

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Newark, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Robert Treat Academy Charter School, Inc.
Newark, New Jersey
For The Fiscal Year Ended June 30, 2024**

**Prepared by
Business Office**

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Stephen N. Adubato Campus

Paul Parada - Principal
Jackie Robinson Campus

November 22, 2024

Honorable President and
Members of the Board of Trustees
Robert Treat Academy Charter School, Inc.
County of Essex
Newark, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Robert Treat Academy Charter School, Inc. (the "School" or "Academy") for the fiscal year ended June 30, 2024, is hereby submitted. This ACFR includes the School's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Robert Treat Academy Charter School, Inc. Board of Trustees (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School. All disclosures necessary to enable the reader to gain an understanding of the School's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School's organizational chart, roster of officials, and a list of consultants and advisors. The financial section includes Management's Discussion and Analysis, the basic financial statements and notes providing an overview of the School's financial position and operating results, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis, as the information was available to us. The School is required to undergo an annual single audit in conformity with the provisions of the single Audit Act of 1984, as amended, Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. Information related to this single audit, including the auditor's 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 School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board. All funds of the School are included in this report. Robert Treat Academy Charter School, Inc. and its two schools constitute the School's reporting entity.

The School provides a full range of educational services appropriate to grade levels k through 8. These include regular as well as special education for disabled youngsters.



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2) ECONOMIC CONDITION AND OUTLOOK

The School area has remained constant. Business and residential areas are relatively the same as the prior year. The School's outlook remains good since its programs exceed those in surrounding areas.

3) MAJOR INITIATIVES

Robert Treat Academy Charter School completed its twenty-seventh year of operation in June 2024.

Robert Treat Academy has two campuses. Our Stephen N. Adubato campus located at 443 Clifton Avenue has an enrollment of 480 students. Our Jackie Robinson campus located at 180 William Street has an enrollment of 222 students. Total enrollment is 702 students.

Robert Treat Academy offers an eleven-month school year with a seven-hour instructional day and an eight-hour professional day. Early care which begins at 7:30 a.m. and an extended school day running until 5:30 p.m. accommodate working parents and provide time for extracurricular activities. Our remediation services in English/Language Arts and Math as well as remedial and guided reading, tutoring and homework help, take place during the extended day minimizing the amount of time students are pulled out of class during regular instruction.

The extended day program offers extracurricular enrichment activities as well, including Coding Clubs, Architecture, recreational sports, and an award-winning arts program that has included: Instrumental Music Instruction, Chorus, Step Dancing, Arts and Crafts, Filmmaking and Creative Writing.

Parent participation continues to be a key element of our focus as witnessed by the high levels of attendance, we consistently record at monthly parent meetings. Parents also serve on the Board of Trustees and the Parent Teacher Organization, an autonomous organization, sponsors a variety of events for teachers, parents and students. Parent representatives also volunteer in other areas (coaching, recreational activities, and chaperoning students on trips, attending and assisting at school-wide events, plays and performances).

In the nine subject areas, including English/Language Arts and Mathematics, Science (NJSLA for 5th and 8th grades), Social Studies, Technology, World Languages (Spanish), Visual and Fine Arts, Physical Education and Health, and 21st Century Life & Careers our curricula are aligned to the NJ student Learning Standards.

In key subject areas, staff development remains crucial to meeting the Academy's overall mission. Our training schedule included workshops in math, English/language arts, reading, science, and behavior management. In the area of technology, staff development was offered to help teachers become more effective users of technology in the classroom.

Efforts to prepare our students for the NJSLA test remain a main area of attention and will continue to be foremost on our list of goals. We are also focused on learning loss activities and Saturday Academy. The Federal Department of Ed waived testing for the 2019-2020 and 2020-2021 School Year. In the last three years RTA students have once again been recognized as one of the top performing schools in the state in both Math and ELA. According to U.S News and World Report we were ranked in the top 12% of middle schools, and the top 25% of elementary schools in the state of New Jersey. Due to those rankings based on test scores and demographic information we have once again been named one of U.S News and World Reports best schools in the country for both our elementary and middle school students.

As the emotional wellbeing of our students is of paramount importance, administrators, the school social worker, and school psychologist are continuously still on-call to provide emotional support to our students. Along with internal



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supports for students the Academy provides parents with additional outside support resources. This continues as student's transition back to "normal" and we are committed to helping students and families through this transition. We feel the new kindergarten class finally seems to be similarly equipped to what we are accustomed to seeing for students entering the academy, so I think we've turned a corner in our recovery from the pandemic and our battle with learning loss.

At the end of the school year, parents and staff were surveyed regarding their satisfaction levels with the student discipline, school communication, etc. Overwhelmingly, all entities were very satisfied with the general operation of the school from both a parent and staff perspective.

In June 2024, our twentieth class of eighth grade students graduated from the Academy. Those students were prepared for the admissions process for secondary school by our High School Placement Program. The program is responsible for working with our students and their families to place graduates in the most appropriate setting for their secondary school education. Those graduates earned in excess of \$7.1 million dollars in financial aid and merit scholarships over a four-year period to attend some of the most prestigious private, independent schools in the nation.

