

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
NEW JERSEY
FOR THE YEAR ENDED JUNE 30, 2024**

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March 17, 2025

The Honorable Chairman and
Members of the Board of Trustees
People's Achieve Community Charter School
County of Essex
Newark, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the People's Achieve Community Charter School for the 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 school. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the school. All disclosures necessary to enable the reader to gain an understanding of the school's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report. The statistical section includes audited data from the school's first six fiscal years. The school is required to undergo an annual single audit in conformity with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), "Audits of State and Local Governments and Non-Profit Organizations," and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations is included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES** The People's Achieve Community Charter School constitutes an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the entity are included in this report.

2) **ENROLLMENT OUTLOOK:** People's Achieve Community Charter School finished the year with an average daily enrollment of 761.5. In the 2025-2026 school year, we anticipate a full enrollment of 900 students.

3) **MAJOR ACCOMPLISHMENTS** -

Together with families and the community, People's Achieve Community Charter School nurtures students' intellect and identities in order to prepare them to graduate from college and to chart their own course.

At BRICK Gateway Elementary, we serve students in a safe, joyful, and inclusive learning environment. Proudly rooted in the South Ward, our dedicated teachers and staff build strong connections with each student and family. We reflect the diversity and excellence of our community.

Additionally, through our partnership with BRICK, we provide all of our families access to a comprehensive network of supportive services.

- Achieve your college and career goals
- Develop lifelong learners
- A safe & joyful learning community
- Personalized support for students and families
- No Tuition Fee
- No Admissions Test
- Early College Courses
- Varsity Sports
- Honors Program
- Internships
- Six Years of Alumni Support

This year, we successfully began year two of our merged entities, Achieve and People's Prep. We've begun the process of further aligning our K-12 program, developing principals and investing students in a shared, cohesive mission.

During the 2024/2025 school year, we've focused on strengthening our math outcomes for students. We seek to develop confident mathematicians who are resilient problem-solvers equipped to be leaders, to address the challenges facing the world now and in the future. As such, we need to dramatically improve math outcomes for students in grades 2-12. Our goal is that By June 27, 2025, 100% of students in grades 2-8 have achieved their math growth goals. We will do this by:

- Fostering a culture of learning
- Developing math content for strong curriculum implementation
- Establish strong coaching cycles
- Instruction rooted in impactful data-driven practices
- Family engagement

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

As a recipient of federal and state financial assistance, the school also is responsible for ensuring that an adequate 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 school management.

As part of the 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 school has complied with applicable laws and regulations.

- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the school maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the school and the State of New Jersey. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the year ended is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2024.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The Charter Schools' accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the school is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

- 7) **FINANCIAL INFORMATION AT YEAR END:** As demonstrated by the various statements and schedules included in the financial section of report, the school continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General, Special Revenue Fund and Proprietary Fund for the year ended June 30, 2024.

Revenue	Amount	Percent of Total
State	\$17,161,907	72%
Other Local Revenue - General Fund	3,549,276	11%
Special Revenue	2,560,624	15%
Proprietary Fund	<u>657,645</u>	<u>2%</u>
Total Revenues	<u>\$23,929,452</u>	<u>100%</u>

The following schedule presents a summary of the General, Special Revenue and Proprietary fund expenditures for the year ended June 30, 2024.

Expenditures	Amount	Percent of Total
General Fund	\$17,122,765	84%
Special Revenue Fund	2,557,599	12%
Proprietary Fund	<u>657,645</u>	<u>4%</u>
Total Expenditures	<u>\$20,338,009</u>	<u>100%</u>

- 8) **CASH MANAGEMENT:** The investment policy of the school is guided in large by the state Statute as detailed in "Notes to the Financial Statements," Note 2. The school had adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 9) **RISK MANAGEMENT:** The school carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, and hazard and theft insurance on property and Contents.

10) **OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by an independent Certified Public Accountant or Registered Municipal Accountant. The Accounting firm of Gerald D. Longo, CPA was selected by the Charter School.

In addition to meeting the requirements set forth in the state statutes, the Charter School is required to undergo an annual single audit in conformity with the provisions of the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the New Jersey OMB's Circular 15-08, *"Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the auditor's report

on internal control and compliance with applicable *laws and regulations* and findings and recommendations are included in the single audit section of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gwen Martinez', with a stylized, cursive script.

Gwen Martinez
School Business Administrator

PEOPLE’S ACHIEVE COMMUNITY CHARTER SCHOOL

ROSTER OF TRUSTEES

June 30, 2024

BOARD OF TRUSTEES

TERM EXPIRES

Ron Augustin	6/2026
Karen Blake	6/2026
Anthony Bonanno	6/2026
Wynda Garcia Orr	6/2026
Dana M. Murray	6/2026
Yossy Montecinos	6/2026
Tahina Perez	6/2026

CONSULTANTS AND ADVISORS
JUNE 30, 2024

AUDIT FIRM

Gerald D. Longo, CPA
62 Old Queens Blvd.
Manalapan, NJ 07726-3648

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Johnston Law Firm LLC
151 Forest Street, Suite A
Montclair, New Jersey 07042

OFFICIAL DEPOSITORY

PNC Bank

FINANCIAL SECTION

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Independent Auditor's Report

The Honorable Chairman and
Members of the Board of Trustees
People's Achieve Community Charter School
County of Essex
Newark, New Jersey

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the People's Achieve Community Charter School, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the People's Achieve Community Charter School's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the People's Achieve Community Charter School as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 People's Achieve Community 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.

Emphasis of Matter

Merger

On February 1, 2023, The New Jersey Dept. of Education approved a merger of Achieve Community Charter School (ACCS) with People's Preparatory Charter School (People's Prep) for the 2023-2024 school year. The approval to consolidate ACCS and People's Prep was effective June 30, 2023. The new entity is named People's Achieve Community Charter School. ACCS's approved maximum enrollment beginning in 2023-2024 is 611 seats serving kindergarten through grade 7 and increases to 714 seats in kindergarten through grade 8 by the end of its charter term in 2025-2026. People's Prep's approved maximum enrollment is 380 seats serving grades 9 through 12 from 2023-2024 through 2024-2025. At the end of the proposed consolidation charter term, the sum of the maximum approved enrollments for ACCS and People's Prep totals 1094 seats, serving kindergarten through grade 12 in 2027-2028 which agrees to the 1094 maximum seats requested in the consolidated application.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 generally accepted auditing standards, Government Auditing Standards, and the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and Audit Requirements prescribed by the Office of School Finance Department of Education, State of New Jersey:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the schedules related to accounting and reporting for Pensions and Post-Retirement Benefits and the other required supplementary information and notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the People's Achieve Community Charter School's basic financial statements. The combining and individual fund financial statements and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from

and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In my opinion, the combining and individual fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and my auditors' report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated March 17, 2025, on my consideration of the People's Achieve Community Charter School's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the People's Achieve Community Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the People's Achieve Community Charter School's internal control over financial reporting and compliance.

Licensed Public School Accountant No. 20CS00206400

A handwritten signature in dark ink, appearing to read "Gerald D. Longo". The signature is fluid and cursive, with the first name "Gerald" being more prominent.

Gerald D. Longo
Certified Public Accountant
March 17, 2025

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

This section of People's Achieve Community Charter School annual financial report presents its discussion and analysis of the Board's financial performance during the year ended on June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-24 year end include the following:

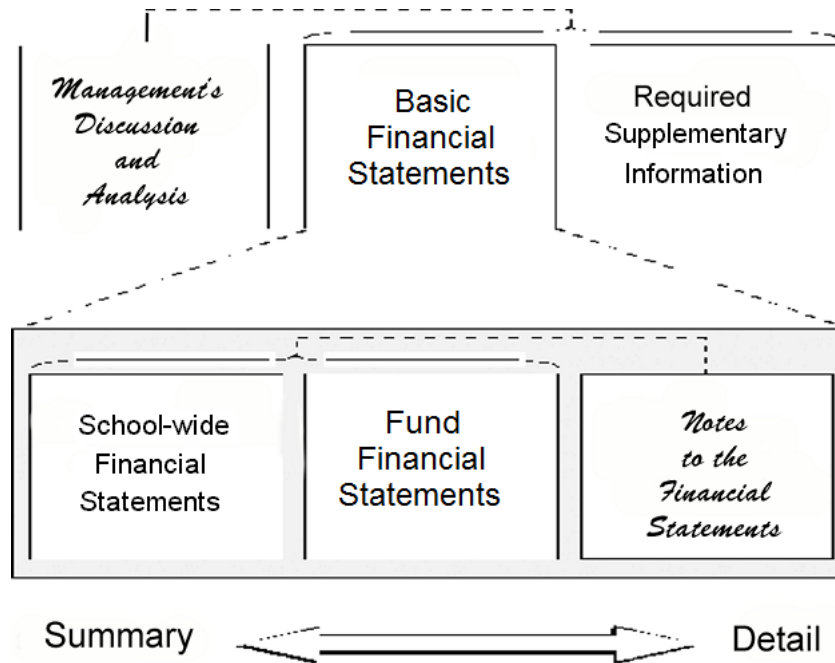
- Total Net Position Governmental is \$1,599,125 after net pension adjustment (Deficit) of (\$4,625,426).
- The unassigned General Fund balance at June 30, 2024 is \$3,077,632.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information that includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the People's Achieve Community Charter School.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Figure A-1. Required Components of the Board's Annual Financial Report



- The first two statements are school-wide financial statements that provide both short-term and long-term information about the People's Achieve Community Charter School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the People's Achieve Community Charter School, reporting the People's Achieve Community Charter School's operation in more detail than the school-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the Food Service activities the People's Achieve Community Charter School operates like businesses.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The financial statements also include notes that explain some of the information in the statements and provide data that are more detailed. Figure A-1 summarizes the major features of the People's Achieve Community Charter School's financial statements, including the portion of the People's Achieve Community Charter School's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 - Major Features of the School-wide and Financial Statements

	<u>School-wide Statements</u>	<u>Fund Financial Statements</u>	
		Governmental Funds	Proprietary Funds
Scope	Entire school (except fiduciary funds)	The activities of the People's Achieve Community Charter School that are for the school operations and not proprietary or fiduciary, such as teachers' salaries, special education and building maintenance, food service, and community education	Activities the People's Achieve Community Charter School operates similar to private businesses: Internal service fund
Required financial statements	Statement of net position	Balance sheet	Statement of net position
	Statement of activities	Statement of revenue expenditures and changes in fund balances	Statement of revenue, expenses, and changes in fund net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Statement of cash flows Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

PEOPLE’S ACHIEVE COMMUNITY CHARTER SCHOOL
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

School-wide Statements

The school-wide statements report information about the People’s Achieve Community Charter School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the People’s Achieve Community Charter School’s assets and liabilities. All of the current year’s revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two school-wide statements report the People’s Achieve Community Charter School’s net position and how they have changed. Net position – the difference between the People’s Achieve Community Charter School’s assets and liabilities – are one way to measure the People’s Achieve Community Charter School’s financial health or position.

In the school-wide financial statements, the People’s Achieve Community Charter School’s activities are shown in two categories:

- *Governmental activities*- Most of the People’s Achieve Community Charter School’s basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aid finance most of these activities.
- *Business-type activities*- The People’s Achieve Community Charter School’s Food Service Fund and the after school program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the People’s Achieve Community Charter School’s funds – focusing on its most significant or “major” funds – not the People’s Achieve Community Charter School as a whole.

Funds are accounting devices the People’s Achieve Community Charter School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.

The People’s Achieve Community Charter School use other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The People’s Achieve Community Charter School has three kinds of funds:

PEOPLE’S ACHIEVE COMMUNITY CHARTER SCHOOL
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

- **Governmental funds-** Most of the People’s Achieve Community Charter School’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the People’s Achieve Community Charter School’s programs. Because this information does not encompass the additional long-term focus of the school-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds-** Services for which the People’s Achieve Community Charter School charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the school-wide statements.
- **Fiduciary funds-** The People’s Achieve Community Charter School is the trustee, or *fiduciary*, for assets that belong to others such as scholarship fund, payroll and payroll agency funds, and student activity funds. The People’s Achieve Community Charter School is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the People’s Achieve Community Charter School’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. I exclude these activities from the People’s Achieve Community Charter School’s government-wide financial statements because the People’s Achieve Community Charter School cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE PEOPLE’S ACHIEVE COMMUNITY CHARTER SCHOOL AS A WHOLE

Net position. The People’s Achieve Community Charter School’s Net Position – School Wide is \$1,599,125 as of June 30, 2024. (See Table A-1).

