

Red Bank Charter School

of Monmouth County

Red Bank Charter School

Red Bank, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

Of the

Red Bank Charter School  
of Monmouth County

Red Bank, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

David P. Block  
School Business Administrator

# OUTLINE FOR ANNUAL COMPREHENSIVE FINANCIAL REPORT

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## INTRODUCTORY SECTION



Dr. Kristen Martello, Head of School  
Ida West-Jones, Academic Administrator  
David P. Block, Business Administrator

Board of Trustees  
Red Bank Charter School  
County of Monmouth, New Jersey

Dear Board of Trustees:

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

The Annual Comprehensive Financial Report is presented in four (4) sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the organizational chart and a list of the Board of Trustee members. The financial section includes the basic financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial information, presented on a multi-year basis. The Charter School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and 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 NJOMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Red Bank Charter School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASS) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. All funds of the Charter School are included in this report. The Charter School constitutes the reporting entity. The Charter School provides a full range of educational services appropriate to grade levels K through 8. These included regular, special education and an after-school program. Enrollment remained stable throughout 2023-24 with an average daily enrollment of 186 students.

58 Oakland Street Red Bank, NJ 07701  
www.redbankcharterschool.com  
Phone - 732-450-2092 Fax - 732-936-1923



2. MAJOR INITIATIVES: Following are the major initiatives successfully implemented at The Red Bank Charter School for the 2023-2024 school year:

- Social media and updated public relations materials were continued as part of the communications upgrades for the school and larger community.
- Student and parent engagement in school community activities and events continues to be at 90%+ indicating high degree of satisfaction with the school.
- Continued a fundraising effort to help supplement the retrofitting of warehouse space into a gymnasium at 135 Monmouth St. location
- Continued collaboration with the RBCS Foundation

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

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

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

4. BUDGETARY CONTROLS: In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are required for the General Fund and the Special Revenue Fund. The final budget amount as amended for the fiscal year is presented 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.

5. ACCOUNTING SYSTEM AND REPORTS: The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASS). The accounting system of the Charter School is

organized on the basis of funds each of which maintains a self-balancing set of accounts. These funds are explained in the "Notes to the Basic Financial Statements".

6. DEBT ADMINISTRATION: At June 30, 2024 the Charter School had outstanding mortgage balances of \$3,221,049.
7. CASH MANAGEMENT: The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The Charter School has an investment policy 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Charter School carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/ collision, hazard and theft insurance on property and contents, student accident insurance and fidelity bonds.
9. INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP was selected by the Board of Trustees. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report in the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGMENTS: We would like to express our appreciation to the Board of Trustees of the Red Bank Charter School for their concern in providing fiscal accountability of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation.

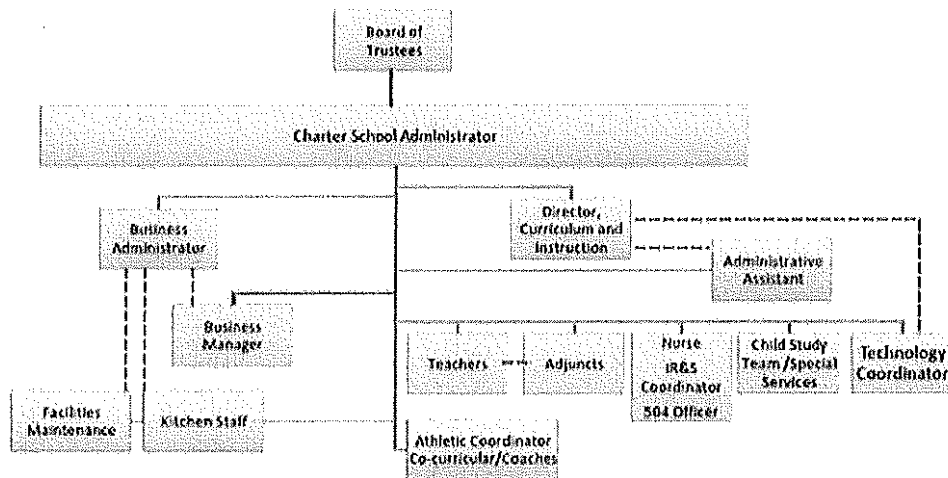
Respectfully submitted,



David Block  
School Business Administrator

## Organizational Chart

### Red Bank Charter School Organization Chart



Red Bank Charter School  
Red Bank, New Jersey

Roster of Officials  
June 30, 2024

<u>Members of the Board of Trustees</u>	<u>Term Expires</u>
Donna McCourt, President	2025
Patrick Dorsey, Vice President	2024
Matthew Damm	2026
John LeFever	2025
Kerri Darling	2026
Anna-Maria Pittella	2026
Barbara O'Donnell	2026
Christie Ritz-King	2024
Laura Young	2026

Other Officials

Kristen Martello, Principal  
David Block, Board Secretary/Business Administrator  
Theresa Shirley, Business Manager  
Thomas O. Johnston , Esq., Board Attorney

Red Bank Charter School  
Consultants and Advisors

Audit Firm

Jump, Perry and Company, L.L.P.  
12 Lexington Avenue  
Toms River, New Jersey 08753

Attorney

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

Official Depositories

TD Bank

## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Trustees  
Red Bank Charter School:  
County of Monmouth  
Red Bank, New Jersey

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Red Bank Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Red Bank Charter School's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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



## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Red Bank Charter School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

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

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024 on our consideration of Red Bank Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Red Bank Charter School 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 Red Bank Charter School's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry and Company L.L.P.  
Toms River, New Jersey

  
Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

December 23, 2024

## REQUIRED SUPPLEMENTARY INFORMATION - PART I

Red Bank Charter School  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024  
Unaudited

The discussion and analysis of Red Bank Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Charter School's financial performance.

### **Financial Highlights**

Key financial highlights for June 30, 2024 are as follows:

Net position totaled \$1,254,923, which represents a (16.27) percent decrease from June 30, 2023.

General revenues accounted for \$3,749,878 in revenue or 90.73 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$383,191 or 9.27 percent of total revenues of \$4,133,069.

Total assets decreased by \$(411,412) as current assets decreased by \$(148,468) and capital assets, net decreased by \$(262,944).

The Charter School had \$4,376,969 in expenses; only \$383,191 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (tuition charges and related state aid) of \$3,749,878 were adequate to provide for these programs.

Among major funds, the General Fund had \$3,411,215 in revenues and \$3,579,414 in expenditures and transfers. The General Fund's balance decreased \$(168,199) over June 30, 2023. The General Fund's balance is \$465,670.

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

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

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

## **Reporting the Charter School as a Whole**

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

The Statement of Net Position and Statement of Activities provide information about the activities of the Charter School and are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Charter School's net position and changes in net position. The change in net position is important because it informs the reader that the financial position of the Charter School has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the Charter School's enrollment, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the Charter School is divided into two kinds of activities:

**Governmental Activities** - All of the Charter School's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business-Type Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activities.

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

### **Fund Financial Statement**

The analysis of the Charter School's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the Charter School's major funds. The Charter School's major governmental funds are the General Fund and Special Revenue Fund.

### **Governmental Funds**

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

### **Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities.

## The Charter School as a Whole

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

Table 1 provides a summary comparison of the Charter School's net position for June 30, 2024 and 2023.

Table 1

Net Position as of June 30, 2024 and June 30, 2023

	<u>June 30, 2024</u>			<u>June 30, 2023</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:						
Current and other assets	\$ 694,939	\$ 19,330	\$ 714,269	\$ 840,533	\$ 22,204	\$ 862,737
Capital assets, net	4,552,259	5,167	4,557,426	4,814,805	5,565	4,820,370
Total assets	5,247,198	24,497	5,271,695	5,655,338	27,769	5,683,107
Deferred outflow of resources	317,444	-	317,444	291,917	-	291,917
Liabilities:						
Current liabilities	89,217	-	89,217	22,744	-	22,744
Long-term liabilities outstanding	3,907,234	-	3,907,234	3,936,064	-	3,936,064
Total liabilities	3,996,451	-	3,996,451	3,958,808	-	3,958,808
Deferred inflow of resources	337,765	-	337,765	517,393	-	517,393
Net position:						
Net investment in capital assets	1,367,425	5,167	1,372,592	1,487,510	5,565	1,493,075
Restricted	25,463	-	25,463	21,057	-	21,057
Unrestricted	(162,462)	19,330	(143,132)	(37,513)	22,204	(15,309)
Total Net Position	<u>\$ 1,230,426</u>	<u>\$ 24,497</u>	<u>\$ 1,254,923</u>	<u>\$ 1,471,054</u>	<u>\$ 27,769</u>	<u>\$ 1,498,823</u>

The Charter School's combined net position was \$1,254,923 on June 30, 2024. This is a change of (16.27)% from the previous year.

Table 2 provides a comparison analysis of Charter School's changes in net position from fiscal years June 30, 2024 and 2023.

Table 2

Changes in Net Position

	<u>June 30, 2024</u>			<u>June 30, 2023</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 17,283	\$ 17,542	\$ 34,825	\$ 21,663	\$ 17,954	\$ 39,617
Operating and capital grants and contributions	279,075	69,291	348,366	286,946	63,911	350,857
General revenues:						
Tuition	2,007,116	-	2,007,116	1,834,292	-	1,834,292
Federal and state aid	1,616,473	-	1,616,473	1,794,717	-	1,794,717
Investment earnings	-	-	-	-	-	-
Miscellaneous	126,289	-	126,289	99,917	-	99,917
Total revenues	<u>4,046,236</u>	<u>86,833</u>	<u>4,133,069</u>	<u>4,037,535</u>	<u>81,865</u>	<u>4,119,400</u>
Expenses						
Instructional services	1,808,722	-	1,808,722	1,745,974	-	1,745,974
Support services	2,321,359	127,620	2,448,979	2,186,808	118,317	2,305,125
Interest on long-term liabilities	119,268	-	119,268	123,597	-	123,597
Total expenses	<u>4,249,349</u>	<u>127,620</u>	<u>4,376,969</u>	<u>4,056,379</u>	<u>118,317</u>	<u>4,174,696</u>
Change in net position before transfer	(203,113)	(40,787)	(243,900)	(18,844)	(36,452)	(55,296)
Transfer	<u>(37,515)</u>	<u>37,515</u>	<u>-</u>	<u>(58,433)</u>	<u>58,433</u>	<u>-</u>
Change in net position	<u>\$ (240,628)</u>	<u>\$ (3,272)</u>	<u>\$ (243,900)</u>	<u>\$ (77,277)</u>	<u>\$ 21,981</u>	<u>\$ (55,296)</u>

## Government Activities

The tuition portion paid by the sending district is made up 49.60% of revenues for governmental activities for the fiscal year 2024. The Charter School's total revenues were \$4,046,236 for the year ended June 30, 2024. Federal, state and local grants accounted for another 50.40%.

The total cost of all programs and services was \$4,249,349. Instruction and instruction direct support comprises 62.25% of the Charter School's expenses.

## Business-Type Activities

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

Total Enterprise Fund expenses exceeded revenues by \$40,787. The Operating fund transferred \$37,515 to the Enterprise Fund to cover costs.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches was \$69,291.

## Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the Charter School's taxpayers by each of these functions.

Table 3

### Governmental Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 1,808,722	\$ 1,808,722	\$ 1,745,974	\$ 1,745,974
Support Services:				
Pupils and Instructional Staff	836,485	540,127	950,350	641,741
General Administration, School Administration, Business Operation and Maintenance of Facilities	1,483,438	1,483,438	1,229,496	1,229,496
Pupil Transportation	1,436	1,436	6,962	6,962
Interest and Fiscal Charges	<u>119,268</u>	<u>119,268</u>	<u>123,597</u>	<u>123,597</u>
Total Expenses	<u>\$ 4,249,349</u>	<u>\$ 3,952,991</u>	<u>\$ 4,056,379</u>	<u>\$ 3,747,770</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Extracurricular activities includes expenses related to student activities provided by the Charter School which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

Interest expense relates to the mortgage the Charter school has on their building.

### The Charter School's Funds

Information about the Charter School's major funds starts with Exhibit B-1. These funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$4,046,236 and expenditures of \$4,210,029. The net change in fund balance for the year was most significant in the General Fund, with an decrease of \$(163,793).

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management.

The following schedule presents a summary of General Fund and Special Revenue Fund revenues for the fiscal year ended June 30, 2024.