We were able to hold our traditional graduation ceremony and the Cathedral Basilica of the Sacred Heart. Our keynote speaker was former RTA parent Modia "Mo" Butler from Mercury Consulting.

Our first group of alumni to complete college graduated in 2013. We have maintained relationships with many of these students and will continue to maintain contact with them. Several graduates have joined the staff of the Academy as either instructional assistants/teachers or clerks and it is our hope that many of our former students will return to Newark as productive citizens of the community.

The Academy also continued its relationships with community-based organizations. These groups included the Academy's founding organization, The North Ward Center, Just One Soccer which made sports activities available, as well as the John Hopkins Center for Talented Youth which provided summer enrichment programs for students as well as online courses for gifted and talented students. The Academy also maintained its membership in the New Jersey Public Charter Schools association and the New Jersey School Boards Association.

The major educational challenge continues to be maintaining the academic achievement and growth of our students measured by the New Jersey Student Learning Assessment (NJSLA) test. As previously stated the NJSLA was not administered in the 2019-2020 or 2020-2021 school years and our results from the Spring of 2022 were above the state average but not quite as far above the state average as we are used to, then the results from the Spring of 2023 showed promise. We hope to be back to where we have usually been this coming spring. Spring of 2024 results were similar to those from Spring of 2023 with a small drop off in ELA and Math.

The overall long term goal for Academic Achievement set by the New Jersey Department of Education ESSA Accountability Profile is 80% of students achieving levels 4 or 5 in English Language Arts (ELA) and Mathematics by 2030. Each school is given targets based on previous year's performance until the long term goal of 80% is met. The Student Growth Percentile (SGP) standard is 40%-58.5% to meet target and 60% + to exceed target for all schools annually.

The long term educational goal in ELA is to ensure instructional supports are in place for students to be successful readers and writers. In 2014, we introduced STEP (Strategic Teaching and Evaluation of Progress) along with strategic guided reading instruction. This initiative has proved effective in the targeted grades of Kindergarten through third. In 2017-18, we introduced the dynamic Indicators Basic Early Literacy Skills (DIBELS) and the Woodcock Johnson Reading Mastery Test. The DIBELS is given each school year to all first graders. The Woodcock Johnson Reading



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Mastery Test if given to students who are "flagged" for possible reading issues on the DIBELS and new students entering the Academy beyond 3rd grade.

Besides emotional wellbeing of the students the biggest question for schools after the emergency school closure and hybrid learning era is the question of learning loss. At the academy we are confident that given our dedication to data driven instruction we will be able to successfully address the learning loss in one or two years for most students.

The educational goal in mathematics is to eventually have the majority of our 8th grade students take Algebra 1 (usually taken freshman year in high school). Toward that goal we have leveled our 6th, 7th and 8th grade students. In our middle school grades we have grade level and advanced curriculum. In the 2020-21 school year, Twenty-one 8th grade students were placed in our Algebra 1 Course. In the 21-22 school year we had 29 students enrolled in Algebra 1. In the 22-23 school year we had 27 students enrolled. This past year we had 33 out of 71 students (46%) take Algebra 1.

Small group targeted instruction continues to be the cornerstone of our instructional program. This is instruction based on data from a variety of sources. This data gives teachers the information to personalize student learning, monitor their growth over time, and predict student proficiency on the NJSLA.

In terms of future facility plans we are hoping to finish the kitchen at the SNA campus so that we may one day provide freshly cooked meals to the students. The plan will be the same for the JRC campus in the future when we can expand the footprint of that building. We are currently in conversations to acquire the property we currently rent from The North Ward Center and hope to take possession of the building and expand our building to serve an additional 225 students in grades K-8. We hope to be able to break ground and start expanding in the next several years.

4) INTERNAL ACCOUNTING CONTROLS

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

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

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

5) BUDGETARY CONTROLS

In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to insure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Perfect-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.



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6) ACCOUNTING SYSTEM AND REPORTS

The School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT

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

8) RISK MANAGEMENT

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

9) OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP, Certified Public Accountants, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* (NJOMB 15-08). The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