Governmental	\$1,599,125
Proprietary Fund	<u>0</u>
Total – Net Position 6-30-24	<u><u>\$1,599,125</u></u>

The Statement of Net Position reflects total capital assets of \$4,734,438, net of assumed depreciation from inception of \$1,582,119 leaving a net balance of \$3,152,239.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The People's Achieve Community Charter School's financial position is the product of these factors:

- Special Revenues were \$2,560,624
- Special Expenditures were \$2,557,549.
- General Fund Revenues were \$20,711,179.
- General Fund Expenditures were \$17,122,765.

Table A-1
PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Net Position - School Wide
As of June 30, 2024

	<u>Total</u>
Current and Other Assets	\$ 5,768,694
Pension Deferred Outflows	3,009,930
Right to Use Lease Assets -net	6,369,904
Capital Assets - Net	3,152,239
Total Assets and Pension Deferred Outflows	<u>\$ 18,300,767</u>
Current and Other Liabilities	\$ 2,177,205
Lease Liabilities	6,889,081
Net Pension Liability - noncurrent	7,039,825
Pension Deferred Inflows	595,531
Total Liabilities and Pension Deferred Inflows	<u>\$ 16,701,642</u>
Net Assets:	
Invested In Capital Assets	\$ 3,152,239
Restricted	513,857
Unrestricted (Deficit)	(2,066,971)
Total Net Position	<u>\$ 1,599,125</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 18,300,767</u>
Fund Balance June 30, 2024	\$ 3,591,489
Invested In Capital Assets, net	3,152,239
Net Position before Pension Adjustment	6,743,728
Less: Pension (Deficit) Adjustment	(4,625,426)
Net Right to Use Lease	(519,177)
Net Position - June 30, 2024	<u>\$ 1,599,125</u>

Total Governmental and Business Activities revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$1,599,125 as of June 30, 2024.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Table A-2
PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Changes in Net Position - School Wide
For the Fiscal Year Ended June 30, 2024

Revenues	Total	%
Program revenues		
Charges for services	\$ -	
Operating grants and contributions		
General revenues		
State Aid-Unrestricted	17,161,903	72%
Special Revenue	2,560,624	11%
Other	3,549,276	15%
Proprietary Fund	657,645	2%
Total revenues	\$ 23,929,448	100%
Expenses		
Regular Instruction	8,326,334	41%
General Administrative	6,419,212	31%
School Administrative	2,306,292	11%
On-behalf TPAF Social Security/Pension/Medical	2,410,452	12%
Capital Outlay	218,024	1%
Proprietary Fund	657,645	4%
Total expenses	\$ 20,337,959	100%
Increase in net position	\$ 3,591,489	
Net Position, Beginning July 1, 2023 (Initial Year)	-	
Increase in Capital Outlay	3,152,239	
Net Position, Before Pension Adjustment	\$ 6,743,728	
Net Right to Use Adjustment	(519,177)	
Pension Adjustments Net	(4,625,426)	
Net Position - Ending June 30, 2024	\$ 1,599,125	

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Table A-3 (See Exhibit A-2)
PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Changes in Total and Net Cost of Services - School Wide
For the Fiscal Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Source</u>	<u>(Initial Year) Total Cost of Services</u>	<u>(Initial Year) Net Cost of Services</u>
School Wide Activities			
Instruction			
Regular	B-2	\$ 8,326,334	\$ 6,237,889
Support Services			
General Administrative Services	B-2	6,419,212	5,950,108
School Administrative Services	B-2	2,306,292	2,306,292
On-behalf TPAF Social Security / Pension / Medical	B-2	2,410,452	2,410,452
Capital Outlay	B-2	218,024	218,024
Proprietary	G-2	657,645	657,645
Total School Wide Activities		<u>\$ 20,337,959</u>	<u>\$ 17,780,410</u>

FINANCIAL ANALYSIS OF THE PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL FUNDS

The financial performance of the People's Achieve Community Charter School as a whole is reflected in its governmental activities Exhibit A-2. As the People's Achieve Community Charter School completed the year, its governmental funds reported a combined unassigned General Fund balance of \$3,077,632 and Restricted Balance of \$513,857.

Revenues for the People's Achieve Community Charter School's school wide funds were \$23,929,448 (Table A-2) while total expenses were \$20,337,959 (Table A-3) (Exhibit B-2 and G-2).

GENERAL FUND

The General Fund includes the primary operations of the People's Achieve Community Charter School in providing educational services to students in grades K-7 and 9 through 12.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The following schedule presents a summary of Revenues – School Wide.

Table A-4 (See Exhibit B-2)
PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Changes in Revenues - School Wide
For the Fiscal Year Ended June 30

	(Initial Year) Year Ended June 30, 2024
Revenues - School Wide	
Local Sources:	
Local Share	
Other Local Revenue	\$ 3,549,276
Total Local Sources	<u>\$ 3,549,276</u>
Intergovernmental	
State Sources	\$ 17,161,903
Proprietary Sources	657,645
Federal Sources	2,560,624
Total Intergovernmental Sources	<u>\$ 20,380,172</u>
Total Revenue - School Wide	<u><u>\$ 23,929,448</u></u>

The following schedule presents a summary of Expenditures – School Wide.

Table A-5 (See Exhibit B-2 and G-2)
PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Changes in Expenditures - School Wide
For the Fiscal Year Ended June 30

	(Initial Year) Year Ended 06/30/2024
Expenditures - School Wide	
Current:	
Regular Instruction	\$ 8,326,334
General Administrative Services	6,419,212
School Administration	2,306,292
On-behalf TPAF Social Security / Pension / Medical	2,410,452
Capital outlay	218,024
Proprietary Fund	657,645
Total Expenditures - School Wide	<u><u>\$ 20,337,959</u></u>

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

UNASSIGNED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES

The following table shows the School Wide Fund unassigned fund balance.

Table A-6
PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Changes in Unassigned Fund Balance School Wide Fund
For the Fiscal Year Ended June 30

2024

Unassigned	
Fund Balance	3,077,632
Expenditures	20,337,959
Percentage	15.13%

The People's Achieve Community Charter School values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during school year. The amount of unassigned General Fund balance designated to support the subsequent years budgets \$3,077,632 for the 2024-25 school year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, in the General Fund, the People's Achieve Community Charter School had invested \$4,734,438 in a broad range of capital assets, computer and audio-visual equipment, and administrative offices, etc. (More detailed information about capital assets can be found in Note 12 to the financial statements). Total depreciation expense for the year was \$282,537.

Table A-7
PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Capital Assets - School Wide
For the Fiscal Year Ended June 30, 2024

Building, Land and Improvements	\$3,100,929
Furniture and Equipment	1,633,509
Total - General Fund	<u>\$4,734,438</u>
Less: Accumulated Depreciation	(1,582,199)
Total - Net Capital Assets General Fund	<u><u>\$3,152,239</u></u>

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

FACTORS BEARING ON THE SCHOOL'S FUTURE

While many factors influence the Charter School's future, the availability of State funding and the economy will have the most impact on educational and fiscal decisions in the future.

**CONTACTING THE PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL'S FINANCIAL
MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the People's Achieve Community Charter School's finances and to demonstrate the People's Achieve Community Charter School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, People's Achieve Community Charter School, 534 Clinton Avenue, Newark, New Jersey 07108.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the People's Achieve Community Charter School's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2024.

SCHOOL-WIDE FINANCIAL STATEMENTS

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Net Position
As of June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents - Unrestricted	\$ 1,806,607	\$ 313,320	\$ 2,119,927
Cash - Restricted - Student Activity	17,649		17,649
Receivables	2,426,559	100,736	2,527,295
Receivables - Brick Education CMO Fee	45,820		45,820
Receivables - Brick Education - Other	250,000		250,000
Receivables - Brick Education Pass Through Grants	556,970		556,970
Interfund	333,625	(333,625)	-
Prepaid Expenses	61,333		61,333
Security Deposits	189,700		189,700
Right to Use Lease Assets-Net	6,369,904		6,369,904
Capital assets, net	3,152,239		3,152,239
Total assets	<u>15,210,406</u>	<u>80,431</u>	<u>15,290,837</u>
Deferred outflows of resources			
Pension deferred outflows	3,009,930		3,009,930
Total assets and deferred outflows	<u>\$ 18,220,336</u>	<u>\$ 80,431</u>	<u>\$ 18,300,767</u>
LIABILITIES			
Accounts payable	\$ 1,481,859	\$ 80,431	\$ 1,562,290
Payroll Taxes Payable	370,048		370,048
Deferred Revenue	244,867		244,867
Lease Liabilities - noncurrent	6,889,081		6,889,081
Net pension liability - noncurrent	7,039,825		7,039,825
Total liabilities	16,025,680	80,431	16,106,111
Deferred inflows of pensions	595,531		595,531
Total liabilities and deferred inflows of pensions	<u>\$ 16,621,211</u>	<u>\$ 80,431</u>	<u>\$ 16,701,642</u>
NET POSITION			
Invested in capital assets, net	3,152,239	-	3,152,239
Restricted for:			
Deferred Liabilities Reserve	510,782		510,782
Student Activity	3,075		3,075
Unrestricted (Deficit)	(2,066,971)		(2,066,971)
Total Net Position	<u>\$ 1,599,125</u>	<u>\$ -</u>	<u>\$ 1,599,125</u>
Total liabilities, deferred inflows and net position	<u>\$ 18,220,336</u>	<u>\$ 80,431</u>	<u>\$ 18,300,767</u>
Fund Balance June 30, 2024 - B-1	\$ 3,591,489		
Cost of capital assets net accumulated depreciation	3,152,239		
Right to Use Lease Assets-Net	(519,177)		
Net position before pension adjustments	6,224,551		
Less pension adjustments net (Deficit)	(4,625,426)		
Total net position - June 30, 2024	<u>\$ 1,599,125</u>		

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Program Revenues				Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ (8,326,334)		\$ (2,088,445)		\$ (6,237,889)		\$ (6,237,889)
Support services:							
General administratrion	(6,419,212)		(469,104)		(5,950,108)		(5,950,108)
School administrative services/ operations plant serv.	(2,306,292)				(2,306,292)		(2,306,292)
On - behalf TPAF Social Security/Pension/Medical	(2,410,452)				(2,410,452)		(2,410,452)
Capital Outlay	(218,024)				(218,024)		(218,024)
Total governmental activities	<u>(19,680,314)</u>		<u>(2,557,549)</u>		<u>(17,122,765)</u>		<u>(17,122,765)</u>
Business-type activities:							
Food Service and After School Program	(657,645)	(657,645)				(657,645)	(657,645)
Total business-type activities	<u>(657,645)</u>	<u>(657,645)</u>				<u>(657,645)</u>	<u>(657,645)</u>
Total primary government	<u>(20,337,959)</u>	<u>\$ (657,645)</u>	<u>\$ (2,557,549)</u>		<u>\$ (17,122,765)</u>	<u>\$ (657,645)</u>	<u>\$ (17,780,410)</u>
General revenues:							
Local Share					\$ 13,365,357	\$ -	\$ 13,365,357
State Share					3,796,546	8,679	3,805,225
Transfer from General Fund						96,833	96,833
Student Activity Increase					3,075		3,075
Federal Share						552,133	552,133
Miscellaneous Income					3,549,276	-	3,549,276
Increase in net Capital Outlay					<u>3,152,239</u>		<u>3,152,239</u>
Total general revenues, special items,					<u>23,866,493</u>	<u>657,645</u>	<u>24,524,138</u>
Change in Net Position Increase					6,743,728		6,743,728
Net Pension Adjustment					(4,625,426)		(4,625,426)
Net Right to Use Adjustment					(519,177)		(519,177)
Net Position - beginning - July 1, 2023 (Initial Year)					-		-
Net Position - ending - June 30, 2024					<u>\$ 1,599,125</u>	<u>\$ -</u>	<u>\$ 1,599,125</u>