<u>Revenue</u>	<u>2024 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 2,150,688	53.15 %	\$ 194,816	9.96 %
State Sources	1,536,812	37.98	(3,814)	(0.25)
Federal Sources	<u>358,736</u>	<u>8.87</u>	<u>(182,301)</u>	<u>(33.69)</u>
Total	<u>\$ 4,046,236</u>	<u>100.00 %</u>	<u>\$ 8,701</u>	<u>0.22 %</u>



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

<u>Expenditures</u>	<u>2024 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 1,794,754	42.63 %	\$ 48,780	2.79 %
Undistributed Expenditures	2,021,967	48.03	(39,941)	(1.94)
Capital Outlay	93,636	2.22	9,400	11.16
Transfers	37,515	0.89	(20,918)	75.17
Debt Service:				
Principal	144,724	3.44	4,713	3.37
Interest	<u>117,433</u>	<u>2.79</u>	<u>(4,714)</u>	<u>(3.86)</u>
Total	\$ <u>4,210,029</u>	<u>100.00 %</u>	\$ <u>(2,680)</u>	<u>(0.07)%</u>

### General Fund Budgeting Highlights

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

During the course of the fiscal year 2024, the Charter School amended its General Fund budget as needed. The Charter School uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Business Administration, the Head of School and Board of Trustees. Transfers were necessitated by:

- Changes to enrollment
- Staffing changes based on student needs
- Changes in appropriations to prevent budget overruns

While the Charter School final budget for the General Fund anticipated that expenditures would exceed revenues by approximately \$229,000, the actual results for the year show a \$168,199 deficit.

## Capital Assets and Debt Administration

*Capital Assets.* At the end of the fiscal year June 30, 2024, the Charter School had \$4,557,426 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2024 and June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 847,547	\$ 847,547	\$ -	\$ -	\$ 847,547	\$ 847,547
Building and Improvements	3,454,596	3,724,132	-	-	3,454,596	3,724,132
Machinery and Equipment	250,116	243,126	5,167	5,565	255,283	248,691
Total	<u>\$ 4,552,259</u>	<u>\$ 4,814,805</u>	<u>\$ 5,167</u>	<u>\$ 5,565</u>	<u>\$ 4,557,426</u>	<u>\$ 4,820,370</u>

During the current fiscal year, \$6,990 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

*Debt Administration.* The Charter School's long-term liabilities are as follows for the governmental and business-type activities :

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Mortgages Payable (net)	\$ 3,221,049	\$ 3,365,773
Pension Liability-PERS	672,217	570,291
Compensated Absences payable	13,968	-
Total long-term liabilities	<u>\$ 3,907,234</u>	<u>\$ 3,936,064</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

## Economic Factors and Next Year's Budget

For the 2023-2024 school year, the Charter School was able to sustain its budget through the state education aid and local revenue sources. Approximately 46.85% of the Charter School's revenue is from federal, state and local aid (restricted and not restricted), while 53.15% of total revenue is from local sources.

The \$(162,462) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the Charter School had to pay off all bills today, including all of the Charter School's non-capital liabilities (compensated absences, etc.), the Charter School would owe this value to debtors.

The 2023-2024 budget was adopted in March 2023 based in part on the state education aid the Charter School anticipated receiving. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Charter School to come up with alternative funding sources.

The Charter School anticipates a slight increase in enrollment for the 2024-2025 fiscal year. If the Charter School were to experience a significant decrease in enrollment with no appreciable increase in state aid for future budgets, the Charter School will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Red Bank Charter School, 58 Oakland Street, Red Bank, NJ, 07701.

## BASIC FINANCIAL STATEMENTS

**RED BANK CHARTER SCHOOL**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 500,422	\$ 12,059	\$ 512,481
Receivables - state	14,056	340	14,396
Receivables - federal	-	6,931	6,931
Receivables - other governments	56,494	-	56,494
Lease receivable	123,967	-	123,967
Capital assets, non-depreciable	847,547	-	847,547
Capital assets, depreciable, net	3,704,712	5,167	3,709,879
Total assets	<u>5,247,198</u>	<u>24,497</u>	<u>5,271,695</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on mortgage refinancing	36,215	-	36,215
Deferred outflows - PERS	281,229	-	281,229
Total deferred outflows of resources	<u>317,444</u>	<u>-</u>	<u>317,444</u>
<b>LIABILITIES</b>			
Accounts payable	77,629	-	77,629
Accrued interest on mortgage	9,378	-	9,378
Other liabilities	2,210	-	2,210
Noncurrent liabilities:			
Due within one year	166,054	-	166,054
Due beyond one year	3,741,180	-	3,741,180
Total liabilities	<u>3,996,451</u>	<u>-</u>	<u>3,996,451</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	213,798	-	213,798
Deferred inflows - Lease	123,967	-	123,967
Total deferred outflows of resources	<u>337,765</u>	<u>-</u>	<u>337,765</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,367,425	5,167	1,372,592
Restricted for:			
Student activities	25,463	-	25,463
Unrestricted	(162,462)	19,330	(143,132)
Total net position	<u>\$ 1,230,426</u>	<u>\$ 24,497</u>	<u>\$ 1,254,923</u>

RED BANK CHARTER SCHOOL  
Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 1,684,926	\$ -	\$ -	\$ -	\$ (1,684,926)	\$ -	\$ (1,684,926)
Other special instruction	123,796	-	-	-	(123,796)	-	(123,796)
Support services and undistributed costs:							
Health services	394,769	-	-	-	(394,769)	-	(394,769)
Other support services	162,641	17,283	-	-	(145,358)	-	(145,358)
General administrative services	275,194	-	-	-	(275,194)	-	(275,194)
School administrative services	155,795	-	-	-	(155,795)	-	(155,795)
School central services	36,960	-	-	-	(36,960)	-	(36,960)
Other operation & maintenance of plant	446,471	-	-	-	(446,471)	-	(446,471)
Student transportation services	1,436	-	-	-	(1,436)	-	(1,436)
Unallocated employee benefits	569,018	-	-	-	(569,018)	-	(569,018)
Non-budgeted expenses	279,075	-	279,075	-	-	-	-
Interest expense	119,268	-	-	-	(119,268)	-	(119,268)
Total governmental activities	<u>4,249,349</u>	<u>17,283</u>	<u>279,075</u>	<u>-</u>	<u>(3,952,991)</u>	<u>-</u>	<u>(3,952,991)</u>
<b>Business-type activities:</b>							
Food Service	127,620	17,542	69,291	-	-	(40,787)	(40,787)
Total business-type activities	<u>127,620</u>	<u>17,542</u>	<u>69,291</u>	<u>-</u>	<u>-</u>	<u>(40,787)</u>	<u>(40,787)</u>
Total primary government	<u>\$ 4,376,969</u>	<u>\$ 34,825</u>	<u>\$ 348,366</u>	<u>\$ -</u>	<u>(3,952,991)</u>	<u>(40,787)</u>	<u>(3,993,778)</u>
<b>General revenues:</b>							
Tuition					2,007,116	-	2,007,116
Federal and state aid not restricted					1,616,473	-	1,616,473
Miscellaneous income					126,289	-	126,289
Total general revenues					<u>3,749,878</u>	<u>-</u>	<u>3,749,878</u>
<b>Change in net position before transfers</b>					(203,113)	(40,787)	(243,900)
<b>Transfers</b>					<u>(37,515)</u>	<u>37,515</u>	<u>-</u>
<b>Change in net position</b>					(240,628)	(3,272)	(243,900)
<b>Net position—beginning</b>					1,471,054	27,769	1,498,823
<b>Net position—ending</b>					<u>\$ 1,230,426</u>	<u>\$ 24,497</u>	<u>\$ 1,254,923</u>

**RED BANK CHARTER SCHOOL**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 474,959	\$ 25,463	\$ 500,422
Receivables from other governments	56,494	-	56,494
Receivables from state	14,056	-	14,056
Receivables from federal	-	-	-
Total assets	<u>545,509</u>	<u>25,463</u>	<u>570,972</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	77,629	-	77,629
Payroll deductions and withholdings payable	2,210	-	2,210
Total liabilities	<u>79,839</u>	<u>-</u>	<u>79,839</u>
Fund Balances:			
Restricted for:			
Student activities	-	25,463	25,463
Assigned to:			
Other purposes	-	-	-
Unassigned to:			
General fund	465,670	-	465,670
Total fund balances	<u>465,670</u>	<u>25,463</u>	<u>491,133</u>
Total liabilities and fund balances	<u>\$ 545,509</u>	<u>\$ 25,463</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			4,552,259
Lease Receivable used in Governmental Activities are not financial resources and therefore are not reported in the funds.			123,967
Deferred outflows related to the PERS pension plan			281,229
Deferred inflows related to the PERS pension plan			(213,798)
Deferred inflows related to the lease			(123,967)
Mortgage issuance costs are being amortized over the life of the related mortgage. The amortization is not recorded in the funds. The original costs were \$45,267.			36,215
Interest due on the mortgage paid in the following period			(9,378)
Long-term liabilities, including mortgage payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:			
Pension liability - PERS		(672,217)	
Compensated Absences Payable		(13,968)	
Mortgages Payable		(3,221,049)	<u>(3,907,234)</u>
Net position of governmental activities			<u>\$ 1,230,426</u>

**RED BANK CHARTER SCHOOL**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local sources:			
Local tax levy	\$ 2,007,116	\$ -	\$ 2,007,116
Lease income	49,830	-	49,830
Rent income	39,926	-	39,926
Miscellaneous	36,533	17,283	53,816
Total - Local sources	2,133,405	17,283	2,150,688
State sources	1,277,810	259,002	1,536,812
Federal sources	-	358,736	358,736
Total revenues	3,411,215	635,021	4,046,236
<b>EXPENDITURES</b>			
Current:			
Current expense:			
Instruction	1,451,091	219,867	1,670,958
Other special instruction	123,796	-	123,796
Undistributed - current:			
Health Services	61,395	333,374	394,769
Other support services	149,764	12,877	162,641
General administrative services	275,194	-	275,194
School administrative services	155,795	-	155,795
School central services	36,960	-	36,960
Other operation & maintenance of plant	90,289	-	90,289
Student transportation services	1,436	-	1,436
Unallocated employee benefits	625,808	-	625,808
Non-budgeted expenditures	279,075	-	279,075
Debt Service:			
Principal	144,724	-	144,724
Interest and other charges	117,433	-	117,433
Capital Outlay	29,139	64,497	93,636
Total expenditures	3,541,899	630,615	4,172,514
Excess (Deficiency) of revenues over expenditures	(130,684)	4,406	(126,278)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(37,515)	-	(37,515)
Total other financing sources and uses	(37,515)	-	(37,515)
Net change in fund balances	(168,199)	4,406	(163,793)
Fund balance—July 1	633,869	21,057	654,926
Fund balance—June 30	\$ 465,670	\$ 25,463	\$ 491,133



**RED BANK CHARTER SCHOOL**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2024**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>(163,793)</b>
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(269,536)	
Capital outlays		<u>6,990</u>	(262,546)

In the Statement of Activities payments made on Long Term Debt are uses of resources but are reductions of the liabilities on the Statement of Net Position.

144,724

The amortization of the mortgage costs are included in interest expense on the Statement of Activities.

(2,263)

The interest due but unpaid for the fiscal year is shown as an expenditure in the Statement of Activities and a liability on the Statement of Net Position.

428

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid.

(13,968)

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey.