10) ACKNOWLEDGMENTS

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

Respectfully submitted,

Marcelino Trillo
Principal/Charter School Lead Administrator

Robert T. Clark
Business Administrator/Board Secretary



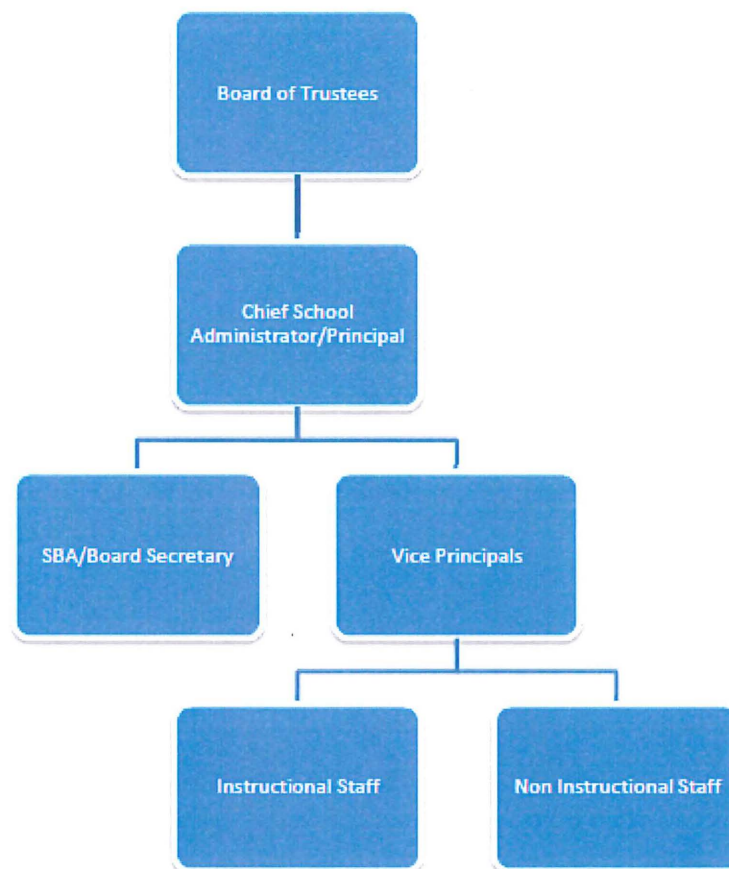
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**Robert Treat Academy Charter School
2023-24 Organizational Chart**





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ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
ROSTER OF OFFICIALS
June 30, 2024

Members of the Board of Trustees

Term Expires

Robert R. Detore (President)	June 2025
Adrianne Davis (Vice President)	June 2025
Dr. Claudio J. Barbaran	June 2025
Wilfredo Caraballo, Esq.	June 2027
Galen Johnson	June 2026
Wilson Pichardo	June 2027
Calvin Souder, Esq.	June 2026
Tahira Strand	June 2027
Zarala Zabala de Kelly	June 2026

Other Officials

Marcelino Trillo, Principal/Charter School Lead Administrator
Robert Clark, Business Administrator/Board Secretary
Paul Parada, Principal
R. Scott Eveland, Board Attorney



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**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
CONSULTANTS AND ADVISORS
JUNE 30, 2024**

Audit Firm

Lerch, Vinci and Bliss, LLP
17-17 NJ-208
Fair Lawn, NJ 07410

Attorney

R. Scott Eveland
Inglesino, Webster, Wyciskala & Taylor, LLC
600 Parsippany Road # 204
Parsippany, NJ 07054

Tom Johnston
Johnston Law Firm, LLC
P.O. Box 645
Montclair, NJ 07042

Official Depositories

Valley National Bank
167 Bloomfield Avenue
Newark, NJ 07104

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Robert Treat Academy Charter School, Inc.
Newark, New Jersey

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Robert Treat Academy Charter School, Inc. as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Robert Treat Academy Charter School, Inc. 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Robert Treat Academy Charter School, Inc.'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 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, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department , State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Robert Treat Academy Charter School, Inc.'s basic financial statements. The accompanying 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 (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Robert Treat Academy Charter School, Inc.. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and 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.

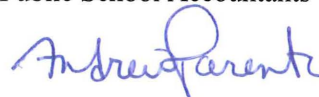
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2024 on our consideration of the Robert Treat Academy Charter School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Robert Treat Academy Charter School, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Robert Treat Academy Charter School, Inc.'s internal control over financial reporting and compliance.



LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants



Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
November 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

This section of Robert Treat Academy Charter School, Inc.'s annual comprehensive financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section is to look at the School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Robert Treat Academy Charter School, Inc. exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,712,254 (net position).
- Overall School revenues were \$18,788,939. General revenues accounted for \$12,708,963 or 68% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,079,976 of total revenues.
- The School had \$15,023,021 in expenses for governmental activities; only \$5,118,875 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly local levy aid and unrestricted State aid) of \$12,708,963 were adequate to provide for these programs.
- As of the close of the current fiscal year, the School's governmental funds reported a combined ending fund balance of \$4,244,020 an increase of \$1,316,666 when compared to the ending fund balance at June 30, 2023 of \$2,927,354.
- The General Fund unassigned fund balance at June 30, 2024 was \$4,110,360 an increase of \$1,281,002 when compared with the ending fund balance of \$2,829,358 at June 30, 2023.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

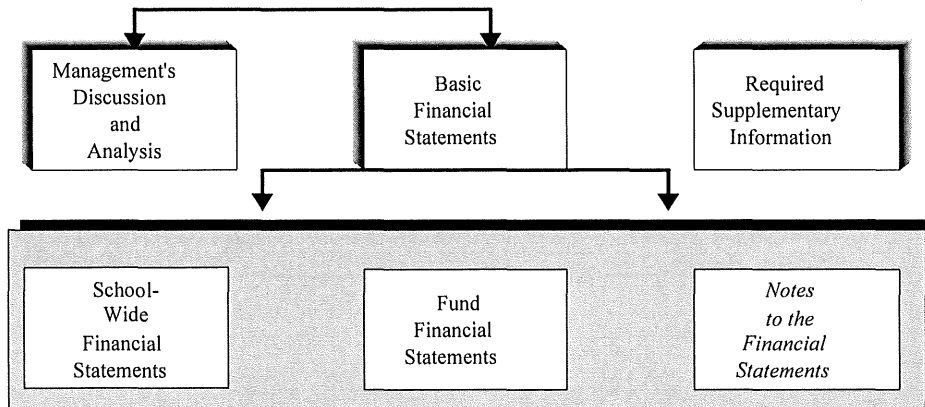
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are school wide financial statements that provide both short-term and long-term information about the School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School, reporting the School's operations in more detail than the school-wide statements.
 - The Governmental Funds statements tell how basic services were financed in the short term as well as what remains for future spending.
 - Proprietary Funds statements offer short-term and long-term financial information about the activities the School operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the School's financial statements, including the portion of the School's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the School-Wide and Fund Financial Statements

