators  
 Last Three Fiscal Years

	2022 Audit	2023 Audit	2024 Audit	Source
Cash	1,316,068	968,705	1,191,380	Audit: Exhibit A-1
Current Assets (include cash)	1,606,227	1,691,759	1,780,657	Audit: Exhibit A-1
Current Liabilities	126,964	127,438	408,763	Audit: Exhibit A-1
Total Expenses	7,780,811	7,375,064	8,409,010	Audit: Exhibit A-2
Change in Net Position	(128,256)	132,682	(188,612)	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	358.00	360.00	355.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	360	360	360	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	51,267	51,267	51,267	Auditor/Workpapers
Interest Expense	31,123	31,381	24,029	Auditor/Workpapers
Principal Payments	87,021	85,163	97,534	Auditor/Workpapers
Interest Payments	31,123	31,381	24,029	Auditor/Workpapers

Performance Indicators				Calculation****	Target****
Near Term Indicators				3 YR CUM	
	2022	2023	2024		
1a. Current Ratio (working capital ratio)	12.65	13.28	4.36	Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	62	48	52	Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	99%	100%	99%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.** Default on loans or delinquent in debt payments	NO	NO	NO	Auditor	not in default
<b>Sustainability Indicators</b>					
2a*** 3 Year Cumulative Cash Flow	(288,985)	(347,363)	222,675	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio	(0.39)	1.85	(0.93)	N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

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

Meets Standard

Does Not Meet Standard

Falls Far Below Standard

***SINGLE AUDIT SECTION***

**BARRE & COMPANY, LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**2204 Morris Avenue, Suite 206**  
**Union, New Jersey 07083**  
**(908) 686-3484**  
**FAX – (908) 686-6055**  
*www.cpa-bc.com ♦ info@cpa-bc.com*

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**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**

Honorable President and  
Members of the Board of Trustees  
The Benjamin Banneker Preparatory Charter School  
County of Burlington  
Willingboro, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of The Benjamin Banneker Preparatory Charter School (Charter School), in the County of Burlington, 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, and have issued our report thereon dated December 20, 2024.

**Internal Control over Financial Reporting**

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

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



or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


### **Compliance and Other Matters**

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

### **Purpose of This Report**

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

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
December 20, 2024

**BARRE & COMPANY, LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**2204 Morris Avenue, Suite 206**

**Union, New Jersey 07083**

**(908) 686-3484**

**FAX – (908) 686-6055**

**www.cpa-bc.com ♦ info@cpa-bc.com**

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

Honorable President and  
Members of the Board of Trustees  
The Benjamin Banneker Preparatory Charter School  
County of Burlington  
Willingboro, New Jersey

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

***Opinion on Each Major State Program***

We have audited The Benjamin Banneker Preparatory Charter School's compliance with the types of compliance requirements described in the New Jersey Circular 15-08-OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024. The Benjamin Banneker Preparatory Charter School's major 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 Benjamin Banneker Preparatory Charter School, in the County of Willingboro, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024.

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

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

We are required to be independent of The Benjamin Banneker Preparatory Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of The Benjamin Banneker Preparatory 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 Benjamin Banneker Preparatory Charter School's 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 Benjamin Banneker Preparatory 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 New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Benjamin Banneker Preparatory Charter School's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15- 08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Benjamin Banneker Preparatory 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 Benjamin Banneker Preparatory Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey Circular 15-08-OMB, Single Audit Policy for

Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of The Benjamin Banneker Preparatory Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Report on Internal Control over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 that the testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purposes.