56,790

**Change in net position of governmental activities**

**\$      (240,628)**

**RED BANK CHARTER SCHOOL**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 12,059	\$ 12,059
Receivables from state	340	340
Receivables from federal	6,931	6,931
Total current assets	<u>19,330</u>	<u>19,330</u>
Noncurrent assets:		
Furniture, machinery & equipment	14,213	14,213
Less accumulated depreciation	<u>(9,046)</u>	<u>(9,046)</u>
Total noncurrent assets	<u>5,167</u>	<u>5,167</u>
Total assets	<u><u>\$ 24,497</u></u>	<u><u>\$ 24,497</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ -	\$ -
Total current liabilities	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Investment in capital assets	5,167	5,167
Unrestricted	<u>19,330</u>	<u>19,330</u>
Total net position	<u>24,497</u>	<u>24,497</u>
Total liabilities and net position	<u><u>\$ 24,497</u></u>	<u><u>\$ 24,497</u></u>

**RED BANK CHARTER SCHOOL**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
Operating revenues:		
Local sources:		
Daily sales reimbursable programs		
School breakfast	\$ 17,542	\$ 17,542
Total daily sales reimbursable programs	17,542	17,542
Total operating revenues	17,542	17,542
Operating expenses:		
Salaries	40,163	40,163
Supplies and materials	4,593	4,593
Depreciation	398	398
Cost of sales	82,466	82,466
Total operating expenses	127,620	127,620
Operating income (loss)	(110,078)	(110,078)
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	3,449	3,449
State school breakfast program	622	622
Federal sources:		
School breakfast program	9,606	9,606
National school lunch program	54,961	54,961
P-EBT Admin Cost Reimbursement	653	653
Total nonoperating revenues (expenses)	69,291	69,291
Income (loss) before contributions & transfers	(40,787)	(40,787)
Transfers in (out)	37,515	37,515
Change in net position	(3,272)	(3,272)
Total net position—beginning	27,769	27,769
Total net position—ending	\$ 24,497	\$ 24,497

**RED BANK CHARTER SCHOOL**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and other funds	\$ 17,542	\$ 17,542
Payments to employees & benefits	(40,163)	(40,163)
Payments to suppliers	(87,059)	(87,059)
Net cash provided by (used in) operating activities	(109,680)	(109,680)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State sources	3,875	3,875
Federal sources	62,002	62,002
Transfer	37,515	37,515
Net cash provided by (used in) non-capital financing activities	103,392	103,392
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	-	-
Net cash provided by (used for) capital and related financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(6,288)	(6,288)
Balances—beginning of year	18,347	18,347
Balances—end of year	\$ 12,059	\$ 12,059
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (110,078)	\$ (110,078)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and net amortization	398	398
Total adjustments	(109,680)	(109,680)
Net cash used in operating activities	\$ (109,680)	\$ (109,680)

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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

Red Bank Charter School ("Charter School") is an instrumentality of the State of New Jersey, established to function as an education institution in Red Bank, New Jersey. The Board of Trustees (the "Board") consists of appointed officials and are responsible for the fiscal control of the Charter School. An Educational Director is appointed by the Board and is responsible for the administrative control of the Charter School.

A reporting entity is comprised of the 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.

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. The Charter School serves students in grades Pre-K through eight. 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**

The financial statements of the Charter School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Charter School's accounting policies are described below.

**A. Basis of Presentation**

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

**1. Charter School-Wide Statements**

The statement of net position and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. All interfund activity, excluding the fiduciary funds, has been eliminated in the Statement of Activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**A. Basis of Presentation (Cont'd)**

**1. Charter School-Wide Statements (Cont'd)**

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.

**2. 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.

**1. 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:

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

2. **Summary of Significant Accounting Policies (Cont'd)**

B. **Fund Accounting (Cont'd)**

1. **Governmental Funds (Cont'd)**

**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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

2. **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:

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

2. **Summary of Significant Accounting Policies (Cont'd)**

B. **Fund Accounting (Cont'd)**

2. **Proprietary Funds (Cont'd)**

**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.

The Charter School's Enterprise Fund is comprised of the Food Service Fund.

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

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

3. **Fiduciary Funds**

**Fiduciary Funds** - The Fiduciary Funds are used to account for assets held by the Charter School on behalf of others if applicable.



Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**C. Measurement Focus**

**1. Charter School-Wide Financial Statements**

The charter school-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Charter School are included on the Statement of Net Position.

**2. Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the charter school-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the charter school-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental funds types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within 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 fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**D. Basis of Accounting (Cont'd)**

The Charter School receives a portion of the local tax levy and state aid from the several school districts based upon the number of enrolled students. The State Department of Education in conjunction with the local school district revises the amounts to be received by the Charter School three times a year based upon the enrollment counts on June 1, October 15, and the last day of the school year. The local tax levy and state aid are susceptible to accrual. The Charter School records the entire anticipated local tax levy to be received at the start of the fiscal year based upon the June 1 enrollment count and certification from the New Jersey State Department of Education, since the revenue is both measurable and available. The Charter School is entitled to receive monies under the established payment schedule, which is revised after each enrollment count date, and the unpaid amount is considered to be an "accounts receivable". At June 30, 2024, the Charter School had accounts receivable of \$65,132 that represented amounts that had not been repaid based upon the current year final enrollment count.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. Budgets are prepared using the modified accrual basis of accounting, except for 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 (S1701). The Board of Trustees did not make any material supplemental budgetary appropriations during the fiscal year.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**E. Budgets/Budgetary Control (Cont'd)**

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.

**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 no encumbrances at June 30, 2024 in special revenue fund.

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.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**G. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. 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 school districts 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 school districts.

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 are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

2. **Summary of Significant Accounting Policies (Cont'd)**

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.

J. **Lease Receivable**

The lease receivable is measured at the present value of lease payments expected to be received during the lease term and amortized over the term of the agreement. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

K. **Capital Assets**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the charter school-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 capital assets are recorded at their acquisition 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:

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Building Improvements	20-50 years
Furniture and Equipment	5-10 years
Vehicles	3-5 years

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**L. Compensated Absences**

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The Charter School had a compensated absence liability of \$13,968 at year end.

**M. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the charter school-wide financial statements.

In general, payables and accrued liabilities, 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.

**N. Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**O. Unearned Revenue**

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

**P. Fund Balances**

The 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 are 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 spent only for the specific purposes determined by a formal action of the Charter School's highest level of decision-making authority.

4) Assigned - amounts intended to be used by the Charter School for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

5) Unassigned - includes all spendable amounts not contained in the other classifications.

**Q. Revenues - Exchange and Nonexchange Transactions**

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

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**Q. Revenues - Exchange and Nonexchange Transactions (Cont'd)**

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

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

**R. Operating Revenues and Expenses**

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

**S. Allocation of Indirect Expenses**

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



Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**2. Summary of Significant Accounting Policies (Cont'd)**

**T. Accrued Salaries and Wages**

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

**U. 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.

**V. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflow for leases is related to the leases receivable and is being amortized to leases revenue in a systematic and rational manner over the term of the lease.

**W. GASB Pronouncements**

**Recently Issued Accounting Pronouncements to be implemented in future years**

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

2. **Summary of Significant Accounting Policies (Cont'd)**

W. **GASB Pronouncements (Cont'd)**

Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

3. **Deposits and Investments**

**Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2024, the Charter School's bank balance of \$548,117 was exposed to custodial credit risk as follows:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured under FDIC and GUDPA	\$ 548,117
Uninsured and Uncollateralized	<u>-</u>
	<u>\$ 548,117</u>

**Investments**

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.

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

**4. Receivables**

Receivables at June 30, 2024, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	Charter School-Wide Financial Statements
State aid	\$ 14,056	\$ 14,396
Federal aid	-	6,931
Other	<u>56,494</u>	<u>180,461</u>
	70,550	201,788
Less: allowance for credit losses	-	-
Total receivables, net	<u>\$ 70,550</u>	<u>\$ 201,788</u>

**5. Lease Receivable**

Lease receivable balances and activity for the year ended June 30, 2024 were as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Office	\$ <u>123,967</u>	\$ <u>41,411</u>	\$ <u>8,419</u>

On January 1, 2022, the Charter School entered into a five-year lease agreement with Red Bank Frameworks for the lease of office. Based on this agreement, the Charter School is receiving monthly payments through 2027. There are no renewal options included in this lease agreement.

Principal and interest due to Charter School under agreement are as follows:

Year ended June 30:	
2025	\$ 51,660
2026	52,290
2027	<u>52,920</u>
Total	<u>\$ 156,870</u>

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

**6. Capital Asset**

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

Governmental Activities:	Beginning Balance	<u>Additions</u>	Ending Balance
Not being depreciated			
Sites (Land)	\$ 847,547	\$ -	\$ 847,547
Being Depreciated:			
Building and Improvements	5,928,180	-	5,928,180
Machinery and Equipment	<u>243,126</u>	<u>6,990</u>	<u>250,116</u>
	7,018,853	6,990	7,025,843
Less: Accumulated Depreciation	<u>(2,204,048)</u>	<u>(269,536)</u>	<u>(2,473,584)</u>
Net Assets	<u>\$ 4,814,805</u>	<u>\$ (262,546)</u>	<u>\$ 4,552,259</u>

Depreciation expense was charged to functions as follows:

Operation and maintenance	\$ <u>269,536</u>
Total	\$ <u>269,536</u>

Enterprise Activities:	Beginning Balance	<u>Additions</u>	Ending Balance
Equipment	\$ 14,213	\$ -	\$ 14,213
Less: Accumulated Depreciation	<u>(8,648)</u>	<u>(398)</u>	<u>(9,046)</u>
Net Assets	<u>\$ 5,565</u>	<u>\$ (398)</u>	<u>\$ 5,167</u>

Depreciation expense for enterprise activities held assets was \$398 for 2024 .

**7. Long-term Obligations**

Long-term obligation activity for the year ended June 30, 2024, was as follows:

	<u>Balance June 30, 2023</u>	<u>Issued/ Retired</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Compensated absences payable	\$ -	\$ 13,968	\$ 13,968	\$ 13,968
Mortgages Payable	3,365,773	(144,724)	3,221,049	152,086
PERS Payable	<u>570,291</u>	<u>101,926</u>	<u>672,217</u>	<u>-</u>
	<u>\$ 3,936,064</u>	<u>\$ (28,830)</u>	<u>\$ 3,907,234</u>	<u>\$ 166,054</u>

For governmental activities, the mortgages payable, compensated absences payable and PERS payable are liquidated from the general fund.

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

7. Long-term Obligations (Cont'd)

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

There are no serial bonds outstanding at June 30, 2024.

B. Bonds Authorized Not Issued

As of June 30, 2024, the Board had no bonds authorized.

C. Mortgages Payable

In July 2020, the Charter School modified its three existing mortgage loans by issuing one new mortgage loan. The original loans were modified to reduce monthly payments and provide an infusion of cash to be used for capital expenditures. The modified loan was issued for \$3,750,000 with an interest rate of 3.50% for the first five years. The loan had the first payment due on September 1, 2020 with fixed principal and interest payments of \$21,850 due for 240 months. The final payment is due in August 2040.

The principal and interest on this mortgage is due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 152,086	\$ 110,111	\$ 262,197
2026	157,495	104,702	262,197
2027	163,097	99,100	262,197
2028	168,898	93,299	262,197
2029	174,905	87,292	262,197
2030-2034	972,383	338,602	1,310,985
2035-2039	1,158,054	152,931	1,310,985
2040-2041	274,131	5,301	279,432
	<u>\$ 3,221,049</u>	<u>\$ 991,338</u>	<u>\$ 4,212,387</u>

8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**8. Pension Plans (Cont'd)**

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

The following represents the membership tiers for PERS:

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

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

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

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

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

8. Pension Plans (Cont'd)

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2024, the Charter School reported a liability of \$672,217 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The Charter School's proportion of the net pension liability was based on the Charter School's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Charter School's proportion measured as of June 30, 2023, was .0046409828%, which was an increase of .0008620625% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Charter School recognized full accrual pension expense of \$81,696 in the government-wide financial statements consisting of employer contributions of \$62,028 and non-employer contributions of \$19,668. This pension expense was based on the pension plans June 30, 2023 measurement date. 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	\$ 6,427	\$ 2,748
Changes of assumptions	1,477	40,739
Net difference between projected and actual earnings on pension plan investments	3,096	-
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	206,924	170,311
Charter School contributions subsequent to the measurement date	63,305	-
Total	<u>\$ 281,229</u>	<u>\$ 213,798</u>

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**8. Pension Plans (Cont'd)**

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

\$63,305 reported as deferred outflows of resources resulting from Charter School contributions subsequent to the measurement date is estimated based on unadjusted 2023-2024 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2025 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Year ended June 30:		
2024	\$	4,507
2025		2,516
2026		(3,516)
2027		629
2028		(10)
Total	\$	<u>4,126</u>

**Special Funding Situation** - Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Charter School as of June 30, 2024. At June 30, 2024, the State's proportionate share of the employer pension expense and related revenue, associated with the Charter School, calculated by the plan as of the June 30, 2023 measurement date was \$2,096.



Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

8. Pension Plans (Cont'd)

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

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

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**8. Pension Plans (Cont'd)**

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

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

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

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

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

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

8. Pension Plans (Cont'd)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.98 %
Non-U.S. Developed Markets Equity	12.75 %	9.22 %
International Small Cap Equity	1.25 %	9.22 %
Emerging Markets Equity	5.50 %	11.13 %
Private Equity	13.00 %	12.50 %
Real 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 %

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**8. Pension Plans (Cont'd)**

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

**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 in determining the total pension liability.

**Sensitivity 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Charter School's proportionate share of the net pension liability	882,462	672,217	503,763

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/24</u>	<u>6/30/23</u>
Collective Deferred Outflows of Resources	1,080,204,730	1,660,772,008
Collective Deferred Inflows of Resources	1,780,216,457	3,236,303,935
Collective Net Pension Liability	14,606,489,066	15,219,184,920
Charter School's Portion	.0046409828%	.0037789203%

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

8. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF)**

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

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

The following represents the membership tiers for TPAF:

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

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

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

8. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF) (Cont'd)**

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

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the Charter School is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the Charter School 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.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the Charter School as of June 30, 2023 was \$7,469,067. The Charter School's proportionate share was \$0.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the Charter School was based on projection of the State's long-term contributions to the pension plan associated with the Charter School relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State proportionate share of the TPAF net pension liability attributable to the Charter School was .0146358549%, which was an increase of .0004209873% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized a pension expense in the amount of \$608,623 for the State's proportionate share of the TPAF pension expense attributable to the Charter School. This pension expense was based on the pension plans June 30, 2023 measurement date.

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

8. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF) (Cont'd)**

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

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

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

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

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

8. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF) (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.98 %
Non-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 at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's proportionate share of the net pension liability	8,820,725	7,469,067	6,351,490



Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

8. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF) (Cont'd)**

**Pension Plan Fiduciary Net Position** - 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 recognize when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/24</u>	<u>6/30/23</u>
Collective Deferred Outflows of Resources	2,502,380,838	5,004,259,312
Collective Deferred Inflows of Resources	14,830,205,473	19,682,774,794
Collective Net Pension Liability	51,109,961,824	51,676,587,303
Charter School's Portion	.0146358549%	.0142148676%

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

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Charter School's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Charter School's contributions to the DCRP for June 30, 2024 were \$2,493. There was no liability for unpaid contributions at June 30, 2024.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Charter School.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**9. Post-Retirement Benefits**

**General Information about the OPEB Plan**

**Plan description and benefits provided**

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

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

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

**Basis of Presentation**

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefits Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

**9. Post-Retirement Benefits**

**State Health Benefit State Retired Employees Plan**

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 prefund, 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 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 on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**9. Post-Retirement Benefits (Cont'd)**

**General Information about the OPEB Plan (Cont'd)**

**Employees covered by benefit terms**

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	152,383
Active plan members	<u>217,212</u>
Total	<u><u>369,595</u></u>

**Total Nonemployer OPEB Liability**

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

Inflation Rate	3.54%
Salary Increases through 2026	PERS 2.75%-6.55% PFRS 3.25%-16.25% TPAF 2.75%-4.25%
Discount Rate	3.65%
Healthcare Cost Trend Rates	4.5%-6.5%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

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.

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

9. Post-Retirement Benefits (Cont'd)

**Total Nonemployer OPEB Liability (Cont'd)**

The actuarial assumptions used in the June 30, 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.

**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% 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.

**Sensitivity of the total OPEB liability to changes in the discount rate**

The following presents the June 30, 2023 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the Charter School calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB Liability of the State for School Retirees	\$61,385,066,712	\$52,361,668,239	\$45,116,926,835
Total OPEB Liability of the State Associated with the Charter School for School Retirees	\$5,033,305	\$4,293,426	\$3,699,389

Red Bank Charter School  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**9. Post-Retirement Benefits (Cont'd)**

**Sensitivity of the total OPEB liability to changes in the health care cost trend rates**

The following presents the June 30, 2023 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the charter school calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$43,468,257,358	\$52,361,668,239	\$63,998,719,320
Total OPEB Liability of the State Associated with the Charter School for School Retirees	\$3,564,206	\$4,293,426	\$5,247,613

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

Balance at June 30, 2022	\$ 50,646,462,966
Changes for the year:	
Service cost	2,136,235,476
Interest on the total OPEB liability	1,844,113,951
Changes of benefit terms	-
Differences between expected and actual experiences	(980,424,863)
Changes in assumptions	105,539,463
Gross benefit payments by the state	(1,437,516,858)
Contributions from members	<u>47,258,104</u>
Net changes	<u>1,715,205,273</u>
Balance at June 30, 2023	<u>\$ 52,361,668,239</u>

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

9. Post-Retirement Benefits (Cont'd)

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

For the year ended June 30, 2024, the Charter School recognized OPEB expense of \$165,604 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 GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Red Bank Charter School's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,639,717,639	\$ 13,791,541,217
Changes of assumptions	7,445,895,322	14,449,948,556
Contributions made in fiscal year ending 2024 after June 30, 2023 measurement date	-	-
Total	<u>\$ 15,085,612,961</u>	<u>\$ 28,241,489,773</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

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

10. Economic Dependency

The Charter School receives its support from federal, state and local governments. A significant reduction in the level of support, if this were to occur, would have an impact on the Charter School's programs and activities.

Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

11. **Deferred Compensation**

The Charter School offers its employees a choice of a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan is administered by the entity listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan are solely the property of the participants. Accordingly, the plan assets are not reported as part of these financial statements. The plan administrator is the AXA Equitable.

12. **Risk Management**

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

**Property and Liability Insurance** - The Charter School maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. See J-20.

13. **Interfund/Internal Balances and Transfers**

There were no interfund receivables or interfund payables balances at June 30, 2024.

Interfund transfers for the year ended June 30, 2024 were as follows:

Fund	Transfers in	Transfers out
General Fund	\$ -	\$ 37,515
Enterprise Fund	37,515	-
	<u>\$ 37,515</u>	<u>\$ 37,515</u>

14. **Fund Balance Appropriated**

**General Fund** - \$465,670 General Fund balance is unassigned and undesignated.

**Special Revenue Fund** - \$25,463 Special Revenue Fund balance is restricted for student activities.



Red Bank Charter School

Notes to Financial Statements

For the Year Ended June 30, 2024

**15. Contingent Liabilities**

The Charter School is a party defendant in some lawsuits, none of a kind unusual for a Charter School of its size and scope of operation. In the opinion of the Charter School's Attorney the potential claims against the Charter School not covered by insurance policies would not materially affect the financial condition of the Charter School.

**16. Subsequent Events**

The Charter School has evaluated all subsequent events occurring through the date of the independent auditor's report, December 23, 2024. No such disclosures were required.

**17. Uncertain Tax Positions**

The Charter School had no unrecognized tax benefits at June 30, 2024. The Charter School files tax returns in the U.S. federal jurisdiction and New Jersey. The Charter School has no open years prior to June 30, 2021.

## REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RED BANK CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>REVENUES:</b>					
Local sources:					
Equalization aid (Local share)	\$ 1,970,304	\$ 54,155	\$ 2,024,459	\$ 2,007,116	\$ (17,343)
Lease income	-	-	-	49,830	49,830
Rental income	95,000	-	95,000	39,926	(55,074)
Miscellaneous	-	-	-	36,533	36,533
Total - local sources	<u>2,065,304</u>	<u>54,155</u>	<u>2,119,459</u>	<u>2,133,405</u>	<u>13,946</u>
State sources:					
Equalization aid (State share)	815,434	38,441	853,875	834,048	(19,827)
Special Education Aid	92,943	9,304	102,247	98,525	(3,722)
Security aid	54,156	13,717	67,873	66,162	(1,711)
TPAF LTDI (on-behalf - non-budgeted)	-	-	-	331	331
TPAF post-retirement medical (on-behalf - Non-budgeted)	-	-	-	165,604	165,604
Teacher's pension and annuity fund (on-behalf - non-budgeted)	-	-	-	608,623	608,623
TPAF social security (reimbursed - non-budgeted)	-	-	-	113,140	113,140
Total state sources	<u>962,533</u>	<u>61,462</u>	<u>1,023,995</u>	<u>1,886,433</u>	<u>862,438</u>
<b>Total revenues</b>	<u>\$ 3,027,837</u>	<u>\$ 115,617</u>	<u>\$ 3,143,454</u>	<u>\$ 4,019,838</u>	<u>\$ 876,384</u>
<b>EXPENDITURES:</b>					
<b>Current Expenditures:</b>					
<b>Regular programs - instruction</b>					
Salaries of teachers	\$ 1,323,884	\$ (68,814)	\$ 1,255,070	\$ 1,253,810	\$ 1,260
Other salaries for instruction	-	28,000	28,000	28,000	-
Purchased professional-educational services	4,000	54,000	58,000	53,594	4,406
Other purchased services	37,000	-	37,000	36,540	460
General supplies	22,550	25,000	47,550	39,547	8,003
Textbooks	8,500	31,100	39,600	39,600	-
Other objects	1,000	-	1,000	-	1,000
<b>Total instruction</b>	<u>1,396,934</u>	<u>69,286</u>	<u>1,466,220</u>	<u>1,451,091</u>	<u>15,129</u>
<b>School-sponsored cocurricular activities - instruction</b>					
Salaries	12,500	13,478	25,978	25,978	-
<b>Total school-sponsored cocurricular activities - instruction</b>	<u>12,500</u>	<u>13,478</u>	<u>25,978</u>	<u>25,978</u>	<u>-</u>
<b>Total Instruction</b>	<u>1,409,434</u>	<u>82,764</u>	<u>1,492,198</u>	<u>1,477,069</u>	<u>15,129</u>
<b>Undistributed expenditures:</b>					
<b>Health services</b>					
Salaries	80,340	(18,945)	61,395	61,395	-
Supplies and materials	2,000	(2,000)	-	-	-
<b>Total health services</b>	<u>82,340</u>	<u>(20,945)</u>	<u>61,395</u>	<u>61,395</u>	<u>-</u>
<b>Child study teams</b>					
Salaries of other professional staff	119,565	(2,345)	117,220	117,220	-
Purchased professional-educational services	36,600	-	36,600	32,544	4,056
<b>Total child study teams</b>	<u>156,165</u>	<u>(2,345)</u>	<u>153,820</u>	<u>149,764</u>	<u>4,056</u>
<b>Improvement of instructional services</b>					
Salaries of Supervisors of Instruction	107,903	1,164	109,067	97,818	11,249
<b>Total improvement of instructional services</b>	<u>107,903</u>	<u>1,164</u>	<u>109,067</u>	<u>97,818</u>	<u>11,249</u>

**RED BANK CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Support services - general administration</b>					
Salaries	\$ 103,612	\$ 66,551	\$ 170,163	\$ 170,163	\$ -
Legal fees	10,000	(3,000)	7,000	5,573	1,427
Audit fees	17,000	1,084	18,084	18,084	-
Communications/telephone	26,534	-	26,534	21,678	4,856
Other purchased services	37,209	2,597	39,806	39,806	-
General supplies	7,000	290	7,290	7,290	-
<b>Total support services</b>	<b>201,355</b>	<b>67,522</b>	<b>268,877</b>	<b>262,594</b>	<b>6,283</b>
<b>Support services - school administration</b>					
Salaries of principals/assistant principals	144,612	4,795	149,407	149,407	-
Other objects	5,000	6,360	11,360	6,388	4,972
<b>Total support services - school administration</b>	<b>149,612</b>	<b>11,155</b>	<b>160,767</b>	<b>155,795</b>	<b>4,972</b>
<b>Undistributed expenditures</b>					
<b>Central services</b>					
Salaries	37,000	400	37,400	36,960	440
Interest on current loans	126,262	-	126,262	117,433	8,829
<b>Total central services</b>	<b>163,262</b>	<b>400</b>	<b>163,662</b>	<b>154,393</b>	<b>9,269</b>
<b>Custodial Services</b>					
Salaries	38,929	(25,886)	13,043	-	13,043
Cleaning, repair, and maintenance services	60,920	(52,107)	8,813	5,492	3,321
Insurance	22,000	(5,000)	17,000	16,591	409
General supplies	12,000	6,980	18,980	18,980	-
Energy (natural gas)	12,000	-	12,000	4,703	7,297
Energy (electricity)	32,000	10,000	42,000	37,697	4,303
Other objects	7,000	-	7,000	6,826	174
<b>Total custodial services</b>	<b>184,849</b>	<b>(66,013)</b>	<b>118,836</b>	<b>90,289</b>	<b>28,547</b>
<b>Total operation and maintenance of plant services</b>	<b>1,045,486</b>	<b>(9,062)</b>	<b>1,036,424</b>	<b>972,048</b>	<b>64,376</b>
<b>Student transportation services</b>					
Salaries - between home & school - regular	3,000	-	3,000	1,136	1,864
Contracted services (not home/school) - vendors	-	300	300	300	-
<b>Total student transportation services</b>	<b>3,000</b>	<b>300</b>	<b>3,300</b>	<b>1,436</b>	<b>1,864</b>
<b>Other support services</b>					
Other undistrib. expenditures - Bus. & other supplies	12,000	600	12,600	12,600	-
<b>Total other support services</b>	<b>12,000</b>	<b>600</b>	<b>12,600</b>	<b>12,600</b>	<b>-</b>
<b>Unallocated Expenditures:</b>					
Other Retirement Contributions - PERS	48,875	14,430	63,305	63,305	-
Unemployment Compensation	25,000	(20,000)	5,000	4,886	114
Workmen's Compensation	75,000	-	75,000	74,985	15
Health Benefits	488,500	7,000	495,500	481,661	13,839
Tuition Reimbursement	-	971	971	971	-
<b>Total unallocated benefits</b>	<b>637,375</b>	<b>2,401</b>	<b>639,776</b>	<b>625,808</b>	<b>13,968</b>
<b>On-behalf contributions:</b>					
TPAF LTDL (non-budgeted)	-	-	-	331	(331)
TPAF OPEB (post-retirement med) (non-budgeted)	-	-	-	165,604	(165,604)
TPAF Pension Contributions (non-budgeted)	-	-	-	608,623	(608,623)
Reimbursed TPAF Social Security contributions (non-budgeted)	-	-	-	113,140	(113,140)
<b>Total on-behalf contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>887,698</b>	<b>(887,698)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>1,697,861</b>	<b>(5,761)</b>	<b>1,692,100</b>	<b>2,499,590</b>	<b>(807,490)</b>
<b>TOTAL GENERAL CURRENT EXPENDITURES</b>	<b>3,107,295</b>	<b>77,003</b>	<b>3,184,298</b>	<b>3,976,659</b>	<b>(792,361)</b>