	School-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire School	The activities of the school that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the school operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

School-Wide Financial Statements

The school-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two school-wide statements report the School's net position and how it has changed. Net position – the difference between the School's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the School's financial health or position

- Over time, increases or decreases in the School's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the School you need to consider additional non-financial factors such as changes in the School's enrollment and the condition of school buildings and other facilities.

In the school-wide financial statements the School's activities are shown in two categories:

- *Governmental Activities* – Most of the School's basic services are included here, such as regular instruction and special education, administration, and plant operation and maintenance. State and Federal Aids finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The School's Food Service Fund and Before and After Care Fund are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's funds – focusing on its most significant or “major” funds – not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.
- The School establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The School has two kinds of funds:

- *Governmental funds* – Most of the School's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the school-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the School charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the school-wide statements. The School's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the school-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's budget process. The School adopts an annual expenditure budget for the general and special revenue funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The School also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

SCHOOL-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the School's financial position. The School's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,712,254, which represented the School's total net position as of June 30, 2024. The unrestricted net position was \$1,655,107 as of June 30, 2023 as shown below.

The largest portion of the School's net position reflects its investment in capital assets (e.g., leasehold improvements and furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The School uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1
Net Position
as of June 30, 2024 and 2023

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current and other assets	\$ 6,293,372	\$ 3,604,480	\$ 779,063	\$ 601,601	\$ 7,072,435	\$ 4,206,081
Capital assets, net	<u>1,900,414</u>	<u>713,824</u>	<u>77,299</u>	<u>72,564</u>	<u>1,977,713</u>	<u>786,388</u>
Total Assets	<u>8,193,786</u>	<u>4,318,304</u>	<u>856,362</u>	<u>674,165</u>	<u>9,050,148</u>	<u>4,992,469</u>
Deferred Outflows of Resources	<u>763,857</u>	<u>596,045</u>	<u>-</u>	<u>-</u>	<u>763,857</u>	<u>596,045</u>
Total Assets and Deferred Outflows of Resources	<u>8,957,643</u>	<u>4,914,349</u>	<u>856,362</u>	<u>674,165</u>	<u>9,814,005</u>	<u>5,588,514</u>
Liabilities						
Non-Current liabilities	3,503,673	3,119,639			3,503,673	3,119,639
Other liabilities	<u>2,049,352</u>	<u>677,126</u>	<u>14,762</u>	<u>3,966</u>	<u>2,064,114</u>	<u>681,092</u>
Total Liabilities	<u>5,553,025</u>	<u>3,796,765</u>	<u>14,762</u>	<u>3,966</u>	<u>5,567,787</u>	<u>3,800,731</u>
Deferred Inflows of Resources	<u>531,904</u>	<u>932,327</u>	<u>2,060</u>	<u>2,621</u>	<u>533,964</u>	<u>934,948</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,084,929</u>	<u>4,729,092</u>	<u>16,822</u>	<u>6,587</u>	<u>6,101,751</u>	<u>4,735,679</u>
Net Position						
Net Investment in capital assets	1,900,414	713,824	77,299	72,564	1,977,713	786,388
Restricted	79,434	78,007			79,434	78,007
Unrestricted	<u>892,866</u>	<u>(606,574)</u>	<u>762,241</u>	<u>595,014</u>	<u>1,655,107</u>	<u>(11,560)</u>
Total Net Position	<u>\$ 2,872,714</u>	<u>\$ 185,257</u>	<u>\$ 839,540</u>	<u>\$ 667,578</u>	<u>\$ 3,712,254</u>	<u>\$ 852,835</u>