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL

Balance Sheet
Governmental Funds
As of June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents - Unrestricted	\$ 1,806,607	\$ -	\$ 1,806,607
Cash - Restricted - Student Activity	-	17,649	17,649
Receivables	1,716,787	709,772	2,426,559
Receivables - Brick Education CMO Fee	45,820	-	45,820
Receivables - Brick Education - Other	250,000	-	250,000
Receivables - Brick Education Pass Through Grants	-	556,970	556,970
Prepaid Expenses	61,333	-	61,333
Security Deposits	189,700	-	189,700
Interfund	1,334,746	(1,001,121)	333,625
Total assets	<u>\$ 5,404,993</u>	<u>\$ 283,270</u>	<u>\$ 5,688,263</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,446,531	\$ 35,328	\$ 1,481,859
Payroll Taxes Payable	370,048	-	370,048
Deferred Revenue	-	244,867	244,867
Total liabilities	<u>1,816,579</u>	<u>280,195</u>	<u>2,096,774</u>
Fund Balances:			
Reserved for:			
Deferred Liability Reserve	510,782	-	510,782
Student Activity	-	3,075	3,075
Unassigned, reported in:			
General fund	<u>3,077,632</u>	<u>-</u>	<u>3,077,632</u>
Total Fund balances	<u>3,588,414</u>	<u>3,075</u>	<u>3,591,489</u>
Total liabilities and fund balances	<u>\$ 5,404,993</u>	<u>\$ 283,270</u>	<u>\$ 5,688,263</u>

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

Governmental Fund Balance June 30, 2024	\$ 3,591,489
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets and the accumulated depreciation	<div style="display: flex; justify-content: space-between;"> \$4,734,438 (1,582,199) </div>
Net position before pension adjustments	<u>3,152,239</u> 6,743,728
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore, are not reported in the fund statements.	3,009,930
Deferred Inflows related to pension actuarial gains from experience and differences in actual returns and assumed returns and other deferred items are not reported as liabilities in the fund statements.	(595,531)
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds	(7,039,825)
Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,859,896 less the accumulated amortization (\$489,992)	6,369,904
Lease liabilities used in governmental activities are not financial resourced and therefore are not reported in the funds	(\$6,889,081)
Net Right to Use Funds	(519,177)
Net position of Governmental activities - June 30, 2024	<u>\$ 1,599,125</u>
The accompanying Notes to the Basic Financial Statements are an integral part of this document.	

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local sources:			
Student Activity	\$ -	\$ 26,227	\$ 26,227
State / Local Share	13,365,357		13,365,357
Miscellaneous	3,549,276	56,861	3,606,137
Total - Local Sources	16,914,633	83,088	16,997,721
State Sources	3,796,546	10,000	3,806,546
Federal Sources		2,467,536	2,467,536
Total Revenues	\$ 20,711,179	\$ 2,560,624	\$ 23,271,803
EXPENDITURES			
Current:			
Regular instruction	\$ 6,237,889	\$ 2,088,445	\$ 8,326,334
Support services- General Administrative	5,950,108	469,104	6,419,212
Support Services- School Admin/ operations plant serv	2,306,292		2,306,292
On-behalf TPAF Social Security / Pension / Medical	2,410,452		2,410,452
Capital outlay	218,024		218,024
Total expenditures	\$ 17,122,765	\$ 2,557,549	\$ 19,680,314
Excess of revenues over expenditures	3,588,414	3,075	3,591,489
OTHER FINANCING SOURCES (USES)			
Transfers in	-		-
Transfers out	-		-
Total other financing sources and uses	-		-
Net change in fund balances - Increase	3,588,414	3,075	3,591,489
Fund balance - July 1, 2023 (Initial Year)	-	-	-
Fund balance - June 30, 2024	\$ 3,588,414	\$ 3,075	\$ 3,591,489

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

PEOPLE'S ACHIEVE COMMUNITY 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

	General Fund
Total net change in fund balances Increase - governmental funds (from B-2)	\$ 3,591,489
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Right To Use Lease Adjustment	(519,177)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation expense	\$ (1,582,199)
Capital outlays	4,734,438
	<u>3,152,239</u>
Net Pension adjustment	<u>\$ (4,625,426)</u>
Change in net position of governmental activities - Increase (Per Exhibit A-2)	<u>\$ 1,599,125</u>

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

PROPRIETARY FUNDS

Exhibit B-4

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Net Assets
Proprietary Funds
As of June 30, 2024

Business-type
Activities
Proprietary funds

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 313,320
Accounts receivable - Federal	99,237
Accounts receivable - State	1,499
Total current assets	<u>414,056</u>
 Total assets	 <u><u>\$ 414,056</u></u>

LIABILITIES

Current liabilities:

Accounts Payable	\$ 80,431
Interfund	333,625
Total current liabilities	<u>414,056</u>
Total liabilities	<u>414,056</u>

NET POSITION

Unrestricted	<u>-</u>
Total Net Position	<u>-</u>
Total Liabilities and Net Position	<u><u>\$ 414,056</u></u>

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

Exhibit B-5

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year June 30, 2024

	Proprietary Fund
	<u>Food Services</u>
OPERATING REVENUES	
Local Sources	
Other Grants	\$0
Total Operating Revenues	<u>0</u>
OPERATING EXPENSES	
Supplies, Materials & Other	(657,645)
Total Operating Expenses	<u>(657,645)</u>
(Loss) From Operations	<u>(657,645)</u>
Nonoperating Revenues	
State Sources	
State Breakfast	2,220
State Lunch	6,459
Federal Sources	
School Breakfast Program	191,135
National School Lunch Program	321,109
National School Snack Program	39,889
Total Nonoperating Revenues	<u>560,812</u>
Net (Loss) Before Transfer In	(96,833)
Transfer from General Fund	96,833
Change in Net Position	<u>0</u>
Total Net Position- Beginning of Year - July 1,2023 (Initial Year)	<u>0</u>
Total Net Position- End of Year - June 30, 2024	<u>\$0</u>

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statements of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2024

	Proprietary Fund Food Services
Cash flows from operating activities	
Cash Payments to Suppliers for Goods and Services	(\$577,212)
Net Cash (Used) by Operating Activities	<u>(577,212)</u>
Cash Flows from Noncapital Financing Activities	
Increase in Interfund	333,625
Cash Received from General Fund Transfer (Contribution)	96,833
Cash Received from State and Federal Subsidy Reimbursements	460,074
Net Cash Provided by Noncapital Financing Activities	<u>890,532</u>
Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	
Net Increase in Cash and Cash Equivalents	313,320
Cash and Cash Equivalents, Beginning of Year (Initial Year)	0
Cash and Cash Equivalents, End of Year	<u><u>\$313,320</u></u>
Reconciliation of Operating (Loss) to Net Cash	
Used by Operating Activities	
Operating (Loss)	\$0
Adjustments to Reconcile Operating (Loss) to	
Net Cash Used by Operating Activities	0
Increase in Accounts Payable	80,431
(Increase) in Accounts Receivable	(100,736)
Change in Assets and Liabilities	(20,305)
Increase in Interfund	333,625
Total Adjustment	<u>313,320</u>
Net Cash Provided by Operating Activities	<u><u>\$313,320</u></u>

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

FIDUCIARY FUNDS

Exhibit B-7

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2024**

NOT APPLICABLE

Exhibit B-8

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

NOTES TO THE BASIC FINANICAL STATEMENTS

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. DESCRIPTION OF THE CHARTER SCHOOL AND REPORTING ENTITY

People's Achieve Community Charter School ("Charter School") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board of Trustees (the "Board") consists of appointed officials and are responsible for the fiscal control of the Charter School. A director is appointed by the Board and is the administrative control of the Charter School.

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

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Charter School. Oversight responsibility includes financial interdependency, section of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the Charter School over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 primary government, except for fiduciary funds.

Government-Wide Statements

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

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.

Fund financial statements are designed to present financial information of the Charter School at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The Charter School uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Fund - The General Fund is the general operating fund of the Charter School. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment that are classified in the Capital Outlay subfund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes 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 that 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 of the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Proprietary Funds

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

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

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into invested in capital assets net of related debt and unrestricted net position, if

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of fixed assets used by proprietary funds is charged as an expense against their operations.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

On the government-wide statements of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

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

Basis of Accounting

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

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting. revenues are

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
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For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determine and "available" means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental funds revenues.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of P.L 2004 c73 (S 1701).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America (GAAP) with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

Exhibit C-3 represents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in Exhibit B-2.

E. Budgets/Budgetary Control

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PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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Exhibit C-3 represents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in Exhibit B-2.

F. Encumbrances

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 reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Charter School has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. There were \$0 of encumbrances at June 30, 2024. 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.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Cash, Cash Equivalents and Investments

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

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

Additionally, the Charter School has adopted a cash management plan that requires it to deposit public 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.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks, the deposits

of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

I. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

General Fund capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The Charter School maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description of Capital Cost</u>	<u>Estimated Lives (Years)</u>
Right-of-Use Assets	*
Furniture and Equipment	7
*Shorter of Useful Life or Lease Term	

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities those, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, the noncurrent portion of compensated absences and mortgage payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

L. Net Position/Fund Balance

School-Wide Statements

In the school-wide statements, there are three classes of net position:

- Invested in Capital Assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included. Also included in invested in capital assets are amounts the Charter School prepaid in advance of the work performed.

- Restricted Net Position - reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - any portion of net position not already classified as either net invested in capital assets or net position - restricted is classified as net position – unrestricted, which includes deferred inflows and outflows

Fund Balance and Equity

The Charter School follows GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54"), in establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds' financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

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

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Unearned/Deferred Revenue

Unearned/Deferred revenue in the special revenue fund represents cash that has been received but not yet earned.

N. Fund Equity

Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

P. On-Behalf Payments

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

Q. Deferred Outflows/Inflows

Deferred amounts on net pension liability are reported in the school-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School has one type which arise only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability.

Deferred amounts on net pension liability are reported in the school-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

R. Compensated Absences

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

Charter School employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policy. The Charter School's policy permits employees to accumulate unused sick and personal days and carry forward the full amount to subsequent years. Upon termination or upon retirement, employees are currently not paid for accrued vacation or unused sick and personal days.

As of June 30, 2024, Charter School-wide compensated absences amounted to \$-0-.

S. Fair Value of Financial Instruments

The Charter School follows the accounting and disclosure standards pertaining to GASB No. 72, Fair Value Measurement and Application, for qualifying assets and liabilities. Fair value is defined as the price that the Charter School would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants at the measurement date.

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

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

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

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

T. Adoption of New Accounting Standard

During fiscal year 2024, the Charter School adopted the following GASB statements:

- GASB Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASE Statement No. 62, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Other accounting standards that the Charter School is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 101, Compensated Absences, will be effective beginning with the fiscal year ending June 30, 2025. 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.
- GASB Statement No. 102, Certain Risk Disclosures, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a charter school vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a charter school's financial condition.
- GASB Statement No. 103, Financial Reporting Model Improvements, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from a charter school to charter school, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

U. Lease Assets

Intangible right-to-use lease assets are assets which the Charter School leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the Charter School's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

V. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets are determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

W. Lease Payable

In the school-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

X. Subscription Payable

In the school-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the Charter School's incremental borrowing rate over the subscription term is reported as other financing sources.

Y. Deficit Net Position

The Charter School has a deficit in unrestricted net position of (\$2,066,971) in governmental activities, which is primarily due to net pension liability, deferred outflows and inflows of resources related to pensions. This deficit does not indicate that the Charter School is in financial difficulties and is a permitted practice under generally accepted accounting principles.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. As of June 30, 2024, the Charter School's cash balance was insured for \$250,000 by the FDIC and the remaining balance was subject to the provisions of the GUDPA.

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Charter School or bonds or other obligations of the local unit or units within which the Charter School is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2024, the Charter School had no investments.

4. PENSION PLANS

Description of Plans - Substantially all of the employees of the School are covered by either the Public Employee's Retirement System or the Teacher's Pension and Annuity Fund (both of which are contributory defined benefits plans). Both were established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirements System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirements health care to substantially all full time certified teachers or professional staff of the public school systems in the State.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
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For the Fiscal Year Ended June 30, 2024

4. PENSION PLANS (continued)

The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the School and the systems other related non-contributing employers.

Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The public Employees' Retirement Systems (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county municipality, School, or public agency provided the employee is not a member of another state-administered retirement system.

The public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State of New Jersey or any county, municipality, School, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

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

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A 43:15a and 43:03B and N.J.S.A. 18A: for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirements benefits for age and service are available at age 55 and are generally determine to be 1/55 of the final average salary for each year of service credit as defined.

Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for member who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the member's accounts.

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4. PENSION PLANS (continued)

Significant Legislation - Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes - Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes - Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2019 for PERS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2001, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current statute the School is a non-contributing employer of TPAF (i.e., the State of New Jersey makes the employer contribution on behalf of public school districts and Schools).