**RED BANK CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
Instructional equipment	\$ -	\$ 6,000	\$ 6,000	\$ 5,960	\$ 40
Non-instructional equipment	-	-	-	-	-
Construction Services	10,000	-	10,000	-	10,000
Purchase of land/improvements	-	-	-	-	-
Mortgage Payments - Principal	134,895	9,829	144,724	144,724	-
Other Objects	25,000	2,310	27,310	23,179	4,131
Total budgeted capital outlay	<u>169,895</u>	<u>18,139</u>	<u>188,034</u>	<u>173,863</u>	<u>14,171</u>
<b>Total general fund</b>	<u>3,277,190</u>	<u>95,142</u>	<u>3,372,332</u>	<u>4,150,522</u>	<u>(778,190)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(249,353)</u>	<u>20,475</u>	<u>(228,878)</u>	<u>(130,684)</u>	<u>98,194</u>
<b>Other Financing Sources / Uses:</b>					
Operating transfer out - deficit in food service	-	-	-	(37,515)	37,515
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,515)</u>	<u>37,515</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(249,353)</u>	<u>20,475</u>	<u>(228,878)</u>	<u>(168,199)</u>	<u>60,679</u>
<b>Fund Balance, July 1</b>	<u>633,869</u>	<u>-</u>	<u>633,869</u>	<u>633,869</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ 384,516</u>	<u>\$ 20,475</u>	<u>\$ 404,991</u>	<u>\$ 465,670</u>	<u>\$ 60,679</u>
<b>Recapitulation:</b>					
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				\$ -	
Restricted for other purposes				-	
Unassigned-Capital projects				-	
Unassigned				-	
<b>Unassigned Fund Balance</b>				<u>465,670</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				465,670	
Last state aid payment not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP) - B-1				<u>465,670</u>	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>\$ 465,670</u>	

**RED BANK CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Private sources	\$ -	\$ -	\$ -	\$ 17,283	\$ 17,283
State sources	-	259,002	259,002	259,002	-
Federal sources	-	358,736	358,736	358,736	-
<b>Total Revenues</b>	-	617,738	617,738	635,021	17,283
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Personal services - salaries	-	127,006	127,006	127,006	-
Purchased professional and technical services	-	30,243	30,243	30,243	-
General supplies	-	36,421	36,421	36,421	-
Professional services	-	26,197	26,197	26,197	-
Other objects	-	-	-	-	-
<b>Total instruction</b>	-	219,867	219,867	219,867	-
<b>Support services:</b>					
Salaries of Supervisors of Instruction	-	4,459	4,459	4,459	-
Salaries of Principal	-	18,600	18,600	18,600	-
Salaries of Other Professional Staff	-	36,846	36,846	36,846	-
Salaries of Secr. And Clerical Assistants	-	-	-	-	-
Other Salaries	-	112,828	112,828	112,828	-
Purchased professional and technical	-	96,488	96,488	96,488	-
Employee benefits	-	63,504	63,504	63,504	-
Rentals	-	-	-	-	-
Other purchased services	-	-	-	-	-
Supplies - materials	-	649	649	649	-
Student activities	-	-	-	12,877	(12,877) Note 1
<b>Total support services</b>	-	333,374	333,374	346,251	(12,877)
<b>Facilities acquisition and const. serv.:</b>					
Regular programs instruction	-	10,861	10,861	10,861	-
Non-Instructional equipment	-	53,636	53,636	53,636	-
<b>Total facilities acquisition and const. serv.</b>	-	64,497	64,497	64,497	-
<b>Total expenditures</b>	-	617,738	617,738	630,615	(12,877)
<b>Excess (deficiency) of revenues</b>					
<b>Over (under) expenditures</b>	\$ -	\$ -	\$ -	\$ 4,406	\$ 4,406
<b>Fund Balance, July 1</b>				21,057	
<b>Fund Balance, June 30</b>				<u>\$ 25,463</u>	

Note 1 - Not required to budget for these funds.

**RED BANK CHARTER SCHOOL**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to Required Supplementary Information**  
**For the Year Ended June 30, 2024**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 4,019,838	[C-2]	\$ 635,021
Difference - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(608,623)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 3,411,215</u>	[B-2]	<u>\$ 635,021</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the	[C-1]	\$ 4,188,037	[C-2]	\$ 630,615
and changes in fund balances - governmental funds.				
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(608,623)		-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 3,579,414</u>	[B-2]	<u>\$ 630,615</u>

## REQUIRED SUPPLEMENTARY INFORMATION - PART III



**RED BANK CHARTER SCHOOL**  
**Required Supplementary Information**  
**Schedule of the Charter School's Proportionate Share of Net Pension Liability-PERS**  
**For the Year Ended June 30, 2024**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Charter School's proportion of the net pension liability	0.0058311306%	0.0025727791%	0.0032770675%	0.3651257400%	0.0043128577%	0.0049222507%	0.0038339976%	0.0047832998%	0.0037789203%	0.0046409828%
Charter School's proportionate share of the net pension liability	\$ 1,091,747	\$ 599,656	\$ 970,573	\$ 849,954	\$ 849,180	\$ 886,915	\$ 625,225	\$ 566,654	\$ 570,291	\$ 672,217
Charter School's covered-employee payroll	\$ -	\$ -	\$ 234,816	\$ 272,649	\$ 300,086	\$ 269,617	\$ 322,174	\$ 257,365	\$ 329,636	\$ 328,919
Charter School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	413.33%	311.74%	282.98%	328.95%	194.06%	220.18%	173.01%	204.37%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

The amounts presented were determined as of the fiscal year-end that occurred one year before the Charter School's fiscal year end.

\* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

**RED BANK CHARTER SCHOOL**  
**Required Supplementary Information**  
**Schedule of the Charter School Contributions-PERS**  
**For the Year Ended June 30, 2024**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contributions	\$ 49,259	\$ 23,315	\$ 30,928	\$ 36,544	\$ 44,694	\$ 49,679	\$ 43,503	\$ 57,287	\$ 48,875	\$ 63,305
Contributions in relation to the contractually required contribution	<u>49,259</u>	<u>23,315</u>	<u>30,928</u>	<u>36,544</u>	<u>44,694</u>	<u>49,679</u>	<u>43,503</u>	<u>57,287</u>	<u>48,875</u>	<u>63,305</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered-employee payroll	680,628	234,816	272,649	300,086	269,617	322,174	257,365	329,636	328,919	361,116
Contributions as a percentage of covered-employee payroll	0.00%	9.93%	11.34%	13.40%	16.58%	15.42%	16.90%	17.38%	14.86%	17.53%

\* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

**RED BANK CHARTER SCHOOL**  
**Required Supplementary Information**  
**Schedule of the Charter School's Proportionate Share of Net Pension Liability-TPAF**  
**For the Year Ended June 30, 2024**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
State's proportion of the net pension liability associated with the District	0.0118021042%	0.0119803210%	0.1391169420%	0.0125940627%	0.0140659547%	0.0147083251%	0.0142016570%	0.0146001528%	0.0142148676%	0.0146358549%
State's proportionate share of the net pension liability associated with the District	\$ 6,307,841	\$ 7,572,074	\$ 10,943,824	\$ 8,491,371	\$ 8,948,458	\$ 9,026,638	\$ 9,351,620	\$ 7,019,051	\$ 7,334,078	\$ 7,469,067
Charter School's covered-employee payroll	\$ 1,180,568	\$ 1,716,656	\$ 1,449,585	\$ 1,572,524	\$ 1,572,829	\$ 1,506,852	\$ 1,610,326	\$ 1,577,724	\$ 1,744,347	\$ 1,546,466
Proportionate share of the net pension liability as a percentage of Charter School's covered-employee payroll	534.31%	441.09%	754.96%	539.98%	568.94%	599.04%	580.73%	444.88%	420.45%	482.98%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

The Charter School has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the ACFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the Charter School's fiscal year end.

\* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

**RED BANK CHARTER SCHOOL**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2024**  
**(Unaudited)**

Last 10 Fiscal Years\*

	2019	2020	2021	2022	2023	2024
State's proportion of the OPEB liability associated with the Charter School						
Service cost	\$ 307,538	\$ 296,706	\$ 313,397	\$ 565,802	\$ 432,336	\$ 343,513
Interest cost	130,555	122,965	123,008	134,567	112,444	151,209
Changes of benefit terms	-	-	-	(5,521)	-	-
Differences between expected and actual experiences	(474,485)	(49,489)	1,233,231	(1,307,893)	(243,167)	(338,939)
Changes in assumptions	(336,077)	48,465	1,077,341	5,118	(1,138,219)	8,654
Member contributions	2,707	2,958	3,112	3,440	3,573	3,875
Gross benefit payments	(78,311)	(99,780)	(102,677)	(106,001)	(111,379)	(117,870)
Net change in total OPEB liability	(448,073)	321,825	2,647,412	(710,488)	(944,412)	50,442
State's Total OPEB liability - beginning	3,376,720	2,928,647	3,250,472	5,897,884	5,187,396	4,242,984
State's Total OPEB liability - ending	<u>\$ 2,928,647</u>	<u>\$ 3,250,472</u>	<u>\$ 5,897,884</u>	<u>\$ 5,187,396</u>	<u>\$ 4,242,984</u>	<u>\$ 4,293,426</u>
Charter School's covered employee payroll	<u>\$ 2,154,087</u>	<u>\$ 2,070,437</u>	<u>\$ 2,098,302</u>	<u>\$ 2,203,135</u>	<u>\$ 2,388,090</u>	<u>\$ 2,243,618</u>
Total State's OPEB liability as a percentage of covered employee payroll	136%	157%	281%	235%	178%	191%

\* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Red Bank Charter School

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2024

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

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2022, to 7.00% as of June 30, 2023.