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 26,887	\$ 35,122	\$ 330,024	\$ 118,952	\$ 356,911	\$ 154,074
Operating Grants and Contributions	3,827,885	4,450,604	631,077	626,382	4,458,962	5,076,986
Capital Grants and Contributions	1,264,103	203,818			1,264,103	203,818
General Revenues						
Local Levy - Charter School Aid	1,601,711	1,519,113			1,601,711	1,519,113
State Aid	10,680,987	9,323,873			10,680,987	9,323,873
Miscellaneous	426,265	116,732	-	-	426,265	116,732
Total Revenues	<u>17,827,838</u>	<u>15,649,262</u>	<u>961,101</u>	<u>745,334</u>	<u>18,788,939</u>	<u>16,394,596</u>
Expenses						
Instruction						
Regular	6,739,714	6,981,899			6,739,714	6,981,899
Special Education	640,260	181,581			640,260	181,581
Other Instruction	1,113,616	940,809			1,113,616	940,809
School Sponsored Activities	156,192	113,403			156,192	113,403
Support Services						
Student and Instruction Related	1,227,692	1,286,169			1,227,692	1,286,169
General Administrative Services	305,396	292,685			305,396	292,685
School Administrative Services	1,240,896	1,166,650			1,240,896	1,166,650
Central Services	326,719	265,602			326,719	265,602
Admin. Info. Tech Services	324,903	254,058			324,903	254,058
Plant Operations and Maintenance	2,884,575	2,795,526			2,884,575	2,795,526
Pupil Transportation	62,698	62,047			62,698	62,047
Food Services			730,827	701,874	730,827	701,874
Before and After Care			175,672		175,672	-
Interest on Debt	360	1,110	-	-	360	1,110
Total Expenses	<u>15,023,021</u>	<u>14,341,539</u>	<u>906,499</u>	<u>701,874</u>	<u>15,929,520</u>	<u>15,043,413</u>
Change in Net Position Before Transfers	2,804,817	1,307,723	54,602	43,460	2,859,419	1,351,183
Transfers	(117,360)	-	117,360	-	-	-
Change in Net Position Before Transfers	2,687,457	1,307,723	171,962	43,460	2,859,419	1,351,183
Net Position, Beginning of Year	185,257	(1,122,466)	667,578	624,118	852,835	(498,348)
Net Position, End of Year	<u>\$ 2,872,714</u>	<u>\$ 185,257</u>	<u>\$ 839,540</u>	<u>\$ 667,578</u>	<u>\$ 3,712,254</u>	<u>\$ 852,835</u>

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

Governmental Activities

The financial position of the School improved. However, maintaining existing programs with increases to various expenditures including health benefits costs places a great demand on the School's resources. As a result, careful management of expenses remains essential for the School to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the School's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

Table A-3
Cost and Net Cost of Services for Governmental Activities
For the Fiscal Years Ended June 30, 2024 and 2023

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Governmental Activities				
Instruction				
Regular Education	\$ 6,739,714	\$ 6,981,899	\$ 4,769,800	\$ 4,820,656
Special Education	640,260	181,581	67,566	(220,542)
Other Instruction	1,113,616	940,809	244,072	38,175
School Sponsored Activities	156,192	113,403	127,394	38,181
Support Services				
Student and Instruction Related	1,227,692	1,286,169	1,030,442	968,358
General Administrative Services	305,396	292,685	305,396	292,685
School Administrative Services	1,240,896	1,166,650	1,099,476	1,000,355
Central Services	326,719	265,602	310,639	244,559
Admin. Info. Tech Services	324,903	254,058	303,951	232,433
Plant Operations and Maintenance	2,884,575	2,795,526	1,582,352	2,173,978
Pupil Transportation	62,698	62,047	62,698	62,047
Interest on Debt	360	1,110	360	1,110
Total Governmental Activities	<u>\$ 15,023,021</u>	<u>\$ 14,341,539</u>	<u>\$ 9,904,146</u>	<u>\$ 9,651,995</u>

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

The financial performance of the School as a whole is reflected in its governmental funds as well. As the School completed the year, its governmental funds reported a combined fund balance of \$4,244,020, an increase of \$1,316,666 from last year's fund balance of \$2,927,354.

Revenues for the School's governmental funds were \$17,921,514; total expenditures were \$16,487,488.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

General Fund - The General Fund is the chief operating fund of the School and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$15,117,876 for the fiscal year ended June 30, 2024. State sources amounted to \$13,089,900 and local sources were \$2,027,976.

	Fiscal Year Ended <u>6/30/2024</u>	Fiscal Year Ended <u>6/30/2023</u>	Amount of Increase (Decrease)
Local Sources:			
Local Levy Charter School Aid	\$ 1,601,711	\$ 1,519,113	\$ 82,598
Miscellaneous	426,265	116,732	309,533
Intergovernmental			
State Sources	<u>13,089,900</u>	<u>11,751,872</u>	<u>1,338,028</u>
Total Revenues	<u>\$ 15,117,876</u>	<u>\$ 13,387,717</u>	<u>\$ 1,730,159</u>

Expenditures of the General Fund were \$13,685,277. Instructional expenditures were \$7,366,606, expenses for support services were \$6,243,535, expenses for debt service were \$11,689 and capital expenditures totaled \$63,447 for the fiscal year ended June 30, 2024.

	Fiscal Year Ended <u>6/30/2024</u>	Fiscal Year Ended <u>6/30/2023</u>	Amount of Increase (Decrease)
Instruction	\$ 7,366,606	\$ 6,530,152	\$ 836,454
Support Services	6,243,535	5,958,829	284,706
Debt Service	11,689	24,462	(12,773)
Capital Outlay	<u>63,447</u>	<u>21,784</u>	<u>41,663</u>
Total Expenditures	<u>\$ 13,685,277</u>	<u>\$ 12,535,227</u>	<u>\$ 1,150,050</u>

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the school in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$2,803,638 for the fiscal year ended June 30, 2024. State sources amounted to \$253,201, federal sources totaled \$2,516,206 and local sources were \$34,231.