Annual Pension Costs (APC)

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

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4. PENSION PLANS (continued)

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

The School's contribution to PERS for the year ended June 30, 2024 was \$707,234.

In accordance with N.J.S.A 18A:66-66 the School recorded as revenue for the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries in the amount of \$282,492. Also, the State paid \$1,752,835 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

5. PENSION PLANS – GASB 68 DISCLOSURES

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

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

The employer contributions for the Charter School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Charter School (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the Charter School (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$15,107,027 as measured on June 30, 2023.

For the year ended June 30, 2024, the Charter School recognized pension expense of \$371,136 and revenue of \$371,136 for support provided by the State. The measurement period for the pension

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5. PENSION PLANS – GASB 68 DISCLOSURES (continued)

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

Although the Charter School does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the Charter School.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$4,885,289,911
Collective deferred inflows of resources	\$19,563,805,393
Collective net pension liability (Non-employer - State of New Jersey)	\$51,594,415,806
State's portion of the net pension liability that was associated with the Charter School	\$15,107,027
State's portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	.031296%

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation (Price):	2.75%
Inflation (Wage):	3.25%
Salary Increases: Thereafter	2.75 - 5.65% based on years of service
Investment Rate of Return:	7%

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. Postretirement 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

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5. PENSION PLANS – GASB 68 DISCLOSURES (continued)

for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long term expected of return was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount Rate

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

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5. PENSION PLANS – GASB 68 DISCLOSURES (continued)

rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

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

	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State	\$25,679,770,919	\$22,458,047,553	\$19,722,979,997
Local	19,014,540,974	14,606,489,066	10,854,654,100
Total	<u>\$44,694,311,893</u>	<u>\$37,064,536,619</u>	<u>\$30,577,634,097</u>

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

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

At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
\$60,267,919,597	\$51,109,961,824	\$43,396,784,734

Pension Plan Fiduciary Net Position

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

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

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

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5. PENSION PLANS – GASB 68 DISCLOSURES (continued)

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

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

At June 30, 2024, the Charter School reported a liability of \$7,039,825 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2023.

The Charter School's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2023. At June 30, 2023, the Charter School's proportion was .048603%.

For the year ended June 30, 2024, the Charter School recognized pension expense of \$1,065,549. At June 30, 2024, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,310	\$ 28,776
Changes of assumptions	15,465	426,644
Net difference between projected and actual earnings on pension plan investments	32,419	
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	2,187,502	140,111
Charter School contributions subsequent to the measurement date.	707,234	0
Total	<u>\$3,009,930</u>	<u>\$595,531</u>

The Charter School reported \$707,234 as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2024, the plan measurement date was June 30, 2023) will be recognized as a reduction of the net pension liability measured as of June 30, 2024.

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

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5. PENSION PLANS – GASB 68 DISCLOSURES (continued)

	<u>Year Ended June 30:</u>
2024	(\$620,373)
2025	(\$316,059)
2026	(\$154,136)
2027	(\$336,267)
2028	739
Total:	<u>(\$1,426,096)</u>

	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$1,660,772,008
Collective deferred inflows of resources	\$3,236,303,935
Collective net pension liability (Non-State-Local Group)	\$15,219,184,920
Charter School's proportion of net pension liability	7,039,825
Charter School's proportion percentage	.048603%

Actuarial Assumptions

Components of Collective Net Pension Liability

The total collective 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 assumptions, applied to all periods in the measurement:

Inflation (Price):	2.75%
Inflation (Wage):	3.25%
Salary Increases: Thereafter	2.75 - 6.55% based on years of service
Investment Rate of Return:	7%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 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. Postretirement mortality rates were based on the Pub-2010 Teachers Above-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 mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment

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5. PENSION PLANS – GASB 68 DISCLOSURES (continued)

for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Pension Plan Fiduciary Net Position

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

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

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5. PENSION PLANS – GASB 68 DISCLOSURES (continued)

Discount Rate

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

6. POST RETIREMENT MEDICAL BENEFITS

Pension and Other Postemployment Benefits (OPEB) Obligations In Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In

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6. POST RETIREMENT MEDICAL BENEFITS (continued)

accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/pensions/financialreports.shtml>

Total OPEB Liability

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

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

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

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6. POST RETIREMENT MEDICAL BENEFITS (continued)

Total Nonemployer OPEB Liability:	<u>\$52,361,668,239</u>	
	TPAF/ABP	PERS
	2.75% to 4.25% based	2.75% to 6.55% based
Salary increases:	on years of service	on years of service

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the plan upon retirement.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

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

Total Nonemployer OPEB Liability:	<u>\$52,361,668,239</u>	
	TPAF/ABP	PERS
	2.75% to 4.25%	2.75% to 6.55%
Salary increases:	based on years of service	based on years of service

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8%

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6. POST RETIREMENT MEDICAL BENEFITS (continued)

in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability reported by the State of New Jersey:

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at June 30, 2022	\$50,646,462,966
Changes for the year:	
Service Cost	2,136,235,175
Interest on the Total OPEB Liability	1,844,113,951
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(980,424,902)
Changes of Assumptions	105,539,463
Gross Benefit Payments by the state	(1,437,516,518)
Contributions from Members	47,258,104
Net Changes	<u>1,715,205,273</u>
The State's Total OPEB Liability Balance at June 30, 2023	\$52,361,668,239
The State's Total OPEB Liability attributable to the Charter School	<u>\$5,483,062</u>

Sensitivity of the total Nonemployer OPEB liability to changes in the discount rate. The following presents the total nonemployer OPEB liability as of June 30, 2023, respectively, calculated using a 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:

<u>At 1% Decrease</u> (2.65%)	<u>At Discount Rate</u> (3.65%)	<u>At 1% Increase</u> (4.65%)
\$61,385,066,712	\$52,361,668,239	\$45,116,926,835

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

6. POST RETIREMENT MEDICAL BENEFITS (continued)

Sensitivity of total Nonemployer OPEB liability to changes in the healthcare trend rates. The following presents the total nonemployer OPEB 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:

<u>At 1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>At 1% Increase</u>
\$43,468,257,358	\$52,361,668,239	\$63,998,719,320

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

For the year ended June 30, 2022, the Charter School recognized OPEB expense and related revenue of \$1,286,241 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Charter School's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. The following table illustrates the Deferred Inflows and Outflows as of the June 30, 2023 measurement date under GASB 75.

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Differences between expected and actual experience	\$7,639,717,639	\$13,791,541,217
Net difference between expected and actual earnings on OPEB Plan Investments	0	0
Assumption changes	7,445,895,322	14,449,948,556
Subtotal	<u>\$15,085,612,961</u>	<u>\$28,241,489,773</u>
Contributions made in fiscal year ending 6/30/24 after measurement date	TBD	N/A
Total	<u>TBD</u>	<u>\$28,241,489,773</u>

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

6. POST RETIREMENT MEDICAL BENEFITS (continued)

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

7. DEFERRED COMPENSATION

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

8. ECONOMIC DEPENDENCY

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

9. CONTINGENT LIABILITIES

The Charter School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government.

If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Charter School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

The Charter School's attorney's letter advises that there is no litigation, pending litigation claims, contingent liabilities, unasserted claims for assessments or statutory violations which involved the Charter School and which might materially affect the Charter School's financial position.

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.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. RISK MANAGEMENT

Property and Liability Insurance - The Charter School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (UNAUDITED) of this Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The Charter School has elected to fund its New Jersey Unemployment Compensation under the "Contributory Method". Under this plan, the Charter School is required to remit employee withholdings to the State on a quarterly basis. All of the Charter School's claims are paid by the State.

11. RECEIVABLES

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Receivables:				
Accounts	<u>\$2,017,607</u>	<u>\$1,266,742</u>	<u>\$100,736</u>	<u>\$3,380,085</u>
Gross Receivables	<u>\$2,017,607</u>	<u>\$1,266,742</u>	<u>\$100,736</u>	<u>\$3,380,085</u>

12. CAPITAL ASSETS

Purchase of Building

In November 2022, the school purchased a building located at 621-635 Clinton Ave, Newark, NJ. The purchase price was \$2,500,000 including additional settlement fees of \$146,903 for a total of \$2,646,903.

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

12. CAPITAL ASSETS (continued)

	(Initial Year) Beginning Balance July 1, 2023	(Transfer Ins/) Net Additions (Deletions)	Ending Balance June 30, 2024
Governmental Activities			
Capital assets, being depreciated:			
Building and Improvements		\$3,100,929	\$3,100,929
Furniture and Equipment		1,633,509	1,633,509
Total capital assets being	\$0	\$4,734,438	\$4,734,438
Less accumulated depreciation		(1,582,199)	(1,582,199)
Total accumulated depreciation	0	(1,582,199)	(1,582,199)
Total capital assets net	\$0	\$3,152,239	\$3,152,239

Depreciation expense of \$282,537 was charged to an unallocated function.

	(Initial Year) Beginning Balance July 1, 2023	Net Additions (Deletions)	Ending Balance June 30, 2024
Governmental Activities			
Right to use lease assets:			
Premises		\$6,859,896	\$6,859,896
Total	\$0	\$6,859,896	\$6,859,896
Less: accumulated amortization for:	\$0	(489,992)	(489,992)
Right to use lease assets, net	\$0	\$6,369,904	\$6,369,904

RIGHT TO USE LEASE ASSETS

The Charter School leases its premises under the terms of non-cancelable leases through the Charter School's current charter. Certain leases are automatically extended upon the charter renewal and can be extended through various dates through June 30, 2030 with extensions. Total payments under these leases amounted to \$996,920 for year ending June 30, 2024. Interest expense on the leases was \$480,193 for the year ended June 30, 2024, which is reflected as lease interest expense in the accompanying budgetary comparison schedule – general fund (exhibit C-1). The net value of the right-to-use lease assets and lease liabilities was (\$519,177) as of June 30, 2024, which was calculated using a discount rate of 7% (the School's estimated incremental borrowing rate as of July 1, 2023). Amortization of the related right-to-use lease assets was \$489,992 for the year ended June 30, 2024.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

12. CAPITAL ASSETS (continued)

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Long Term Lease Schedule
June 30, 2024

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Amortization</u>
2025-2030	\$6,889,081	\$1,909,990	\$6,369,904

13. MERGER

On February 1, 2023, The New Jersey Dept. of Education approved a merger of Achieve Community Charter School (ACCS) with People's Preparatory Charter School (People's Prep) for the 2023-2024 school year. The approval to consolidate ACCS and People's Prep was effective June 30, 2023. The new entity is named People's Achieve Community Charter School. ACCS's approved maximum enrollment beginning in 2023-2024 is 611 seats serving kindergarten through grade 7 and increases to 714 seats in kindergarten through grade 8 by the end of its charter term in 2025-2026. People's Prep's approved maximum enrollment is 380 seats serving grades 9 through 12 from 2023-2024 through 2024-2025. At the end of the proposed consolidation charter term, the sum of the maximum approved enrollments for ACCS and People's Prep totals 1094 seats, serving kindergarten through grade 12 in 2027-2028 which agrees to the 1094 maximum seats requested in the consolidated application.

14. SUBSEQUENT EVENTS

The Charter School has evaluated subsequent events occurring after the financial statement date through March 17, 2025 which is the date the financial statements were available to be issued. Based upon this evaluation, the Charter School has determined that no events needed to be disclosed.

15. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

15. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund balance per B-1 – Governmental June 30, 2024	\$3,591,489
Cost of capital assets net accumulated depreciation	3,152,239
Pension deferred outflows	3,009,930
Pension deferred inflows	(595,531)
Deferred pension liability as of June 30, 2024	(7,039,825)
Right To Use Lease Assets	519,177
Net position – Governmental (per A-1) as of June 30, 2024	<u>\$1,599,125</u>

16. SCHOOL MANAGEMENT AGREEMENT AND RELATED PARTY TRANSACTIONS – BRICK, INC. (a Nonprofit Corporation)

In June 2023, the Charter School entered into a School Management Agreement with Building Responsible Intelligent Creative Kids (BRICK) (a related party) to manage the operation of the school for the period beginning July 1, 2023 and ending June 30, 2025. Thereafter, the Agreement shall be renewed for another two-year term from July 1, 2025 to June 30, 2027 provided both parties the Board of Trustee's and Brick, Inc. agree to the renewal in writing.

During its term, the Charter School will pay Brick, Inc. a service fee of 10% of the total annual federal, state and local public revenues actually received by the Charter School. The Charter School will also pay Brick, Inc. an additional fee for a School Business Administrator equivalent of 50% of the employee's annual salary and benefits.