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

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2022, to 7.00% as of June 30, 2023.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

## OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules  
Not Applicable

E. Special Revenue Fund



**RED BANK CHARTER SCHOOL**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2024**

	I.D.E.A Preschool Program Part B 23/24	I.D.E.A Regular Program Part B 23/24	Title I 23/24	Title II-A 23/24	Pre-School Education Aid 23/24
<b>Revenues:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	205,366
Federal sources	1,143	49,565	73,604	7,835	-
<b>Total revenues</b>	<b>1,143</b>	<b>49,565</b>	<b>73,604</b>	<b>7,835</b>	<b>205,366</b>
<b>Expenditures:</b>					
Instruction:					
Salaries	-	-	-	-	52,333
Other salaries - instruction	-	-	-	-	30,243
General supplies	1,143	-	32,604	-	2,674
Professional services	-	-	15,000	-	11,197
Other Objects	-	-	-	-	-
<b>Total instruction</b>	<b>1,143</b>	<b>-</b>	<b>47,604</b>	<b>-</b>	<b>96,447</b>
<b>Support services:</b>					
Other support services - students - special:					
Salaries of Supervisors of Instruction	-	-	-	-	4,459
Salaries of Principal	-	-	-	-	18,600
Salaries of Other Professional Staff	-	-	26,000	-	10,846
Salaries of Secr. And Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-
Purchased prof. and tech. services	-	49,565	-	7,835	-
Other purchased services	-	-	-	-	-
Employee benefits	-	-	-	-	63,504
Rentals	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and materials	-	-	-	-	649
Student Activities	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>-</b>	<b>49,565</b>	<b>26,000</b>	<b>7,835</b>	<b>98,058</b>
<b>Total support services</b>	<b>-</b>	<b>49,565</b>	<b>26,000</b>	<b>7,835</b>	<b>98,058</b>
<b>Facilities acquisition and construction equipment:</b>					
Regular programs instruction	-	-	-	-	10,861
Non-instructional equipment	-	-	-	-	-
<b>Total facilities acquisition and construction equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,861</b>
<b>Total expenditures</b>	<b>\$ 1,143</b>	<b>\$ 49,565</b>	<b>\$ 73,604</b>	<b>\$ 7,835</b>	<b>\$ 205,366</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**RED BANK CHARTER SCHOOL**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2024**

	ARP ESSER AL 23/24	ARP ESSER 23/24	SDA 23/24	Student Activity 23/24	Total 2024
<b>Revenues:</b>					
Local sources	\$ -	\$ -	\$ -	\$ 17,283	\$ 17,283
State sources	-	-	53,636	-	259,002
Federal sources	50,000	176,589	-	-	358,736
<b>Total revenues</b>	<b>50,000</b>	<b>176,589</b>	<b>53,636</b>	<b>17,283</b>	<b>635,021</b>
<b>Expenditures:</b>					
Instruction:					
Salaries	50,000	24,673	-	-	127,006
Other salaries - instruction	-	-	-	-	30,243
General supplies	-	-	-	-	36,421
Professional services	-	-	-	-	26,197
Other Objects	-	-	-	-	-
<b>Total instruction</b>	<b>50,000</b>	<b>24,673</b>	<b>-</b>	<b>-</b>	<b>219,867</b>
<b>Support services:</b>					
Other support services - students - special:					
Salaries of Supervisors of Instruction	-	-	-	-	4,459
Salaries of Principal	-	-	-	-	18,600
Salaries of Other Professional Staff	-	-	-	-	36,846
Salaries of Secr. And Clerical Assistants	-	-	-	-	-
Other Salaries	-	96,488	-	-	96,488
Salaries of Community Parent Involvement Spec.	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-
Purchased prof. and tech. services	-	55,428	-	-	112,828
Other purchased services	-	-	-	-	-
Employee benefits	-	-	-	-	63,504
Rentals	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and materials	-	-	-	-	649
Student Activities	-	-	-	12,877	12,877
<b>Total other support services - students - special</b>	<b>-</b>	<b>151,916</b>	<b>-</b>	<b>12,877</b>	<b>346,251</b>
<b>Total support services</b>	<b>-</b>	<b>151,916</b>	<b>-</b>	<b>12,877</b>	<b>346,251</b>
<b>Facilities acquisition and construction equipment:</b>					
Regular programs instruction	-	-	-	-	10,861
Non-instructional equipment	-	-	53,636	-	53,636
<b>Total facilities acquisition and construction equipment</b>	<b>-</b>	<b>-</b>	<b>53,636</b>	<b>-</b>	<b>64,497</b>
<b>Total expenditures</b>	<b>\$ 50,000</b>	<b>\$ 176,589</b>	<b>\$ 53,636</b>	<b>\$ 12,877</b>	<b>\$ 630,615</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,406</b>	<b>4,406</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,057</b>	<b>21,057</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,463</b>	<b>\$ 25,463</b>

**RED BANK CHARTER SCHOOL**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2024**

	Budget	Actual	Variance
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 52,333	\$ 52,333	\$ -
Other Salaries for Instruction	30,243	30,243	-
Purchased Professional & Technical Services	11,197	11,197	-
Other Purchased Services (400-500 series)	-	-	-
Tuition to Other LEAs Within the State - Regular	-	-	-
General Supplies	2,674	2,674	-
Other Objects	-	-	-
<b>Total instruction</b>	<u>96,447</u>	<u>96,447</u>	<u>-</u>
<b>Support services:</b>			
Salaries of Supervisors of Instruction	4,459	4,459	-
Salaries of Principals	18,600	18,600	-
Salaries of Other Professional Staff	10,846	10,846	-
Salaries of Secr. And Clerical Assistants	-	-	-
Other Salaries	-	-	-
Personal Services - Employee Benefits	63,504	63,504	-
Purchased prof. and tech. services	-	-	-
Other Purchased Services	-	-	-
Supplies & Materials	649	649	-
Other Objects	-	-	-
<b>Total support services</b>	<u>98,058</u>	<u>98,058</u>	<u>-</u>
<b>Facilities acquisition and cont. serv:</b>			
Instructional equipment	10,861	10,861	-
Non-instructional Equipment	-	-	-
<b>Total Facilities acquisition and cont. serv.</b>	<u>10,861</u>	<u>10,861</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 205,366</u>	<u>\$ 205,366</u>	<u>\$ -</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2023-24 PreK/ECPA Aid Allocation	\$ 205,366
Add: Actual PreK/ECPA Aid Carryover June 30, 2023	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2023-24 Budget	<u>205,366</u>
Less: 2022-23 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>205,366</u>
Available & Unbudgeted Funds as of June 30, 2024	-
Add: June 30, 2024 Unexpended PreK Aid	-
2024- Actual Carryover - PreK Aid	<u>\$ -</u>
2023-24 PreK Aid Carryover Budgeted in 2023-FY	<u>\$ -</u>

F. Capital Projects Fund  
Not Applicable

G. Proprietary Funds  
See B-4 through B-6

H. Fiduciary Funds  
Not Applicable

## I. Long-Term Debt

**RED BANK CHARTER SCHOOL**  
**Long-Term Debt**  
**Mortgage on Building**  
**For the Year Ended June 30, 2024**

<b>Issue</b>	<b>Date of Issue</b>	<b>Amount of Issue</b>	<b>Annual Maturities Date</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Balance July 1, 2023</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance June 30, 2024</b>
Mortgage - Building	7/21/2020	\$ 3,750,000							
			2025	152,086	3.50%				
			2026	157,495	3.50%				
			2027	163,097	3.50%				
			2028	168,898	3.50%				
			2029	174,905	3.50%				
			2030	181,126	3.50%				
			2031	187,568	3.50%				
			2032	194,239	3.50%				
			2033	201,148	3.50%				
			2034	208,302	3.50%				
			2035	215,711	3.50%				
			2036	223,383	3.50%				
			2037	231,328	3.50%				
			2038	239,556	3.50%				
			2039	248,076	3.50%				
			2040	256,899	3.50%				
			2041	11,468	3.50%				
						3,365,773	-	144,724	3,221,049
						<u>\$ 3,365,773</u>	<u>\$ -</u>	<u>\$ 144,724</u>	<u>\$ 3,221,049</u>



## STATISTICAL SECTION

**Red Bank Charter School  
Statistical Section**

<u><b>Contents</b></u>	<u><b>Page</b></u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the Charter School's financial performance and well being have changed over time.	92-97
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the Charter School's most significant local revenue source, the property tax.	N/A
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the Charter School's current levels of outstanding debt and the Charter School's ability to issue additional debt in the future.	N/A
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Charter School's financial activities take place.	N/A
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the Charter School's financial report relates to the services the Charter School provides and the activities it performs.	98-102

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

**RED BANK CHARTER SCHOOL**  
**Net Positions by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 847,766	\$ 925,901	\$ 1,013,898	\$ 1,280,294	\$ 1,593,888	\$ 1,670,125	\$ 1,421,954	\$ 1,455,852	\$ 1,487,510	\$ 1,367,425
Restricted	-	24,896	402,578	11,390	7,598	-	12,976	15,627	21,057	25,463
Unrestricted	(426,983)	(11,308)	(289,793)	(338,156)	(666,019)	(940,589)	(131,050)	76,852	(37,513)	(162,462)
Total governmental activities net position	<u>420,783</u>	<u>939,489</u>	<u>1,126,683</u>	<u>953,528</u>	<u>935,467</u>	<u>729,536</u>	<u>1,303,880</u>	<u>1,548,331</u>	<u>1,471,054</u>	<u>1,230,426</u>
Business-type activities										
Net investment in capital assets	6,600	5,421	4,242	3,063	1,884	705	-	-	5,565	5,167
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(44,702)	16,224	(18,971)	(48,710)	(50,961)	(54,226)	10,219	5,788	22,204	19,330
Total business-type activities net position	<u>(38,102)</u>	<u>21,645</u>	<u>(14,729)</u>	<u>(45,647)</u>	<u>(49,077)</u>	<u>(53,521)</u>	<u>10,219</u>	<u>5,788</u>	<u>27,769</u>	<u>24,497</u>
Charter school-wide										
Net investment in capital assets	854,366	931,322	1,018,140	1,283,357	1,595,772	1,670,830	1,421,954	1,455,852	1,493,075	1,372,592
Restricted	-	24,896	402,578	11,390	7,598	-	12,976	15,627	21,057	25,463
Unrestricted	(471,685)	4,916	(308,764)	(386,866)	(716,980)	(994,815)	(120,831)	82,640	(15,309)	(143,132)
Total charter school-wide net position	<u>\$ 382,681</u>	<u>\$ 961,134</u>	<u>\$ 1,111,954</u>	<u>\$ 907,881</u>	<u>\$ 886,390</u>	<u>\$ 676,015</u>	<u>\$ 1,314,099</u>	<u>\$ 1,554,119</u>	<u>\$ 1,498,823</u>	<u>\$ 1,254,923</u>

Source: ACFR Schedule A-1 and Charter School records.

**RED BANK CHARTER SCHOOL**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 1,510,776	\$ 1,444,478	\$ 1,446,944	\$ 1,442,695	\$ 1,503,141	\$ 1,422,395	\$ 1,546,973	\$ 1,593,375	\$ 1,626,682	\$ 1,684,926
Special Education instruction	48,780	-	-	-	-	-	-	-	-	-
Other special instruction	151,493	172,114	165,635	129,618	115,316	135,703	119,884	107,490	119,292	123,796
Support Services:										
Health services	237,101	224,645	216,048	163,883	163,832	225,604	225,724	269,855	509,503	394,769
Other support services	51,381	33,725	70,468	126,310	77,215	58,326	156,463	161,241	153,901	162,641
General administrative services	129,487	109,772	254,843	380,226	196,563	206,436	213,486	290,967	179,410	275,194
School administrative services	68,921	31,591	176,946	154,175	158,736	120,754	112,476	144,363	158,091	155,795
School central services	163,107	74,970	44,305	73,704	50,053	89,766	25,916	32,351	36,960	36,960
Other operation & Maintenance of plant	260,720	375,899	265,721	414,758	495,995	389,741	382,632	462,736	279,473	446,471
Student transportation services	520	1,010	3,652	4,736	1,120	876	-	890	6,962	1,436
Unallocated employee benefits	229,173	41,336	300,871	371,649	382,455	477,771	370,319	337,933	575,562	569,018
Non-budgeted expenditures	271,733	236,969	223,253	260,147	251,133	230,260	255,288	254,646	286,946	279,075
Interest expense	-	90,637	86,200	115,259	155,205	161,870	134,916	129,281	123,597	119,268
School Support services	-	-	-	-	-	-	-	-	-	-
General administration	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	3,123,192	2,837,146	3,254,886	3,637,160	3,550,764	3,519,502	3,544,077	3,785,128	4,056,379	4,249,349
Business-type activities:										
Food service	94,821	92,193	90,237	96,541	105,936	85,616	131,529	128,678	118,317	127,620
Total business-type activities expense	94,821	92,193	90,237	96,541	105,936	85,616	131,529	128,678	118,317	127,620
Total charter school-wide expenses	3,218,013	2,929,339	3,345,123	3,733,701	3,656,700	3,605,118	3,675,606	3,913,806	4,174,696	4,376,969
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Central and other support services	-	-	-	-	-	-	4,721	10,383	21,663	17,283
Operating grants and contributions	271,733	236,969	223,253	260,147	251,133	230,260	255,288	254,646	286,946	279,075
Total governmental activities program revenues	271,733	236,969	223,253	260,147	251,133	230,260	260,009	265,029	308,609	296,358
Business-type activities:										
Charges for services										
Food service	10,793	13,605	10,688	13,622	14,672	18,346	686	-	17,954	17,542
Operating grants and contributions	44,124	44,300	43,175	52,001	64,639	49,429	118,648	118,589	63,911	69,291
Total business type activities program revenues	54,917	57,905	53,863	65,623	79,311	67,775	119,334	118,589	81,865	86,833
Total charter school-wide program revenues	\$ 326,650	\$ 294,874	\$ 277,116	\$ 325,770	\$ 330,444	\$ 298,035	\$ 379,343	\$ 383,618	\$ 390,474	\$ 383,191