Expenditures of the Special Revenue Fund were \$2,802,211. Instructional expenditures were \$1,478,420 expenses for support services were \$59,688 and capital expenditures totaled \$1,264,103 for the fiscal year ended June 30, 2024.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

Proprietary Funds

The School maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The School uses Enterprise Funds to report activities related to the Food Services program and the Before and After Care program. The School's Enterprise Fund provides the same type of information found in the school-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the School's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2023 encumbrances.

CAPITAL ASSETS

The School's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$1,977,713 and \$786,388 (net of accumulated depreciation), respectively. The capital assets consist of construction in progress, leasehold improvements and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$140,960 for governmental activities and \$7,028 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

Table A-4
Capital Assets
(net of depreciation) at June 30

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Construction in Progress	\$ 1,067,407		\$ 11,763		\$ 1,079,170	
Leasehold Improvements	1,058,401	\$ 862,518			1,058,401	\$ 862,518
Furniture and Equipment	<u>1,387,096</u>	<u>1,322,836</u>	<u>192,608</u>	<u>\$ 192,608</u>	<u>1,579,704</u>	<u>1,515,444</u>
Total	3,512,904	2,185,354	204,371	192,608	3,717,275	2,377,962
Less: Accumulated Depreciation	<u>(1,612,490)</u>	<u>(1,471,530)</u>	<u>(127,072)</u>	<u>(120,044)</u>	<u>(1,739,562)</u>	<u>(1,591,574)</u>
Total	<u>\$ 1,900,414</u>	<u>\$ 713,824</u>	<u>\$ 77,299</u>	<u>\$ 72,564</u>	<u>\$ 1,977,713</u>	<u>\$ 786,388</u>

Additional information on the School's capital assets are presented in the Notes to the Financial Statements.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2024, the School's long-term liabilities consisted of the net pension liability of \$3,503,673. This is in comparison to long-term liabilities at June 30, 2023 of \$3,119,639 or an increase of \$384,034.

Table A-7
Long-Term Debt
Outstanding Long-Term Liabilities

	<u>2024</u>	<u>2023</u>
Capital Financing Agreements Payable		\$ 11,329
Other Financing Agreements Payable		
Net Pension Liability	<u>\$ 3,503,673</u>	<u>3,108,310</u>
Total	<u>\$ 3,503,673</u>	<u>\$ 3,119,639</u>

Additional information on the School's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the School's administration during the process of developing the fiscal year 2024-2024 budget. The primary factors were the School's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board of Trustees, vendors and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Robert Treat Academy Charter School, Inc., 443 Clifton Ave. Newark, NJ 07104.

BASIC FINANCIAL STATEMENTS

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 3,727,293	\$ 738,654	\$ 4,465,947
Receivables, net			
Receivables from Other Governments	2,347,263	37,944	2,385,207
Other	143,757	405	144,162
Inventory		2,060	2,060
Restricted			
Cash With Escrow Agent	75,059		75,059
Capital Assets:			
Capital Assets Not Being Depreciated	1,067,407	11,763	1,079,170
Capital Assets Being Depreciated, net of depreciation	<u>833,007</u>	<u>65,536</u>	<u>898,543</u>
 Total Assets	 <u>8,193,786</u>	 <u>856,362</u>	 <u>9,050,148</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows on Net Pension Liability	<u>763,857</u>	<u>-</u>	<u>763,857</u>
 Total Deferred Outflows of Resources	 <u>763,857</u>	 <u>-</u>	 <u>763,857</u>
 Total Assets and Deferred Outflows of Resources	 <u>8,957,643</u>	 <u>856,362</u>	 <u>9,814,005</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	768,897	11,763	780,660
Unearned Revenue	1,280,455	2,999	1,283,454
Noncurrent Liabilities			
Due beyond one year	<u>3,503,673</u>	<u>-</u>	<u>3,503,673</u>
 Total Liabilities	 <u>5,553,025</u>	 <u>14,762</u>	 <u>5,567,787</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Net Pension Liability	531,904		531,904
Deferred Commodities Revenue	<u>-</u>	<u>2,060</u>	<u>2,060</u>
 Total Deferred Inflows of Resources	 <u>531,904</u>	 <u>2,060</u>	 <u>533,964</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>6,084,929</u>	 <u>16,822</u>	 <u>6,101,751</u>
NET POSITION			
Investment in Capital Assets	1,900,414	77,299	1,977,713
Restricted for:			
Other Purposes	79,434		79,434
Unrestricted	<u>892,866</u>	<u>762,241</u>	<u>1,655,107</u>
 Total Net Position	 <u>\$ 2,872,714</u>	 <u>\$ 839,540</u>	 <u>\$ 3,712,254</u>