The management fee amounted to \$1,722,040 and the School Business Administrator fee to \$125,000 for a combined fee of \$1,847,040 for the year ended June 30, 2024. At June 30, 2024, a total of \$45,820 is reflected as an Accounts Receivable due from Brick, Inc.

Brick, Inc., as part of its services, secured a federal grant, Promise Neighborhoods, from the U.S. Department of Education, and passed-through a portion of the grant to the Charter School in the amount of \$265,000 as reported in the Special Revenue Fund. At June 30, 2024 \$265,000 is reflected as an Accounts Receivable due from Brick, Inc.

On July 1, 2023, at the time of the merger between Achieve Community Charter School and People's Preparatory Charter School, Brick, Inc. owed Achieve Community Charter School a total of \$541,970 for various pass-through grants. These amounts have not been paid and at June 30, 2024 \$250,000 is reflected as an Accounts Receivable in the General Fund and \$291,970 is reflected as an Accounts Receivable in the Special Revenue Fund. The \$250,000 pertains to reimbursable construction costs from fiscal year 2022.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

17. LINE OF CREDIT

Prior to the merger Achieve Community Charter School had an open line of credit with M&T Bank for \$1,000,000. The purpose of this short-term obligation was for cash flow operations. There was no loan activity during the year and the loan balance as of June 30, 2024 was \$0.00. Interest expense under the line of credit was \$0.00.

18. INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfunds Receivable	Interfunds Payable
Governmental Funds	\$333,625	
Proprietary Funds		(\$333,625)
Total	\$333,625	(\$333,625)

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

A total of \$96,833 was transferred from the General Fund to Enterprise Fund to subsidize the operating loss.

19. FUND BALANCES

RESTRICTED

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

Deferred Liability Reserve - The Charter School has established a reserve that is restricted for the possible costs associated with TPAF/FICA reimbursements due back to the State of New Jersey on federal salaries for federally funded programs. The entity has not yet been accepted in the New Jersey pension system. As of June 30, 2024, the balance of the reserve is \$510,782.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities. At June 30, 2024 the amount restricted for student group activities was \$3,075.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
State / Local Share	\$ 13,645,059	\$ -	\$ 13,645,059	\$ 13,365,357	\$ 279,702
Miscellaneous	80,821	1,517,254	1,598,075	3,549,276	\$ (1,951,201)
Total - Local Sources	13,725,880	1,517,254	15,243,134	16,914,633	(1,671,499)
Special Education Aid	389,203	-	389,203	389,203	-
Security Aid	395,107	-	395,107	395,107	-
State Aid Adjustment	553,944		553,944	601,784	(47,840)
TPAF LT Disability (On-Behalf - Non-Budgeted)				1,434	(1,434)
TPAF Medical (On-Behalf - Non-Budgeted)				374,691	(374,691)
TPAF Pension (On-Behalf - Non-Budgeted)	-		-	1,376,710	(1,376,710)
TPAF Social Security (Reimbursed - Non-Budgeted)				282,492	(282,492)
Total State Sources	1,338,254	-	1,338,254	3,421,421	(2,083,167)
Federal Sources:					
Medical Assistance Program SEMI				-	-
Total - Federal Sources				-	-
Total Revenues	15,064,134	1,517,254	16,581,388	20,336,054	(3,754,666)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Teachers Salary	2,207,838	917,925	3,125,763	2,576,578	\$ 549,185
Other Salaries	2,383,569	(676,500)	1,707,069	1,822,446	(115,377)
Prof/Tech Services	1,221,923	112,313	1,334,236	1,172,652	161,584
Other Purchased Services (400-500 series)	225,000	27,296	252,296	409,924	(157,628)
General Supplies	124,848	(41,384)	83,464	40,561	42,903
Textbooks	130,000	(5,000)	125,000	-	125,000
Other Objects	355,501	(62,687)	292,814	215,728	77,086
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,648,679	271,963	6,920,642	6,237,889	682,753

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administrative					
Salaries of Administrative Salaries	1,390,103	352,291	1,742,394	1,663,696	78,698
Salaries of Secretarial and Clerical Assistants	342,939	-	342,939	342,939	-
Purch Prof/ Tech Svc	125,000	970,000	1,095,000	972,327	122,673
Cost of Benefits	2,096,290	-	2,096,290	1,946,056	150,234
Consultants	45,000	40,000	85,000	84,800	200
Other Purchased Services (400-500 series)	998,148	(800,000)	198,148	176,244	21,904
Communications/Telephone	-	66,000	66,000	65,476	524
Supplies and Materials	25,000	375,000	400,000	396,143	3,857
Other Objects	90,500	218,167	308,667	302,427	6,240
	<u>5,112,980</u>	<u>1,221,458</u>	<u>6,334,438</u>	<u>5,950,108</u>	<u>384,330</u>
Support Services - School Admin/Operation Plant Services					
Salaries	131,357	270,000	401,357	389,832	11,525
Purchased Professional and Technical Services	252,000	360,000	612,000	594,764	17,236
Other Purchased Services	454,287	110,000	564,287	52,170	512,117
Rental of Land and Building- other than Lease Purchase Agreements	880,007	(300,000)	580,007	487,542	92,465
Insurance	39,379	1,000	40,379	39,979	400
Lease Expense Principal	29,185		29,185	29,185	-
Lease Expense Interest	480,193		480,193	480,193	-
General Supplies	27,000		27,000	26,170	830
Transportation- Trips	146,500		146,500	15,697	130,803
Energy (Energy and Electricity)	8,700	86,000	94,700	93,927	773
Other Objects	-		-	-	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>2,448,608</u>	<u>527,000</u>	<u>2,975,608</u>	<u>2,209,459</u>	<u>766,149</u>
Food Service and After Care Program					
Other Purchased Services	-	96,833	96,833	96,833	-
Total Food Services	<u>-</u>	<u>96,833</u>	<u>96,833</u>	<u>96,833</u>	<u>-</u>
TPAF LT Disability (On-Behalf - Non-Budgeted)				1,434	(1,434)
On-behalf TPAF Medical Contributions (non-budgeted)				374,691	(374,691)
On-behalf TPAF pension Contributions (non-budgeted)				1,376,710	(1,376,710)
Reimbursed TPAF Social Security Contributions (non-budgeted)				282,492	(282,492)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,035,327</u>	<u>(2,035,327)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>7,561,588</u>	<u>1,845,291</u>	<u>9,406,879</u>	<u>10,291,727</u>	<u>(884,848)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>14,210,267</u>	<u>2,117,254</u>	<u>16,327,521</u>	<u>16,529,616</u>	<u>(202,095)</u>

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:				-	
Instructional Equipment	125,000	(100,000)	25,000	23,910	1,090
Non-Instructional Equipment	-	-	-	-	-
Building Improvements	728,867	(500,000)	228,867	194,114	34,753
Total Equipment	<u>853,867</u>	<u>(600,000)</u>	<u>253,867</u>	<u>218,024</u>	<u>35,843</u>
 TOTAL EXPENDITURES- GENERAL FUND	 15,064,134	 1,517,254	 16,581,388	 16,747,640	 (166,252)
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>-</u>	 <u>--</u>	 <u>-</u>	 3,588,414	 (3,588,414)
 Other Financing Sources:					
Operating Transfer In:	-	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	 -	 -	 -	 3,588,414	 (3,588,414)
 Fund Balance, July 1, 2023 (Initial Year)	 -	 -	 -	 -	
Fund Balance, June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,588,414</u>	<u>\$ (3,588,414)</u>

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2024

Exhibit C-2
Page 1

	Budget	Transfers	Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 83,088		\$ 83,088	\$ 83,088	
State Sources	10,000		10,000	10,000	
Federal Sources	2,467,536		2,467,536	2,467,536	
Total Revenues	2,560,624		2,560,624	2,560,624	
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,757,209		1,757,209	1,757,209	
Other Salaries for Instruction					
Purchased Professional -Educational Services					
Purchased Professional and Technical Services	129,000		129,000	129,000	
Transportation	-		-	-	
Student Activity	80,013		80,013	80,013	
Other Purchased Services (400-500 series)					
Other instruction Objects					
General Supplies	122,223		122,223	122,223	
Personal Services- Employee Benefits					
College Readiness	-		-	-	
Textbooks					
Equipment-Instructional	-		-	-	
Total Instruction	2,088,445		2,088,445	2,088,445	
Support Services					
Salaries of Supervisor of Instruction	76,961		76,961	76,961	
Salaries of Program Directors	256,379		256,379	256,379	
Salaries of Other Professional Staff	-		-	-	
Salaries of Secretaries & Clerical Assistants					
Purchased Professional Services	85,661		85,661	85,661	
Personal Services - Employee Benefits	-		-	-	
Recruitment	-		-	-	
Training	-		-	-	
Supplies	-		-	-	
Field Trips					
Scholarships					
Tuition					
Transportation	50,103		50,103	50,103	
Other purchased Services (400-500 series)					
Building Improvements					
Total Support Services	469,104		469,104	469,104	

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Buildings Improvements					
Instructional Equipment					
Noninstructional Equipment					
Total Facilities Acquisition and Construction Services					
Transfer to Charter School					
Total Expenditures	2,557,549		2,557,549	2,557,549	
Other Financing Sources (Uses)					
Transfer in from General Fund					
Transfer Out to Whole School Reform (General Fund)					
Total Other Financing Sources (Uses)					
Total Outflows					
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ 3,075		\$ 3,075	\$ 3,075	

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION**

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2024**

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

The general fund budget and the special revenue budget basis are GAAP, therefore no reconciliation is required.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS
FOR THE FISCAL YEAR ENDED JUNE 30*
(UNAUDITED)
Public Employees' Retirement System (PERS)

2023

Charter School Proportion of the net pension liability (asset)	<u>0.048603%</u>
Charter School Proportionate share of the net pension liability (asset)	<u>7,039,825</u>
Charter School Covered employee payroll	<u>3,487,457</u>
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	201.9%
Plan fiduciary net position as a percentage of the total pension liability	41.95%

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

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS
FOR THE FISCAL YEAR ENDED JUNE 30*
(UNAUDITED)**

Public Employees' Retirement System (PERS)

2023

Contractually required contribution	\$707,234
Contributions in relation to the contractually required contribution	<u>(707,234)</u>
Contribution deficiency (excess)	<u>0</u>
Charter School Covered employee payroll	3,487,457
Contributions as a percentage of covered employee payroll	20.2%

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

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
SCHEDULE OF THE CHARTER SCHOOL PROPORTIONATE SHARE
OF NET PENSION LIABILITY - TPAF
FOR THE FISCAL YEAR ENDED JUNE 30
(UNAUDITED)
Teachers' Pension and Annuity Fund (TPAF)

	<u>2023</u>
Charter School Proportion of the net pension liability (asset)**	N/A
Charter School Proportionate share of the net pension liability (asset)**	N/A
State's proportionate share of the net pension liability (asset) associated with the Charter School	<u>15,107,027</u>
Total	<u>15,107,027</u>
Charter School Covered employee payroll	3,724,558
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A
Plan fiduciary net position as a percentage of the total pension liability	24.65%

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

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Change of Benefit Terms: None

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in the notes to the financial statements.