BARRE & COMPANY, LLC  
Certified Public Accountants  
Public School Accountants



Richard M. Barre  
Public School Accountant  
License Number CS-01181

Union, New Jersey  
December 20, 2024

**THE BENJAMIN BANNEKER PREPARATORY CHAPTER SCHOOL**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2024

Federal Grant/Pass-through Grantor/ Program Title	Federal Assistance Category Number	Additional Identification	Federal Number	Grant or State Ident. Number	Program or Activity Amount	Grant Period From To	Balance at June 30, 2023	Carryover/ (Amount) Amount	Cash Received	Budgetary Expenditures	Pass-Through Subrecipients	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2024 Unexpended Revenue	Due to Grantor
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>Special Revenue Fund</b>																
<b>Individuals with Disabilities Cluster:</b>																
Title I Part A																
Title I Part A Carryover	84.010A	N/A	S010A190030	NCLB - 6076 - 24	\$ 112,422	9/1/23 8/31/24	\$ -	\$ -	\$ -	\$ (112,422)	\$ -	\$ -	\$ -	\$ (112,422)	\$ -	\$ -
Title I Part A	84.010A	N/A	S010A190030	NCLB - 6076 - 23	-	9/1/22 8/31/23	(173,514)	-	173,514	-	-	-	-	-	-	-
Title II Part A	84.367A	84.367A	S367A190029	NCLB - 6076 - 24	13,975	9/1/23 8/31/24	(15,859)	-	15,859	(13,975)	-	-	-	(13,975)	-	-
Title II Part A Carryover	84.367	84.367A	S367A190029	NCLB - 6076 - 23	-	9/1/22 8/31/23	(15,859)	-	-	(13,975)	-	-	-	-	-	-
Title II Part A	84.194A	84.194A	S424A190031	NCLB - 6076 - 24	5,650	9/1/23 8/31/24	(199,373)	-	199,373	(132,347)	-	-	-	(6,026)	-	-
Total No Child Left Behind Cluster																
<b>Individuals with Disabilities Cluster:</b>																
ID E.A. Part B Basic	84.027	84.027A	H027A190030	IDEA - 6076 - 24	95,056	9/1/23 8/31/24	-	-	95,056	(95,056)	-	-	-	-	-	-
Total Individuals with Disabilities Cluster																
<b>Other Special Revenue Funds:</b>																
ARP - ESSER	84.425	COVID-19, 84.425U	S425D230027	N/A	14,558	9/1/23 8/31/24	(20,500)	-	151,929	(14,558)	-	-	-	(14,558)	131,429	-
CRRS Act - ESSER II	84.425	COVID-19, 84.425D	S425D230027	N/A	92,878	9/1/23 8/31/24	(92,878)	-	92,878	-	-	-	-	-	-	-
CRRS Act - Learning Acceleration Grant	84.425	COVID-19, 84.425D	S425D230027	N/A	25,000	9/1/23 8/31/24	(25,000)	-	25,000	-	-	-	-	-	-	-
CRRS Act - Mental Health	84.425	COVID-19, 84.425D	S425D230027	N/A	18,051	9/1/23 8/31/24	(18,051)	-	18,051	(3,400)	-	-	-	(3,400)	-	-
ARP ESSER Summer Learning	84.425	COVID-19, 84.425U	S425D230027	N/A	13,760	9/1/23 8/31/24	(1,554)	-	15,304	(13,760)	-	-	-	-	-	-
ARP ESSER Evidence Based Comprehensive Beyond the School Day	84.425	COVID-19, 84.425U	S425D230027	N/A	10,400	9/1/23 8/31/24	(197,583)	-	303,762	(42,108)	-	-	-	(10,400)	131,429	-
Total Other Special Revenue Funds																
							(357,356)	-	597,591	(289,411)	-	-	-	(160,605)	131,429	-
<b>U.S. Department of Agriculture</b>																
<b>Passed-through State Department of Agriculture</b>																
<b>Enterprise Fund:</b>																
Child Nutrition Cluster:																
COVID-19 National School Lunch Program	10.553	COVID-19	16161N300N1089	N/A	-	7/1/23 6/30/24	-	-	19,613	(19,116)	-	-	-	(500)	-	-
COVID-19 National School Lunch Program	10.555	COVID-19	16161N300N1089	N/A	-	7/1/23 6/30/24	-	-	55,210	(57,865)	-	-	-	(1,655)	-	-
COVID-19 National School Lunch Program	10.555	COVID-19	16161N300N1089	N/A	45,620	7/1/22 6/30/23	(10,753)	-	10,753	-	-	-	-	-	-	-
Snack	10.555	COVID-19	16161N300N1089	N/A	11,212	7/1/23 6/30/24	(11,212)	-	11,212	(11,212)	-	-	-	-	-	-
Federal Supply Chain Assistance	10.559	COVID-19	16161N300N1089	N/A	13,105	7/1/23 6/30/24	-	-	13,105	(13,105)	-	-	-	-	-	-
USDA Equipment Grant	10.559	COVID-19	16161N300N1089	N/A	26,644	7/1/22 6/30/23	-	-	-	(26,644)	-	-	-	(26,644)	-	-
Total Enterprise Fund							(10,753)	-	109,893	(127,942)	-	-	-	(28,902)	-	-
Sub-Total Federal Financial Awards							(368,109)	\$ -	707,484	(397,353)	\$ -	\$ -	\$ -	(189,407)	\$ 131,429	\$ -

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

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
June 30, 2024

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**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.



**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Notes to Schedules of Expenditures of Awards and Financial Assistance  
June 30, 2024

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is none for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund	\$ -	\$ 1,506,319	\$ 1,506,319
Special Revenue Fund	269,411	-	269,411
Food Service Fund	88,193	3,075	91,268
Total Awards & Financial Assistance	<u>\$ 357,604</u>	<u>\$ 1,509,394</u>	<u>\$ 1,866,998</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING**

The Benjamin Banneker Preparatory Charter School has no loan balances outstanding at June 30, 2024.

**NOTE 6. OTHER**

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Notes to Schedules of Expenditures of Awards and Financial Assistance  
June 30, 2024

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the Charter School's basic financial statements and the amount subject to State single audit and major program determination.

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The Charter School does not have a schoolwide program.

**NOTE 9. MAJOR PROGRAMS**

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

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2024

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditors’ report issued on financial statements		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	___X___ No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	___X___ None Reported
Noncompliance material to basic financial statements noted?	_____ Yes	___X___ No

**Federal Awards**

**N/A**

**State Awards**

Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as low-risk auditee?	___X___ Yes	_____ No
Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes	___X___ No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	___X___ None Reported
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?	_____ Yes	___X___ No
Identification of major state programs:		

GMIS Number(s)	Name of State Program
	_____ TOTAL STATE AID – PUBLIC _____
_____ 24-495-034-5120-078 _____	_____ EQUALIZATION AID _____
_____ 24-495-034-5120-089 _____	_____ SPECIAL EDUCATION CATEGORICAL AID _____
_____ 24-495-034-5120-084 _____	_____ SECURITY AID _____
_____ 24-495-034-5120-085 _____	_____ STATE ADJUSTMENT AID _____

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2024

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

This section identifies the significant deficiencies, material weaknesses, fraud noncompliance with provisions of laws, regulations, contract and grant agreements related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No Current Year Findings

***Section III – Schedule of Federal and State Financial Assistance  
Findings and Questioned Costs***

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

No Current Year Findings

**THE BENJAMIN BANNEKER PREPARATORY CHARTER SCHOOL**  
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by  
Management  
For the Fiscal Year Ended June 30, 2024

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**STATUS OF PRIOR-YEAR FINDINGS**

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

**Findings**

**Item #2023-001 Timely certification of meal count activity for reimbursement.**

**Status:** Addressed and Corrected by Management