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

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 6,739,714		\$ 1,969,914		\$ (4,769,800)		\$ (4,769,800)
Special Education	640,260		572,694		(67,566)		(67,566)
Other Instruction	1,113,616		869,544		(244,072)		(244,072)
School Sponsored Activities	156,192	\$ 26,887	1,911		(127,394)		(127,394)
Support Services							
Student and Instruction Related Services	1,227,692		197,250		(1,030,442)		(1,030,442)
General Administrative Services	305,396				(305,396)		(305,396)
School Administrative Services	1,240,896		141,420		(1,099,476)		(1,099,476)
Central Services	326,719		16,080		(310,639)		(310,639)
Admin. Info Tech Services	324,903		20,952		(303,951)		(303,951)
Plant Operations and Maintenance	2,884,575		38,120	\$ 1,264,103	(1,582,352)	-	(1,582,352)
Pupil Transportation	62,698				(62,698)	-	(62,698)
Interest on Debt	360	-	-	-	(360)	-	(360)
Total Governmental Activities	15,023,021	26,887	3,827,885	1,264,103	(9,904,146)	-	(9,904,146)
Business-Type Activities							
Food Service	730,827	115,897	631,077	-	-	\$ 16,147	16,147
Before and After Care	175,672	214,127	-	-	-	38,455	38,455
Total Business-Type Activities	906,499	330,024	631,077	-	-	54,602	54,602
Total Primary Government	\$ 15,929,520	\$ 356,911	\$ 4,458,962	\$ 1,264,103	(9,904,146)	54,602	(9,849,544)
General Revenues							
Local Levy - Charter School Aid					1,601,711		1,601,711
State Aid - Unrestricted					10,680,987		10,680,987
Miscellaneous Income					426,265		426,265
Transfers					(117,360)	117,360	-
Total General Revenues					12,591,603	117,360	12,708,963
Change in Net Position					2,687,457	171,962	2,859,419
Net Position, Beginning of Year					185,257	667,578	852,835
Net Position, End of Year					\$ 2,872,714	\$ 839,540	\$ 3,712,254

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

FUND FINANCIAL STATEMENTS

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 3,722,859	\$ 4,434	\$ 3,727,293
Receivables			
Intergovernmental	97,801	2,249,462	2,347,263
Other	133,757	10,000	143,757
Due from Other Funds	767,720		767,720
Restricted Assets			
Cash With Escrow Agent	75,059	-	75,059
	<u>4,797,196</u>	<u>2,263,896</u>	<u>7,061,092</u>
Total Assets	\$ 4,797,196	\$ 2,263,896	\$ 7,061,092
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 400,608	\$ 211,287	\$ 611,895
Payable to Other Governments	123,306		123,306
Payroll Deduction and Withholding	33,696		33,696
Due to Other Funds		767,720	767,720
Unearned Revenue	-	1,280,455	1,280,455
	<u>557,610</u>	<u>2,259,462</u>	<u>2,817,072</u>
Total Liabilities	557,610	2,259,462	2,817,072
Fund Balances			
Restricted Fund Balance			
Charter School Escrow Reserve	75,000		75,000
Student Activities		4,434	4,434
Assigned			
Year End Encumbrances	54,226		54,226
Unassigned Fund Balance	4,110,360	-	4,110,360
	<u>4,239,586</u>	<u>4,434</u>	<u>4,244,020</u>
Total Fund Balances	4,239,586	4,434	4,244,020
Total Liabilities and Fund Balances	\$ 4,797,196	\$ 2,263,896	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,512,904, and the accumulated depreciation is \$1,612,490. 1,900,414

Certain amounts resulting from the calculation of liabilities are reported as deferred outflows and deferred inflows of resources on the statement of net position and amortized over future years. (See Note 2A) 231,953

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2B) (3,503,673)

Net position of governmental activities \$ 2,872,714

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

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local Sources			
Local Levy Aid	\$ 1,601,711		\$ 1,601,711
Interest	172,501		172,501
Miscellaneous	253,764	\$ 34,231	287,995
Total - Local Sources	2,027,976	34,231	2,062,207
State Sources	13,089,900	253,201	13,343,101
Federal Sources	-	2,516,206	2,516,206
Total Revenues	15,117,876	2,803,638	17,921,514
EXPENDITURES			
Current			
Instruction			
Regular Instruction	6,230,240	639,692	6,869,932
Special Education Instruction	491,913	168,470	660,383
Other Special Instruction	513,952	644,798	1,158,750
School Sponsored Activities and Athletics/Other	130,501	25,460	155,961
Support Services and Undistributed Costs			
Student and Instruction Related Services	1,172,885	59,688	1,232,573
General Administrative Services	305,396		305,396
School Administrative Services	1,247,091		1,247,091
Central Services	324,775		324,775
Administrative Info. Tech	322,370		322,370
Plant Operations and Maintenance	2,808,320		2,808,320
Student Transportation	62,698		62,698
Debt Service			
Principal	11,329		11,329
Interest	360		360
Capital Outlay	63,447	1,264,103	1,327,550
Total Expenditures	13,685,277	2,802,211	16,487,488
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,432,599	1,427	1,434,026
OTHER FINANCING SOURCES(USES)			
Transfers Out	(117,360)	-	(117,360)
Total Other Financing Sources and Uses	(117,360)	-	(117,360)
Net Changes in Fund Balances	1,315,239	1,427	1,316,666
Fund Balance, Beginning of Year	2,924,347	3,007	2,927,354
Fund Balance, End of Year	\$ 4,239,586	\$ 4,434	\$ 4,244,020

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

EXHIBIT B-3

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE CHARTER-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 1,316,666

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay expenditures exceeds depreciation expense in the current period.