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY AND
SCHEDULE OF DISTRICT PROPORTIONATE
SHARE OF THE OPEB LIABILITY NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Change of Benefit Terms: None

Change of Assumptions: Assumptions used in calculating the OPEB liability are presented in the
notes to the financial statements.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (TPAF AND PERS)
(UNAUDITED)
Fiscal Years*

2023

The State of New Jersey's Total OPEB Liability

Service Cost	\$2,136,235,175
Interest	1,844,113,951
Difference Between Expected and Actual Experience	(980,424,902)
Benefit Payment	(1,437,516,518)
Contributions from Members	47,258,104
Changes of Assumptions or other inputs	105,539,463
Net change in total OPEB liability	\$1,715,205,273
Total OPEB Liability - Beginning	\$50,646,462,966
Total OPEB Liability - Ending	\$52,361,668,239
The State of New Jersey's total OPEB liability**	\$52,361,668,239
The State of New Jersey's OPEB liability attributable to the Charter School	\$3,112,808
The Charter School's proportionate share of the total OPEB liability	0
Charter School's covered employee payroll	7,212,015
Total Charter School's OPEB liability as a percentage of its covered-employee payroll	0.00%
Charter School's contribution	None
State's covered employee payroll	\$15,314,749,297
Total State's OPEB liability as a percentage of its covered-employee payroll	341.90%

**Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

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

SPECIAL REVENUE FUND

Special Revenue Funds are used to account for the proceeds of special revenue resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Revenues and Expenditures- Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	TOTAL	IDEA PART B-Basic	TITLE I A	Title Iv	ESSER II	ARP ESSER III	ESSER III Learning Accel	ESSR III Mental Health	ESSER SUMMER LEARNING	ESSER Evid Based BEY SCH	ESSER III HOMELES	CSP GRANT	PROMISE GRANT	RESTORATIVE Grant	E-RATE Grant	STUDENT ACTIVITY
REVENUES																
Intergovernmental																
State	\$10,000													\$10,000		
Federal	\$2,467,536	\$102,622	\$546,763	\$15,000	\$50,103	\$945,446	\$49,000	\$301,379	\$40,000	\$40,000	\$4,024	\$108,199	\$265,000			
Other Sources																
Local	83,088													0	\$56,861	\$26,227
Total Revenues	2,560,624	102,622	546,763	15,000	50,103	945,446	49,000	301,379	40,000	40,000	4,024	108,199	265,000	10,000	56,861	26,227
EXPENDITURES																
Instruction																
Salaries	1,757,209		546,763			945,446							265,000			
Transportation	0															
Other Purchased Services	0															
Purchased Prof. and Tech.and Edu Services	129,000						49,000		40,000	40,000						
Student Activity/Other Local	80,013															
General Supplies	122,223		0								4,024	108,199		10,000	56,861	23,152
Other Instruction Objects	0															
Personal Services - Employee Benefits	0		0													
Equipment - Instructional																
Total Instruction	2,088,445	0	546,763	0	0	945,446	49,000	0	40,000	40,000	4,024	108,199	265,000	10,000	56,861	23,152
Support Services																
Salaries of Supervisors of Instruction	76,961	76,961														
Salaries of Program Directors	256,379							256,379								
Salaries of Other Prof. Staff																
Salaries of Secretarial and Clerical Ass't																
Supplies	0															
Recruitment																
Training																
Transportation	50,103				50,103											
Other Purchased Services	0															
Purchased Professional/Educational Services	85,661	25,661		15,000				45,000								
Class- room Improvements																
Building Improvements	0															
Non instructional Equipment																
Total Support Services	469,104	102,622	0	15,000	50,103	0	0	301,379	0	0	0	0	0			
	2,557,549	\$102,622	\$546,763	\$15,000	\$50,103	\$945,446	\$49,000	\$301,379	\$40,000	\$40,000	\$4,024	\$108,199	\$265,000	\$10,000	\$56,861	\$23,152
Balance 06/30/24	\$3,075.00															\$3,075.00

PROPRIETARY FUNDS

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods and services be financed through user charges or where the board has decided that periodical determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Food Service Fund - The fund provides for the operation of food services in all schools.

Exhibit G-1**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL****Statement of Net Position****Proprietary Funds****As of June 30, 2024**

	Business-Type Activities
	Enterprise Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$313,320
Intergovernmental Receivable	
Federal	99,237
State	1,499
Total Current Assets	414,056
Total Assets	\$414,056
LIABILITIES	
Accounts Payable	80,431
Interfund	333,625
Total Current Liabilities	\$414,056
 Net Position	
Unrestricted	0
Total Net Position	\$414,056

Exhibit G-2

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year June 30, 2024

	Proprietary Fund
	Food Services
OPERATING REVENUES	
Local Sources	
Local Revenue	
Other Grants	\$0
Total Operating Revenues	<u>0</u>
OPERATING EXPENSES	
Supplies, Materials & Other	(657,645)
Total Operating Expenses	<u>(657,645)</u>
 (Loss) From Operations	 <u>(657,645)</u>
 Nonoperating Revenues	
State Sources	
State Breakfast	2,220
State Lunch	6,459
Federal Sources	
School Breakfast Program	191,135
National School Lunch Program	321,109
National School Snack Program	39,889
Total Nonoperating Revenues	<u>560,812</u>
Net (Loss) Before Transfer In	(96,833)
Transfer from General Fund	96,833
Change in Net Position	0
Total Net Position- Beginning of Year (Initial Year)	<u>0</u>
 Total Net Position- End of Year	 <u><u>\$0</u></u>

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Statements of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2024

	Proprietary Fund
	<u>Food Services</u>
Cash flows from operating activities	
Cash Payments to Suppliers for Goods and Services	(\$577,212)
Net Cash (Used) by Operating Activities	<u>(577,212)</u>
 Cash Flows from Noncapital Financing Activities	
Increase in Interfund	333,625
Cash Received from General Fund Transfer (Contribution)	96,833
Cash Received from State and Federal Subsidy Reimbursements	460,074
Net Cash Provided by Noncapital Financing Activities	<u>890,532</u>
 Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	
Net Increase in Cash and Cash Equivalents	313,320
Cash and Cash Equivalents, Beginning of Year (Initial Year)	0
Cash and Cash Equivalents, End of Year	<u><u>\$313,320</u></u>
 Reconciliation of Operating (Loss) to Net Cash	
Used by Operating Activities	
Operating (Loss)	<u>\$0</u>
Adjustments to Reconcile Operating (Loss) to	
Net Cash Used by Operating Activities	0
Increase in Accounts Payable	80,431
(Increase) in Accounts Receivable	(100,736)
Change in Assets and Liabilities	(20,305)
Increase in Interfund	333,625
Total Adjustment	<u>313,320</u>
 Net Cash Provided by (Used In) Operating Activities	<u><u>\$313,320</u></u>

**FIDUCIARY FUNDS
(NOT APPLICABLE)**

Exhibit H-1

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Fiduciary Funds
Combining Statement of Agency Fund Net Position
As of June 30, 2024**

NOT APPLICABLE

Exhibit H-2

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Nonexpendable Trust Fund
Combining Statement of Agency Fund Net Position
Fiduciary Funds
As of June 30, 2024**

NOT APPLICABLE

Exhibit H-3

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

Exhibit H-4

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

Exhibit H-5

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Unemployment Compensation Insurance Trust Fund
Statement of Receipts and Disbursements
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

STATISTICAL SECTION

This part of the People's Achieve Community Charter School annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the school's overall financial health.

Contents

Exhibits

Financial Trends

J- 1 to J-5

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

Revenue Capacity

J-6 to J-9

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

Debt Capacity

J-10 to J-13

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

Demographic and Economic Information

J-14 and J-15

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

Operating Information

J-16 to J-20

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

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

FINANCIAL TRENDS

Exhibit J-1

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
NET POSITION BY COMPONENT
FOR THE FISCAL YEAR ENDED JUNE 30
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	(Initial Year)
	<u>2024</u>
Governmental activities	
Invested in capital assets	\$ 3,152,239
Student Activity	\$ 3,075
Deferred Liability Reserve	510,782
Unrestricted	<u>(2,066,971)</u>
Total governmental activities net position	<u><u>\$ 1,599,125</u></u>
Business-type activities	
Invested in capital assets, net of related debt	-
Unrestricted	-
Total business-type activities net position	<u><u>\$ -</u></u>
School-wide	
Invested in capital assets	\$ 3,152,239
Student Activity	3,075
Deferred Liability Reserve	510,782
Unrestricted	<u>(2,066,971)</u>
Total school net position	<u><u>\$ 1,599,125</u></u>

Source: School Financial Statements

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

(Initial Year)

2024**Expenses**

Governmental activities

Instruction

Regular	(\$8,326,334)
---------	---------------

Support Services:

General administration	(6,419,212)
------------------------	-------------

School Administrative Services	(2,306,292)
--------------------------------	-------------

On-behalf TPAF Social Security/Pension/Medical	(2,410,452)
--	-------------

Capital outlay	(218,024)
----------------	-----------

Unallocated depreciation	0
--------------------------	---

Total governmental activities expenses	(19,680,314)
--	--------------

Business-type activities:

Food Proprietary Fund	657,645
-----------------------	---------

Total business-type activities expense	657,645
--	---------

Total school expenses	(\$19,022,669)
-----------------------	----------------

Program Revenues

Governmental activities:

Operating grants and contributions	\$2,557,549
------------------------------------	-------------

Capital grants and contributions	
----------------------------------	--

Total governmental activities program revenues	2,557,549
--	-----------

Business-type activities:

Charges for services	
----------------------	--

Food service	657,645
--------------	---------

Total business type activities program revenues	657,645
---	---------

Total school program revenues	3,215,194
-------------------------------	-----------

Net (Expense)/Revenue

Governmental activities	(\$17,122,765)
-------------------------	----------------

Business-type activities	\$0
--------------------------	-----

Total school-wide net expense	(\$17,122,765)
-------------------------------	----------------

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	(Initial Year) <u>2024</u>
Governmental activities:	
Local share	\$0
State Share	13,365,357
State Aid	3,796,546
Student Activity	3,075
Miscellaneous income	3,549,276
Right to Use Lease Adjustment	(519,177)
Pension Adjustment -Net	(4,625,426)
Increase in Net Capital Outlay	3,152,239
Total governmental activities	<u>18,721,890</u>
Business-type activities:	
Transfers	<u> </u>
Total business-type activities	<u> </u>
Total school-wide	<u><u>18,721,890</u></u>
 Change in Net Position - Increase	
Governmental activities	\$1,599,125
Business-type activities	<u>\$0</u>
Total school	<u><u>\$1,599,125</u></u>
Source: School Financial Statements	

Exhibit J-3

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	(Initial Year)
	<u>2024</u>
General Fund	
Deferred Liability Reserve	\$ 510,782
Unassigned	<u>3,077,632</u>
Total general fund	<u><u>\$ 3,588,414</u></u>
 All Other Governmental Funds	
Student Activity	<u>\$ 3,075</u>
Total all other governmental funds	<u><u>\$ 3,075</u></u>

Source: School Financial Statements

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
GOVERNMENTAL AND PROPRIETARY FUNDS REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	(Initial Year) <u>2024</u>
Revenues	
Local tax Levy	\$0
Other local revenue	3,549,276
State sources	17,161,903
Federal sources	2,560,624
Proprietary	657,645
Total revenue	<u>23,929,448</u>
Expenditures	
Instruction	6,237,889
Regular Instruction	
Support Services:	
General administration	5,950,108
School administrative services/Plant	2,306,292
TPAF Social Security / Pension / Medical	2,410,452
Capital outlay	218,024
Proprietary	657,645
Special Revenue	2,557,549
Total expenditures	<u>20,337,959</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>\$3,591,489</u>
Other Financing sources (uses)	
Transfers in	
Transfers out	
Total other financing sources (uses)	<u></u>
Net change in fund balance	<u><u>\$3,591,489</u></u>

Source: School Financial Statements

REVENUE CAPACITY

EXHIBIT J-5

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
General Fund - Other Local Revenue By Source
For the Fiscal Year Ended June 30
(UNAUDITED)**

	Transfers From Merging Schools	Other Local	(Initial Year) Totals
2024	3,537,885	11,391	3,549,276

Source: School Financial Statements

Exhibit J-6

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Assessed Value and Actual Value of Taxable Property
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

Exhibit J-7

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Direct and Overlapping Property Tax Rates
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

Exhibit J-8

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Principal Property Taxpayers
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

DEBT CAPACITY

Exhibit J-9

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Property Tax Levies and Collections
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

Exhibit J-10

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Ratios of Outstanding Debt by Type
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

Exhibit J-11

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Ratios of Net General Bonded Debt Outstanding
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

Exhibit J-12

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Direct and Overlapping Governmental Activities Debt
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-13

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Legal Debt Margin Information
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Demographic and Economic Statistics
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

OPERATING INFORMATION

Exhibit J-15

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Principal Employers
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Full-time Equivalent School Employees by Function/Program
For the Fiscal Year Ended June 30
(UNAUDITED)

<u>Function/Program</u>	(Initial Year) <u>2024</u>
Instruction	
Regular	56
Special education	8
Other special education	0
Vocational	0
Other instruction	0
Nonpublic school programs	0
Adult/continuing education programs	
Support Services:	
Student & instruction related services	12
General administration	11
School administrative services	6
Other administrative services	10
Central services	3
Administrative Information Technology	0
Plant operations and maintenance	2
Pupil transportation	0
Other support services	
Special Schools	0
Food Service	0
Child Care	0
Total	<u>108</u>

Source: School Personnel Records

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Operating Statistics
For the Fiscal Year Ended June 30
(UNAUDITED)