**RED BANK CHARTER SCHOOL**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (3,123,192)	\$ (2,600,177)	\$ (3,031,633)	\$ (3,377,013)	\$ (3,299,631)	\$ (3,289,242)	\$ (3,284,068)	\$ (3,520,099)	\$ (3,747,770)	\$ (3,952,991)
Business-type activities	(94,821)	(34,288)	(36,374)	(30,918)	(26,625)	(17,841)	(12,195)	(10,089)	(36,452)	(40,787)
Total charter school-wide net expense	<u>(3,218,013)</u>	<u>(2,634,465)</u>	<u>(3,068,007)</u>	<u>(3,407,931)</u>	<u>(3,326,256)</u>	<u>(3,307,083)</u>	<u>(3,296,263)</u>	<u>(3,530,188)</u>	<u>(3,784,222)</u>	<u>(3,993,778)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Tuition from taxes	1,345,557	1,377,958	1,324,230	1,306,126	1,481,786	1,347,257	1,596,239	1,666,950	1,834,292	2,007,116
Unrestricted grants and contributions	1,589,873	1,738,753	2,030,843	1,806,242	1,672,634	1,615,784	1,669,312	1,841,512	1,794,717	1,616,473
Miscellaneous income	35,469	96,207	87,007	91,490	150,345	133,667	659,497	261,746	99,917	126,289
Transfers	-	(94,035)	-	-	(23,195)	(13,397)	(75,935)	(5,658)	(58,433)	(37,515)
Total governmental activities	<u>2,970,899</u>	<u>3,118,883</u>	<u>3,442,080</u>	<u>3,203,858</u>	<u>3,281,570</u>	<u>3,083,311</u>	<u>3,849,113</u>	<u>3,764,550</u>	<u>3,670,493</u>	<u>3,712,363</u>
Business-type activities:										
Transfers	-	34,035	-	-	23,195	13,397	75,935	5,658	58,433	37,515
Total business-type activities	<u>-</u>	<u>34,035</u>	<u>-</u>	<u>-</u>	<u>23,195</u>	<u>13,397</u>	<u>75,935</u>	<u>5,658</u>	<u>58,433</u>	<u>37,515</u>
Total charter school-wide	<u>2,970,899</u>	<u>3,152,918</u>	<u>3,442,080</u>	<u>3,203,858</u>	<u>3,304,765</u>	<u>3,096,708</u>	<u>3,925,048</u>	<u>3,770,208</u>	<u>3,728,926</u>	<u>3,749,878</u>
<b>Change in Net Position</b>										
Governmental activities	119,440	518,706	410,447	(173,155)	(18,061)	(205,931)	565,045	244,451	(77,277)	(240,628)
Business-type activities	(39,904)	59,747	(36,374)	(30,918)	(3,430)	(4,444)	63,740	(4,431)	21,981	(3,272)
Total charter school-wide	<u>\$ 79,536</u>	<u>\$ 578,453</u>	<u>\$ 374,073</u>	<u>\$ (204,073)</u>	<u>\$ (21,491)</u>	<u>\$ (210,375)</u>	<u>\$ 628,785</u>	<u>\$ 240,020</u>	<u>\$ (55,296)</u>	<u>\$ (243,900)</u>

Source: ACFR Schedule A-2 and Charter School records.

**RED BANK CHARTER SCHOOL**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	11,390	7,598	-	-	-	-	-
Unassigned	-	-	-	171,918	138,954	362,514	678,678	814,473	633,869	465,670
Unreserved	626,641	819,131	415,545	-	-	-	-	-	-	-
Reserved	-	24,896	2,578	-	-	-	-	-	-	-
Total general fund	<u>626,641</u>	<u>844,027</u>	<u>418,123</u>	<u>183,308</u>	<u>146,552</u>	<u>362,514</u>	<u>678,678</u>	<u>814,473</u>	<u>633,869</u>	<u>465,670</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	12,976	15,627	21,057	25,463
Special revenue fund	-	-	-	-	-	-	12,976	15,627	21,057	25,463
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,976</u>	<u>\$ 15,627</u>	<u>\$ 21,057</u>	<u>\$ 25,463</u>

Source: ACFR Schedule B-1 and Charter School records.

**RED BANK CHARTER SCHOOL**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tuition charges	\$ 1,345,557	\$ 1,377,958	\$ 1,324,230	\$ 1,306,126	\$ 1,481,786	\$ 1,347,257	\$ 1,596,239	\$ 1,666,950	\$ 1,834,292	\$ 2,007,116
Miscellaneous	35,469	96,207	87,007	91,490	150,345	133,667	191,016	272,129	121,580	143,572
Local sources	-	-	-	-	-	-	-	-	-	-
State sources	1,775,212	1,859,688	1,920,233	1,941,618	1,794,224	1,717,318	1,712,867	1,629,919	1,540,626	1,536,812
Federal sources	86,394	116,034	110,610	124,771	129,543	128,726	211,733	466,239	541,037	358,736
Total revenue	<u>3,242,632</u>	<u>3,449,887</u>	<u>3,442,080</u>	<u>3,464,005</u>	<u>3,555,898</u>	<u>3,326,968</u>	<u>3,711,855</u>	<u>4,035,237</u>	<u>4,037,535</u>	<u>4,046,236</u>
<b>Expenditures</b>										
Instruction										
Regular Instruction	1,236,783	1,442,978	1,446,944	1,440,970	1,521,366	1,422,395	1,546,973	1,593,375	1,626,682	1,670,958
Nonpublic school programs	48,780	-	-	-	-	-	-	-	-	-
Other special instruction	151,493	172,114	165,635	129,618	115,316	135,703	119,884	107,490	119,292	123,796
Support Services:										
Health Services	237,101	224,645	216,048	163,883	163,832	225,604	225,724	269,855	509,503	394,769
Other support services	51,381	33,725	70,468	126,310	77,215	58,326	156,463	161,241	153,901	162,641
General administrative services	129,487	109,772	254,843	380,226	196,563	206,436	213,486	290,967	179,410	275,194
School administrative services	68,921	91,591	176,946	154,175	158,736	120,754	112,476	144,363	158,091	155,795
School central services	163,107	74,970	44,305	73,704	50,053	89,766	25,916	32,351	36,960	36,960
Other operation & maintenance of plant	260,720	289,422	193,726	250,276	300,290	223,840	236,514	278,122	89,147	90,289
Student transportation services	520	1,010	3,652	4,736	1,120	876	-	890	6,962	1,436
Unallocated employee benefits	371,501	313,191	325,972	368,638	369,331	452,843	401,111	410,040	640,988	625,808
Non-budgeted expenditures	271,733	236,969	223,253	260,147	251,133	230,260	255,288	254,646	286,946	279,075
General administrative services	-	-	-	-	-	-	-	-	-	-
Capital outlay	180,563	255,249	346,192	746,137	641,855	404,008	362,970	347,793	346,394	355,793
Total expenditures	<u>3,172,090</u>	<u>3,245,636</u>	<u>3,467,984</u>	<u>4,098,820</u>	<u>3,846,810</u>	<u>3,570,811</u>	<u>3,656,805</u>	<u>3,891,133</u>	<u>4,154,276</u>	<u>4,172,514</u>
Excess (Deficiency) of revenues over (under) expenditures	70,542	204,251	(25,904)	(634,815)	(290,912)	(243,843)	55,050	144,104	(116,741)	(126,278)
<b>Other Financing sources (uses)</b>										
Mortgage refinancing-net	-	-	-	-	277,351	-	340,726	-	-	-
Transfers out	-	(94,035)	-	-	(23,195)	(13,397)	(75,935)	(5,658)	(58,433)	(37,515)
Total other financing sources (uses)	<u>-</u>	<u>(94,035)</u>	<u>-</u>	<u>-</u>	<u>254,156</u>	<u>(13,397)</u>	<u>264,791</u>	<u>(5,658)</u>	<u>(58,433)</u>	<u>(37,515)</u>
Net change in fund balances	<u>\$ 70,542</u>	<u>\$ 110,216</u>	<u>\$ (25,904)</u>	<u>\$ (634,815)</u>	<u>\$ (36,756)</u>	<u>\$ (257,240)</u>	<u>\$ 319,841</u>	<u>\$ 138,446</u>	<u>\$ (175,174)</u>	<u>\$ (163,793)</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	7.82%	8.18%	8.28%	7.96%	7.40%	6.89%	6.87%

Source: ACFR Schedule B-2 and Charter School records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ending June 30,	Interest on Investments	Donations	Mortgage Proceeds	Refund of Prior Year Expenditures	Use of Facilities	Study Buddies & Summer Institute	E-Rate	Miscellaneous	Annual Totals
2015	-	1,028	-	1,595	5,378	4,727	3,226	11,814	27,768
2016	-	7,640	-	1,595	5,635	41,671	2,786	36,880	96,207
2017	-	1,404	-	2,347	5,748	21,609	540	55,359	87,007
2018	-	3,675	-	-	3,173	4,617	-	17,725	29,190
2019	-	21,000	-	-	108,166	19,107	-	2,072	150,345
2020	-	21,725	-	-	97,148	5,003	-	27,419	151,295
2021	-	50,311	340,726	-	95,683	500	-	16,674	503,894
2022	-	159,943	-	-	77,803	-	-	-	237,746
2023	-	9,124	-	-	86,486	2,119	-	3,593	101,322
2024	-	10,000	-	-	89,756	-	-	26,533	126,289

Source: Charter School records



**RED BANK CHARTER SCHOOL**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	16.0	16.0	16.0	16.0	16.0	16.0	17.0	19.0	19.0	19.0
Special education	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Other instruction	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Support Services:										
Student & instruction related services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School administrative services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Central services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>	<u>36.0</u>	<u>37.0</u>	<u>39.0</u>	<u>39.0</u>	<u>39.0</u>

**Source:** Charter School Personnel Records

**RED BANK CHARTER SCHOOL**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2015	193.0	2,685,269	13,913	-0.72%	22.0	8.77	-	0.0	0.0	-100.00%	98.00%
2016	180.0	2,746,109	15,256	8.90%	16.0	11.25	-	178.0	176.0	1.71%	98.00%
2017	180.9	2,892,289	15,988	14.09%	27.0	6.70	-	180.0	175.0	2.86%	96.74%
2018	199.0	3,472,070	17,448	24.50%	27.0	7.37	-	182.0	185.0	4.00%	92.96%
2019	198.0	3,204,955	16,187	15.51%	27.0	7.33	-	0.0	0.0	-100.00%	0.00%
2020	196.0	3,166,803	16,157	13.24%	27.0	7.26	-	0.0	0.0	-100.00%	0.00%
2021	198.0	2,822,009	14,253	1.48%	28.0	7.07	-	0.0	0.0	-100.00%	0.00%
2022	197.0	2,824,623	14,338	2.01%	30.0	6.57	-	0.0	0.0	-100.00%	0.00%
2023	197.0	3,086,015	15,665	10.20%	30.0	6.57	-	0.0	0.0	0.00%	0.00%
2024	187.0	3,250,603	17,383	20.82%	30.0	6.23	-	0.0	0.0	-100.00%	0.00%

**Sources:** Charter School records

**Note:** Enrollment based on annual October charter school count A for FYE 2023.

a Operating expenditures equal total expenditures less debt service, on behalf and capital outlay per schedule C -1

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

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

**RED BANK CHARTER SCHOOL**  
**School Building Information**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>District Building</u></b>										
<b><u>Elementary and Middle School (Combined)</u></b>										
The Red Bank Charter School										
Square Feet	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	110,000
Capacity (students)	200	200	200	200	200	200	200	200	200	200
Enrollment	193	193	181	199	198	196	198	197	197	187