(Initial Year) Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	ES/MS Teaching Staff	HS Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
							Elementary and Middle School	Senior High School				
2024	762	\$17,051,838	\$22,378	N/A	41	25	11:1	13:1	761.5	687.0	N/A	90.22%

Sources: School records

Exhibit J-18

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
School Building Information
For the Fiscal Year Ended June 30
(UNAUDITED)

(Initial Year)
2024

School Building

Main Campus	
Exclusive Space- Square Feet	44,000
Shared Space-Square Feet	
Capacity (students)	940
Enrollment (year-end)	874
Number of Schools at June 30	
Elementary & Middles School Campus	3

Source: Charter School Office

Exhibit J-19

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
General Fund - Schedule of Required Maintenance
For the Fiscal Year Ended June 30, 2024**

NOT APPLICABLE

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
<u>Educators Legal Liability & Employment Practices Liability</u>		
Aggregate - All Lines	\$1,000,000	
Educators Legal Liability (ELL)	\$1,000,000	
Employment Practices Liability (EPL)	\$1,000,000	
<u>Self-Insured Retentions:</u>		
Aggregate - All Lines	\$10,000	
ELL	\$10,000	
EPL	\$25,000	
<u>Accident - Health</u>		
Maximum Benefit	\$25,000	
Accidental Death	\$25,000	
Accidental Dismemberment	up to \$50,000	
Accidental Paralysis	\$50,000	
<u>General Liability Limits</u>		
General Aggregate	\$3,000,000	
Products/Comp Ops	\$3,000,000	
Personal & Advertising Injury	\$1,000,000	
Each Occurrence	\$1,000,000	
Premises Rented to You	\$100,000	
Med Pay	\$5,000	
<u>Employee Benefits</u>		
Aggregate Limit	\$3,000,000	
Each Claim Limit	\$1,000,000	\$1,000
<u>Abuse/Molestation</u>		
Aggregate Limit	\$3,000,000	
Each Abuse Limit	\$1,000,000	
<u>Crime/Fidelity</u>		
Employee Theft	\$200,000	\$2,500
Cyber Incident Response	\$1,000,000	
Cyber Crime	\$250,000	
System Damage & BI	\$1,000,000	
Network Security & Privacy	\$1,000,000	
Media Liability	\$1,000,000	
Deductible/Retention		\$5,000
<u>Workers Comp</u>		
Workers Comp	State Statutory	
Employers Liability	\$1M/\$1M/\$1M	
Total Est. Payroll	\$1,960,000	

Source: Charter School Records

**CHARTER SCHOOL PERFORMANCE
FRAMEWORK FINANCIAL INDICATORS**

Exhibit J-21

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
FINANCIAL PERFORMANCE - FINANCIAL RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30
(UNAUDITED)

Charter School Performance Framework Financial Indicators
Near Term Indicators

	(Initial Year) <u>2024</u>
Cash	<u>2,137,576</u>
Current Assets	5,768,694
Long Term Assets	9,379,834
Capital Assets-Net	<u>3,152,239</u>
Total Assets	<u>18,300,767</u>
Current Liabilities	2,177,205
Long Term Liabilities	<u>14,524,437</u>
Total Liabilities	<u>16,701,642</u>
Net Position	<u>1,599,125</u>
Total Revenue	23,929,448
Total Expenses	<u>(20,337,959)</u>
Change in Net Position	<u>3,591,489</u>
Depreciation	282,537
Principal Payments	0
Interest payments	0
Final average daily enrollment	762
March 30th budgeted Enrollment	762
Near term indicators	<u>2024</u>
CURRENT RATIO	2.65
Unrestricted days cash	38.36
Enrollment variance	
Default	N/A
Total margin	0.15
Debt to Asset	0
Cash flow	2,137,576
Debt Service Coverage ratio	N/A

SINGLE AUDIT SECTION K

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EXHIBIT K-1

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

The Honorable Chairman and
Members of the Board of Trustees
People's Achieve Community Charter School
County of Essex
Newark, New Jersey

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the People's Achieve Community Charter School ("the Charter School"), in the County of Essex, State of New Jersey, as of and for the fiscal year ending June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued my report thereon, dated March 17, 2025.

Report on Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did, however, identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001 that I consider to be a significant deficiency.


Report on Compliance and Other Matters

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

Purpose of this Report

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

Licensed Public School Accountant No. 20CS00206400

A handwritten signature in black ink, appearing to read "Gerald D. Longo". The signature is written in a cursive, flowing style.

Gerald D. Longo
Certified Public Accountant
March 17, 2025

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EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NJ OMB 15-08**

The Honorable Chairman and
Members of the Board of Trustees
People's Achieve Community Charter School
County of Essex
Newark, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

I have audited People's Achieve Community Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of People's Achieve Community Charter School's major Federal and State programs for the year ended June 30, 2024. People's Achieve Community Charter School's major Federal and State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, People's Achieve Community Charter School 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 Federal and State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 NJ OMB Circular 15-08. My responsibilities under those standards, the Uniform Guidance and NJ OMB Circular 15-08, are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of People's Achieve Community Charter School and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major Federal and State programs. My audit does not provide a legal determination of People's Achieve Community 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 People's Achieve Community Charter School's Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on People's Achieve Community Charter School's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and NJ OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional 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 People's Achieve Community Charter School's compliance with the requirements of each major Federal and State programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and NJ OMB Circular 15-08, I:

- 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 People's Achieve Community Charter School's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of People's Achieve Community Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of People's Achieve Community Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of my auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Uniform Guidance and the State of New Jersey OMB's Circular Letter 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003. My opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Charter School's response to the noncompliance findings identified in my compliance audit described in the accompanying schedule of findings and questioned costs. The Charter School's response was not subjected to the other auditing procedures applied in the audit of compliance and accordingly, I express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJOMB circular 15-08. Accordingly, this report is not suitable for any other purpose.

Licensed Public School Accountant No. 20CS00206400

A handwritten signature in black ink, appearing to read "Gerald D. Longo". The signature is written in a cursive, flowing style.

Gerald D. Longo
Certified Public Accountant
March 17, 2025

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grant/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Federal Award Identification Number	Grant Period	Award Amount	Accounts Receivable at July 1, 2023	Prior Carry-over	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjust	Deferred Revenue/ (Accounts Receivable) June 30, 2024	Due to Grantor June 30, 2024
Enterprise Fund:												
U.S. Department of Agriculture												
Passed-Through NJ State Department of Agriculture												
Child Nutrition Cluster												
National School Breakfast	10.553	231NJ304N1199	07/01/22-06/30/23	\$ -	\$ (25,183)	\$ -	\$ 25,183	\$ -	\$ -	\$ -	\$ -	-
National School Lunch	10.555	231NJ304N1199	07/01/22-06/30/23	-	(55,462)	-	55,462	-	-	-	-	-
National School Snack	10.555	231NJ304N1199	07/01/22-06/30/23	-	(433)	-	433	-	-	-	-	-
National School Breakfast	10.553	241NJ304N1099	07/01/23-06/30/24	191,135	-	-	156,064	191,135	-	-	(35,071)	-
National School Lunch	10.555	241NJ304N1099	07/01/23-06/30/24	321,109	-	-	265,888	321,109	-	-	(55,221)	-
National School Snack	10.555	241NJ304N1099	07/01/23-06/30/24	39,889	-	-	30,944	39,889	-	-	(8,945)	-
Pandemic EBT Administrative Costs	10.649	2022225900941	10/01/22-09/30/23	653	-	-	653	653	-	-	-	-
Total Enterprise Fund/Total US Dept. of Agriculture Pass Through Programs					(81,078)	-	534,627	552,786	-	-	(99,237)	-
Special Revenue Fund:												
U.S. Department of Education												
Passed-Through NJ State Department of Education												
Title I Part A	84.010	S010A220030	07/01/22-09/30/23	428,090	(86,480)	-	86,480	-	-	-	-	-
Title I Part A	84.010	S010A230030	07/01/23-09/30/24	625,838	-	-	317,684	546,763	-	-	(229,079)	-
Title II	84.367A	S367A230029	07/01/23-09/30/24	45,432	-	-	-	-	-	-	-	-
Title III	84.365	S365A220030	07/01/22-09/30/23	4,365	(4,365)	-	4,365	-	-	-	-	-
Title III Immigrant	84.365	S365A230030	07/01/23-09/30/24	4,720	-	-	-	-	-	-	-	-
Title IV	84.424	S424A220031	07/01/22-09/30/23	25,170	(7,316)	-	7,316	-	-	-	-	-
Title IV	84.424	S424A230031	07/01/23-09/30/24	53,980	-	-	-	15,000	-	-	(15,000)	-
Total ESEA					(98,161)	-	415,845	561,763	-	-	(244,079)	-
Special Education Cluster												
IDEA Part B	84.027A	H027A220100	07/01/22-09/30/23	109,738	(36,908)	-	36,219	-	-	(689)	-	-
IDEA Part B	84.027A	H027A230100	07/01/23-09/30/24	190,938	-	-	102,622	102,622	-	-	-	-
IDEA Pre-School	84.173A	H173A230114	07/01/23-09/30/24	3,927	-	-	-	-	-	-	-	-
Total Special Education Cluster					(36,908)	-	138,841	102,622	-	(689)	-	-
Charter School Program Grant	84.282A	S282A240009	11/1/23-04/30/26	1,500,000	-	-	-	108,199	-	-	(108,199)	-
Education Stabilization Fund												
CRRSA ESSER 11	84.425D	S425D210027	03/13/20-09/30/23	795,395	(5,000)	-	55,103	50,103	-	-	-	-
CRRSA Mental Health	84.425D	S425D210027	03/13/20-09/30/23	45,000	(542)	-	542	-	-	-	-	-
ARP ESSER	84.425U	S425U210027	03/13/20-09/30/24	1,787,600	(50,039)	-	82,279	71,438	-	-	(39,198)	-
ARP Accelerated Learning	84.425U	S425U210027	03/13/20-09/30/24	50,000	(1,000)	-	50,000	49,000	-	-	-	-
ARP Summer Learning and Enrichment	84.425U	S425U210027	03/13/20-09/30/24	40,000	-	-	40,000	40,000	-	-	-	-
ARP Beyond the School Day	84.425U	S425U210027	03/13/20-09/30/24	40,000	-	-	40,000	40,000	-	-	-	-
ARP Mental Health	84.425U	S425U210027	03/13/20-09/30/24	45,000	-	-	-	45,000	-	-	(45,000)	-
ARP Homeless Children and Youth	84.425W	S425W210031	04/21/21-09/30/24	9,266	(5,242)	-	2,348	4,024	-	-	(6,918)	-
ARP ESSER	84.425U	S425U210027	03/13/20-09/30/24	2,334,019	(260,638)	-	1,134,646	874,008	-	-	-	-
ARP Mental Health	84.425U	S425U210027	03/13/20-09/30/24	445,613	-	-	-	256,379	-	-	(256,379)	-
Total Education Stabilization Fund					(322,461)	-	1,404,918	1,429,952	-	-	(347,495)	-
Total Special Revenue/NJ Dept. of Education, Pass Through Programs					(457,530)	-	1,959,604	2,202,536	-	(689)	(699,773)	-
US Department of Education/Pass Through Program Brick Education												
Charter School Program Grant	84.282A	S282A21009	10/1/20-09/30/23	-	(146,570)	-	-	-	-	-	(146,570)	-
Charter School Program Grant	84.282A	S282A21009	10/1/20-09/30/23	-	(72,600)	-	-	-	-	-	(72,600)	-
Charter School Program Grant	84.282A	S282A21009	10/1/20-09/30/23	-	(72,800)	-	-	-	-	-	(72,800)	-
US Department of Education/Pass Through Program Brick Education												
Promise Neighborhood Programs	84.215N	unknown	01/01/24-12/31/24	265,000	-	-	-	265,000	-	-	(265,000)	-
Total Special Revenue, Pass Through Programs					(749,500)	-	1,959,604	2,467,536	-	(689)	(1,256,743)	-
Federal Communications Commission FCC												
Emergency Connectivity Program	32.009	ECF202207045	07/01/22-06/30/23	69,722	(69,722)	-	69,722	-	-	-	-	-
Total Expenditures of Federal Awards					\$ (900,300)	\$ -	\$ 2,563,953	\$ 3,020,322	\$ -	\$ (689)	\$ (1,355,980)	\$ -

See accompanying notes to schedules of expenditures of Federal and State award programs.

PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Exhibit K-4
Schedule B

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance June 30, 2023</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Adjustments</u>	<u>Repayment of Prior Years' Balances</u>	<u>Due to Grantor (Accts Rec) June 30, 2024</u>
NJ DEPARTMENT OF EDUCATION									
GENERAL FUND									
Equalization Aid	24-495-034-5120-078	7/1/23-06/30/24	\$ 13,423,679	\$ -	\$ 13,423,679	\$ 13,423,679	\$ -	\$ -	\$ -
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-06/30/24	344,780	-	344,780	344,780	-	-	-
Security Aid	24-495-034-5120-084	7/1/23-06/30/24	364,628	-	364,628	364,628	-	-	-
Adjustment Aid	24-495-034-5120-085	7/1/23-06/30/24	601,784	-	601,784	601,784	-	-	-
Jersey City Payroll Tax Reimbursement	24-495-034-5120-078	7/1/23-06/30/24	11,806	-	11,806	11,806	-	-	-
Reimbursed Social Security Tax	24-495-034-5094-003	7/1/23-06/30/24	-	-	282,492	282,492	-	-	-
On-Behalf-Teachers' Pension and Annuity Fund LT Disability	24-495-034-5094-004	7/1/23-06/30/24	-	-	1,434	1,434	-	-	-
On-Behalf-Teachers' Pension and Annuity Fund	24-495-034-5094-002	7/1/23-06/30/24	-	-	1,376,710	1,376,710	-	-	-
On-Behalf-Teachers' Pension Post Retirement Medical	24-495-034-5094-001	7/1/23-06/30/24	-	-	374,691	374,691	-	-	-
Total General Fund				-	16,782,004	16,782,004	-	-	-
SPECIAL REVENUE FUND									
School Development Authority - Emergent Needs and Capital Maintenance	23-495-034-5120-139	7/1/23-06/30/24	244,867	-	244,867	-	-	-	244,867
NJ Dep of Education - Passed Through-Restorative Justice Education	21-495-034-5064-006	5/01/21-8/31/24	10,000	-	-	10,000	-	-	(10,000)
Total Special Revenue Fund				-	244,867	10,000	-	-	234,867
NJ DEPARTMENT OF AGRICULTURE									
ENTERPRISE FUND									
National School Lunch Program (State Share)	23-100-010-3350-023	7/1/22-06/30/23	-	(920)	920	-	-	-	-
National School Lunch Program (State Share)	24-100-010-3350-023	7/1/23-06/30/24	6,459	-	5,348	6,459	-	-	(1,111)
National School Breakfast After the Bell Program (State Share)	23-100-010-3350-023	7/1/22-06/30/23	-	(1,001)	1,001	-	-	-	-
National School Breakfast After the Bell Program (State Share)	24-100-010-3350-023	7/1/23-06/30/24	2,220	-	1,832	2,220	-	-	(388)
Total Enterprise Fund				(1,921)	9,101	8,679	-	-	(1,499)
Total State Financial Assistance				\$ (1,921)	\$ 17,035,972	\$ 16,800,683	\$ -	\$ -	\$ 233,368
On-Behalf-Teachers' Pension and Annuity Fund LT Disability	24-495-034-5094-004	7/1/23-06/30/24			(1,434)	(1,434)			
On-Behalf-Teachers' Pension and Annuity Pension	24-495-034-5094-002	7/1/23-06/30/24			(1,376,710)	(1,376,710)			
On-Behalf-Teachers' Pension Post Retirement Medical	24-495-034-5094-001	7/1/23-06/30/24			(374,691)	(374,691)			
Less Amounts Not Subject to Single Audit On Behalf payments					(1,752,835)	(1,752,835)			
Total State Financial Assistance Subject to State Single Audit Major Program Determination				\$ (1,921)	\$ 15,283,137	\$ 15,047,848	\$ -	\$ -	\$ 233,368

See accompanying notes to schedules of expenditures of Federal and State award programs.

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AND STATE ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1. GENERAL

The accompanying schedules present the activity of all federal and state assistance programs of the Board of Trustees of the People's Achieve Community Charter School. The Board of Trustees is defined in the Notes to the school's basic financial statements. All federal and state assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Charter School's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the provisions of New Jersey Department of the Treasury Circular Letter 15-08 OMB *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the grant account budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to GAAP basis is \$-0-. See Note 1 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the school's basic financial statements on a GAAP basis as follows:

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AND STATE ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Federal	State	Total
General Fund		\$16,782,004	\$16,782,004
Special Revenue Fund	\$2,467,536	10,000	2,477,536
Proprietary Fund	<u>552,786</u>	<u>8,679</u>	<u>561,465</u>
Total Awards and Financial Assistance	<u>\$3,020,322</u>	<u>\$16,800,683</u>	<u>\$19,821,005</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. OTHER INFORMATION

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 of \$282,492 represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension \$1,376,710 and Post-Retirement Medical Benefits of \$374,691 and long term disability Contributions of \$1,434 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 schools basic financial statements and the amount subject to State single audit and major program determination.

NOTE 7. DE MINIMIS INDIRECT COST RATE

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

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART 1 – SUMMARY OF AUDITOR'S RESULTS**Financial Statement Section**

Type of auditor's report issued:	Unmodified	
	<u>YES</u>	<u>NO</u>
Internal control over financial reporting:		
Material weakness(es) identified:		X
Significant deficiencies identified not considered to be material weakness(es)?	X	
Noncompliance material to financial statements noted?		X

Federal Awards

Internal control over compliance:		
Material weakness(es) identified?		X
Significant deficiencies identified not considered to be material weakness(es)?	X	None Reported
Type of auditor's report on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be Reported in accordance with 2CFR 200.156(A) of uniform guidance?	X	
Identification of major programs:		

<u>Federal AL</u>		<u>Name of Federal</u>
<u>Number</u>	<u>FAIN Number</u>	<u>Program or Cluster</u>
84.425D	S425D210027	CRRSA – Esser II
84.425U	S425U210027	ARP – ESSER III
84.425U	S425U210027	ARP – Accelerated Learning & Coaching
84.425U	S425U210027	Summer Learning & Enrichment
84.425U	S425U210027	ARP – Beyond the School Day
84.425U	S425U210027	ARP – Mental Health
84.425U	S425U210027	ARP – Homeless Children and Youth

Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low risk auditee:	X

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART 1 – SUMMARY OF AUDITOR'S RESULTS

State Awards	<u>YES</u>	<u>NO</u>
Dollar threshold used to distinguish between type A and type B programs (.520)	\$750,000	
Auditee qualified as low risk auditee:		X
Type of auditor's report issued:	Unmodified	
Internal control over major programs:		
Material weakness(es) identified:		X
Significant deficiencies identified not considered to be material weakness(es)?		X None Reported
Type of auditor's report on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be Reported in accordance with NJOMB Circular Letter 15-08?	X	
Identification of major programs:		

<u>CDFA Number(s)</u>	<u>Name of State Program or Cluster</u>
24-495-034-5120-078	Equalization Aid
24-495-034-5120-084	Security Aid
24-495-034-5120-089	Special Education Categorical Aid
24-495-034-5120-085	Adjustment Aid

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART II – SCHEDULE OF FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies

Finding #2024-001 – General Ledger Maintenance

Criteria: The Charter School is required to maintain books and records that are properly reconciled to supporting documentation during the year and maintain its financial statements in accordance with Generally Accepted Accounting Standards and Principles (U.S. GAAP) established by the Governmental Accounting Standards Board (GASB).

Condition: Certain general ledger accounts were not properly maintained and reconciled to subsidiary records and as a result numerous adjusting entries were required in order to achieve proper presentation in the financial statements.

Context: Numerous journal entries were necessary to achieve proper presentation of the financial activity in the financial statements.

Cause: The Charter School is not consistently reconciling certain general ledger accounts to supporting schedules in a timely manner. During the audit period the Charter School business office went through a merger and management transition disrupting the accounting function.

Effect: Additional analysis was needed in order to properly reconcile certain general ledger accounts.

Recommendation: Management should implement accounting procedures that would eliminate or greatly reduce the need for journal entries to ensure ledgers are reconciled timely and properly maintained. These procedures should help ensure completeness of the general ledger and the production of accurate internal financial statements and financial information.

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART II – SCHEDULE OF FINANCIAL STATEMENT FINDINGS

Management Response: The responsible officials agree with the finding and will address the matter as part of their corrective action plan, implementing new procedures for the general ledger system that eliminates the need for management to create ongoing reclassification and adjusting journal entries.

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART III – SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

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

FEDERAL AWARDS

Finding # 2024-002: Federal Program 84.425

Time and activity reports of employees charged to the Education Stabilization Fund (ESF) during the year were not available.

The Charter School Board minutes did not include the approval of all employees paid with ESF funds.

Criteria: Uniform Guidance, 2 CFR Part 200 Compliance Supplement §200.430 Department of Education, Cross-Cutting Section, Compliance Requirement B, Allowable Costs/Cost Principles.

Condition: Time and effort documentation for ESF employees was not available during the audit and the Board Minutes did not report approval of employees charged to the federal program.

Context: Time and effort reporting documents that salaries charged to ESF are in agreement with actual time spent performing duties related to activities allowed under the grant.

Questioned Costs: None known.

Cause: The Charter School did not maintain documentation for ESF employee time and effort and obtain board approval of all ESF employees.

Effect: Noncompliance with Uniform Guidance that could result in unallowable costs.

Recommendation: The charter school should ensure that federally funded employees have a completed time and effort certification and signed by the employee and a supervisory official. In addition, the charter school should institute policies and procedures to ensure all Board minutes clearly delineate the names, percentage of time spent on the program, and position titles of all staff members whose salaries and benefits are funded with ESF monies.

Management Response: The Charter School agrees with the auditor's recommendation and will address the matter as part of their corrective action plan, implementing new procedures for employee time and effort documentation and Board approval of employees paid with federal funds.

**PEOPLE’S ACHIEVE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART III – SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

STATE AWARDS

Finding #2024-003 – FICA Reimbursement from Schools to the State Treasury (FICA) TPAF Pension Reimbursement from Schools to the State Treasury TPAF Reimbursement to the State for Federal Salary Expenditures Reimbursement Amount Not Remitted to the State Timely.

Information on State Financial Assistance New Jersey Department of Education

<u>State Grant Number</u>	<u>State Grant</u>
24-495-034-509-003	Reimbursed TPAF Social Security Contributions

State Grant Compliance Supplement –FICA Reimbursement from Schools

Criteria

N.J.S.A. 18A:66-90 requires a public employer to reimburse the State Treasury, within 90 days after the close of the fiscal year under audit, reimbursement of the employer’s share of pension, group life insurance, social security and other benefits attributable to carrying out the programs financed by the Federal Government involving members of the Teachers’ Pension and Annuity Fund. Reimbursements are accompanied by an annual Reimbursement Form – Pension and Social Security – Federally Funded Programs provided by the State Department of Education.

Condition/Context

As part of my audit I was required to obtain a copy of the N.J.S.A. 18A:66-90 reimbursement request letter and accompanying reimbursement calculation and transmittal form issued by the Department during July 2024 from the Department website and a copy of the cancelled check, representing reimbursement back to the State for TPAF pension and FICA payments made by the State for TPAF member wages.

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART III – SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

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

Questioned Costs

None

Cause

People's Achieve Community Charter School is the product of a merger between People's Preparatory Charter School and Achieve Community Charter School. This is the initial year of People's Achieve Community Charter School and as of the date of this report the new school is not registered in the State pension system.

Effect

Noncompliance with State Grant Compliance Supplement, as the form was required to be filed by September 30, 2024.

Recommendation

I recommend that the reimbursement amount be paid immediately and be paid timely in the future – that is no later than 90 days after the fiscal year end.

Management's Response/Views of Responsible Officials and Planned Corrective Action

The Charter School agrees with the auditor's recommendation. The amount due was properly calculated and reserved in the financial statements as of June 30, 2024. The amount remains unpaid to the State by the date of this report pending guidance from the Department of Education. In the future, the Charter School plans to make all payments due to the State no later than the statutory deadline.

**PEOPLE'S ACHIEVE COMMUNITY CHARTER SCHOOL
SUMMARY OF SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Status of Prior Year Findings

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance (section .315(a)(b)) and New Jersey OMB's Circular 15-08.

In accordance with government auditing standards, my procedures included a review of all prior year recommendations. There are no prior year findings. This is the initial year of People's Achieve Community Charter School.