Number of Schools at June 30, 2024

    Elementary and Middle School combined = 1

**Source:** Charter School Records

**RED BANK CHARTER SCHOOL**  
**Insurance Schedule**  
**June 30, 2024**

	<u>Coverage</u>	<u>Deductible</u>
<b>New Jersey School Board Association Insurance Group</b>		
<u>Property</u>		
Building and Contents	\$ 10,882,776	\$ 2,500
Crime/Employee Dishonesty	500,000	N/A
<u>Comprehensive General Liability</u>		
General Liability	10,000,000	N/A
School Leaders Errors & Omissions Coverage	10,000,000	1,000
<u>Cyber Liability</u>		
Limit of Liability	2,000,000	N/A
Annual Policy and Program Agg	40,000,000	N/A
<u>Workers Compensation</u>		
Professional/Non-professional	5,000,000	Statutory
<u>Automobile Coverage</u>		
Liability Limit	10,000,000	
<u>Student Accident</u>		
Medical Expense Benefit	6,000,000	Maximum
<u>Public Official Bonds</u>		
David Block, Business Administrator	145,000	N/A
Public Employee Dishonesty	50,000	N/A

**RED BANK CHARTER SCHOOL**  
**New Jersey Performance Framework Financial Ratios**  
**Audited Performance Indicators**  
*Unaudited*

	2022 Audit	2023 Audit	2024 Audit	Source
Cash (unrestricted)	485,551	375,256	512,481	Audit: Exhibit A-1
Current Assets (include cash)	1,060,198	862,737	590,302	Audit: Exhibit A-1
Current Liabilities	13,558	22,744	89,217	Audit: Exhibit A-1
Total Expenses	3,913,806	4,174,696	4,376,969	Audit: Exhibit A-2
Change in Net Position	240,020	(55,296)	(243,900)	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	200	201	187	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	178	179	173	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	106,091	106,090	269,536	Auditor/Workpapers
Interest Expense	129,281	123,597	119,268	Auditor/Workpapers
Principal Payments	135,139	140,011	144,724	Auditor/Workpapers
Interest Payments	118,662	113,791	109,890	Auditor/Workpapers

		3 YR CUM			Calculation****	Target****
Performance Indicators		2022	2023	2024		
<b>Near Term Indicators</b>						
1a.	Current Ratio (working capital ratio)	78.20	37.93	6.62	Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	45	33	43	Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	112%	112%	108%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payments	NO	NO	NO	Auditor	not in default
<b>Sustainability Indicators</b>						
2a***	3 Year Cumulative Cash Flow	106,784	(110,295)	137,225	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	1.87	0.69	0.57	N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

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

## SINGLE AUDIT SECTION



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

Honorable President and  
Members of the Board of Trustees  
Red Bank Charter School  
County of Monmouth  
Red Bank, New Jersey

We have audited, in accordance with the 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 Red Bank Charter School in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise of the Red Bank Charter School basic financial statements, and have issued our report thereon dated December 23, 2024.

**Report on Internal Control over Financial Reporting**

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Respectfully Submitted,

Jump, Perry and Company, L.L.P.  
Toms River, New Jersey



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

December 23, 2024





K-2

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and  
Members of the Board of Trustees  
Red Bank Charter School  
County of Monmouth  
Red Bank, New Jersey

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

We have audited Red Bank Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Red Bank Charter School's major state programs for the year ended June 30, 2024. Red Bank Charter School's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Red Bank 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 state programs for the year ended June 30, 2024.

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Red Bank Charter School's, compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Red Bank 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Red Bank Charter School's, internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Report on Internal Control Over Compliance***

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

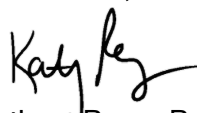
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Respectfully submitted,

Jump, Perry and Company L.L.P.  
Toms River, New Jersey



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

December 23, 2024

**RED BANK CHARTER SCHOOL**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Year Ended June 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>Federal FAIN Number</b>	<b>Grant Period</b>	<b>Award Amount</b>	<b>Balance at June 30, 2023</b>	<b>Adjustments</b>	<b>Cash Received</b>	<b>Budgetary Expenditures</b>	<b>Deferred Revenue at June 30, 2024</b>	<b>Accounts Receivable at June 30, 2024</b>	<b>Due to Grantor at June 30, 2024</b>
U.S. Department of Education Passed-through New Jersey Department of Education: Special Revenue Fund:											
Title I, Part A	84.010A	S010A230030	7/1/23-6/30/24	\$ 73,604	\$ -	\$ -	\$ 73,604	\$ (73,604)	\$ -	\$ -	\$ -
Title II, Part A	84.367A	S367A230029	7/1/23-6/30/24	7,835	-	-	7,835	(7,835)	-	-	-
Elementary and Secondary Education Cluster:											
ESSER II - CR Learning Acceleration	84.425D	S425D240027	3/13/20-9/30/23	25,000	(25,000)	-	25,000	-	-	-	-
ESSER II - CR Mental Health	84.425D	S425D240027	3/13/20-9/30/23	45,000	(15,000)	-	15,000	-	-	-	-
ARP ESSER	84.425U	S425U240027	3/13/20-9/30/24	498,660	(206,071)	-	382,660	(176,589)	-	-	-
ARP ESSER Accelerated Learning Coach & Ed	84.425U	S425U240027	3/13/20-9/30/24	50,000	-	-	50,000	(50,000)	-	-	-
Subtotal Elementary and Secondary Education Cluster					(246,071)	-	472,660	(226,589)	-	-	-
Special Education Cluster:											
I.D.E.A. Part B Basic Regular	84.027A	H027A230100	7/1/23-6/30/24	49,565	-	-	49,565	(49,565)	-	-	-
I.D.E.A. Part B Preschool	84.173A	H173A220114	7/1/22-6/30/23	1,143	-	-	1,143	(1,143)	-	-	-
I.D.E.A. Part B Preschool	84.173A	H173A230114	7/1/23-6/30/24	1,167	(1,167)	-	1,167	-	-	-	-
Subtotal of Special Education Cluster:					(1,167)	-	51,875	(50,708)	-	-	-
Total U.S. Department of Education					(247,238)	-	605,974	(358,736)	-	-	-
U.S. Department of Agriculture Passed-through New Jersey Department of Education: Food Service Enterprise Fund:											
Child Nutrition Cluster:											
P-EBT Administrative Cost Grant	10.649	2022225900941	7/1/23-6/30/24	653	-	-	653	(653)	-	-	-
School Breakfast Program	10.553	241NJ304N1199	7/1/23-6/30/24	9,606	-	-	9,099	(9,606)	-	(507)	-
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	53,079	(3,713)	-	-	-	-	(3,713)	-
National School Lunch Program	10.555	241NJ304N1099	7/1/23-6/30/24	54,961	-	-	52,250	(54,961)	-	(2,711)	-
Subtotal of Child Nutrition Cluster					(3,713)	-	62,002	(65,220)	-	(6,931)	-
Total Enterprise (Food Service) Fund					(3,713)	-	62,002	(65,220)	-	(6,931)	-
Total Expenditures of Federal Awards					\$ (250,951)	\$ -	\$ 667,976	\$ (423,956)	\$ -	\$ (6,931)	\$ -

**RED BANK CHARTER SCHOOL**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Year Ended June 30, 2024**

<b>State Grantor/ Program Title</b>	<b>Grant or State Project Number</b>	<b>Grant Period</b>	<b>Award Amount</b>	<b>Balance at June 30, 2023</b>	<b>Cash Received</b>	<b>Budgetary Expenditures</b>	<b>Repayment of Prior Years' Balances</b>	<b>Deferred Revenue at June 30, 2024</b>	<b>(Accounts Receivable) at June 30, 2024</b>	<b>Due to Grantor at June 30, 2024</b>
New Jersey Department of Education										
General Fund:										
Special Education Categorial Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 98,525	\$ -	\$ 98,525	\$ (98,525)	\$ -	\$ -	\$ -	\$ -
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	66,162	-	66,162	(66,162)	-	-	-	-
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	834,048	-	825,410	(834,048)	-	-	(8,638)	-
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	834,113	(8,678)	8,678	-	-	-	-	-
TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	608,623	-	608,623	(608,623)	-	-	-	-
TPAF Post-Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	165,604	-	165,604	(165,604)	-	-	-	-
TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	331	-	331	(331)	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	23-495-034-5094-003	7/1/22-6/30/23	115,680	(12,444)	12,444	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	24-495-034-5094-003	7/1/23-6/30/24	113,140	-	107,722	(113,140)	-	-	(5,418)	-
Total General Fund				(21,122)	1,893,499	(1,886,433)	-	-	(14,056)	-
Special Revenue Fund:										
SDA Emergency	24-100-034-5120-519	7/1/23-6/30/24	53,636	-	53,636	(53,636)	-	-	-	-
Climate Change Grant	23-100-034-5063-359	7/1/22-6/30/23	6,660	(6,660)	6,660	-	-	-	-	-
Preschool Education Aid	24-495-034-5120-086	7/1/23-6/30/24	205,366	-	205,366	(205,366)	-	-	-	-
Total Special Revenue Fund				(6,660)	265,662	(259,002)	-	-	-	-
Enterprise Fund:										
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	2,239	(131)	-	-	-	-	(131)	-
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	3,449	-	3,277	(3,449)	-	-	(172)	-
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	259	(13)	-	-	-	-	(13)	-
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	622	-	598	(622)	-	-	(24)	-
Total Enterprise Fund				(144)	3,875	(4,071)	-	-	(340)	-
Total Expenditures of State Awards for testing				(27,926)	2,163,036	(2,149,506)	-	-	(14,396)	-
State Financial Assistance Not Subject to Single Audit Determination										
General fund:										
TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	608,623	-	608,623	(608,623)	-	-	-	-
TPAF Post-Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	165,604	-	165,604	(165,604)	-	-	-	-
TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	331	-	331	(331)	-	-	-	-
State Financial Assistance Not Subject to Single Audit Determination				-	774,558	(774,558)	-	-	-	-
Total State Financial Assistance				\$ (27,926)	\$ 1,388,478	\$ (1,374,948)	\$ -	\$ -	\$ (14,396)	\$ -

See accompanying notes to schedules of expenditures.

## Red Bank Charter School

## Notes to the Schedules of Awards and Financial Assistance

June 30, 2024

## 1. General

The accompanying schedules of expenditures of awards present the activity of all federal and state awards of the Red Bank Charter School. The Charter School is defined in Note 1 to the Charter School's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

## 2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Charter School's basic financial statements.

## 3. Relationship to Basic Financial Statements

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

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

## Red Bank Charter School

## Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2024

## 3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(608,623) for the general fund and \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,277,810	\$ 1,277,810
Special Revenue Fund	358,736	259,002	617,738
Food Service Fund	<u>65,220</u>	<u>4,071</u>	<u>69,291</u>
Total awards and financial assistance	\$ <u>423,956</u>	\$ <u>1,540,883</u>	\$ <u>1,964,839</u>

## 4. Relationship to Federal and State Financial Reports

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

## 5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2024.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

## 6. Indirect Costs

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

## Red Bank Charter School

## Schedule of Findings and Questioned Costs

June 30, 2024

**Section I - Summary of Auditor's Results**Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes    X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes    X none reported

Noncompliance material to general-purpose financial statements noted? \_\_\_\_\_ yes    X no

Federal Awards Section - N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes    \_\_\_\_\_ no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes    \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? \_\_\_\_\_ yes    \_\_\_\_\_ no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
---------------------	-----------------------	---

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes    \_\_\_\_\_ no



## Red Bank Charter School

## Schedule of Findings and Questioned Costs (continued)

June 30, 2024

**Section I - Summary of Auditor's Results (continued)**State Awards Section

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

Auditee qualified as low-risk auditee?   X   yes        no

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

Internal Control over major programs:

- 1) Material weakness(es) identified?        yes   X   no
- 2) Significant deficiencies identified that  
are not considered to be material  
weaknesses?        yes   X   none reported

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

       yes   X   no

Identification of major programs:

Grant or State Project Number(s)

Name of State Program

State Aid-Public Cluster  
495-034-5120-078  
495-034-5120-084  
495-034-5120-089

Equalization Aid  
Security Aid  
Special Education Categorical Aid

Red Bank Charter School

Schedule of Findings and Questioned Costs (continued)

June 30, 2024

**Section II - Financial Statement Findings - None**

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - None**

Red Bank Charter School  
Summary Schedule of Prior Audit Findings  
June 30, 2024

**Summary Schedule of Prior Audit Findings - None**