Capital Outlay	\$ 1,327,550	
Depreciation Expense	<u>(140,960)</u>	
		1,186,590

In the statement of activities, a certain operating expense - pension expense - is measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial sources (used) paid:

Decrease in Pension Expense	172,872
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities

Leases Purchase Agreements	<u>11,329</u>
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Change in net position of governmental activities (Exhibit A-2)	<u><u>\$ 2,687,457</u></u>
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ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Before and After Care</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash	\$ 700,604	\$ 38,050	\$ 738,654
Intergovernmental Receivable			
State	1,546		1,546
Federal	36,398		36,398
Other Accounts Receivable		405	405
Inventories	<u>2,060</u>	<u>-</u>	<u>2,060</u>
Total Current Assets	<u>740,608</u>	<u>38,455</u>	<u>779,063</u>
Capital Assets			
Equipment	192,608		192,608
Construction in Progress	11,763		11,763
Less: Accumulated Depreciation	<u>(127,072)</u>	<u>-</u>	<u>(127,072)</u>
Total Capital Assets	<u>77,299</u>	<u>-</u>	<u>77,299</u>
Total Assets	<u>817,907</u>	<u>38,455</u>	<u>856,362</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	11,763		11,763
Unearned Revenue	<u>2,999</u>	<u>-</u>	<u>2,999</u>
Total Current Liabilities	<u>14,762</u>	<u>-</u>	<u>14,762</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	<u>2,060</u>	<u>-</u>	<u>2,060</u>
Total Liabilities and Deferred Inflows of Resources	<u>16,822</u>	<u>-</u>	<u>16,822</u>
NET POSITION			
Invested in Capital Assets	77,299		77,299
Unrestricted	<u>723,786</u>	<u>38,455</u>	<u>762,241</u>
Total Net Position	<u>\$ 801,085</u>	<u>\$ 38,455</u>	<u>\$ 839,540</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After Care</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 113,875		\$ 113,875
Daily Sales - Non-Reimbursable Programs	2,022		2,022
Program Fees	-	\$ 214,127	214,127
	<u>115,897</u>	<u>214,127</u>	<u>330,024</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries and Benefits	209,920	175,372	385,292
Cost of Sales - Reimbursable Programs	389,006		389,006
Cost of Sales - Non-Reimbursable Programs	1,316		1,316
Management Fee	34,200		34,200
Purchased Professional & Technical Services	84,277		84,277
Supplies and Materials	448		448
Depreciation Expense	7,028		7,028
Miscellaneous	4,632	300	4,932
	<u>730,827</u>	<u>175,672</u>	<u>906,499</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(614,930)</u>	<u>38,455</u>	<u>(576,475)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	17,742		17,742
State School Breakfast Program	1,920		1,920
After the Bell Program	2,281		2,281
Federal Sources			
National Lunch Program	358,490		358,490
School Breakfast Program	53,160		53,160
Snack Program	119,787		119,787
Supply Chain Assistance	20,556		20,556
Food Distribution Program	57,141	-	57,141
	<u>631,077</u>	<u>-</u>	<u>631,077</u>
Total Nonoperating Revenues			
Transfers In	<u>117,360</u>	<u>-</u>	<u>117,360</u>
Change in Net Position	133,507	38,455	171,962
Net Position, Beginning of Year	<u>667,578</u>	<u>-</u>	<u>667,578</u>
Net Position, End of Year	<u>\$ 801,085</u>	<u>\$ 38,455</u>	<u>\$ 839,540</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Before and After Care</u>	<u>Total</u>
Cash Flows from Operating Activities			
Cash Received from Customers and Other Operating Activities	\$ 114,930	213,722	\$ 328,652
Cash Payments for Employees - Salaries and Benefits	(209,920)	(175,372)	(385,292)
Cash Payments to Suppliers for Goods and Services	(450,193)	\$ (300)	(450,493)
Net Cash (Used For) by Operating Activities	(545,183)	38,050	(507,133)
Cash Flows from Noncapital Financing Activities			
Cash Received from State, Federal and Local Subsidy Reimbursements	576,850		576,850
Transfers from/(to) Other Funds	117,360	-	117,360
Net Cash Provided by Noncapital Financing Activities	694,210	-	694,210
Net Increase in Cash and Cash Equivalents	149,027	38,050	187,077
Cash, Beginning of Year	551,577	-	551,577
Cash, End of Year	<u>\$ 700,604</u>	<u>\$ 38,050</u>	<u>\$ 738,654</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (614,930)	\$ 38,455	\$ (576,475)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used For) by Operating Activities			
Depreciation Expense	7,028		7,028
Non-Cash Federal Assistance-Food Distribution Program	57,141		57,141
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Inventory	7,106		7,106
Increase/(Decrease) in Unearned Revenue	(967)		(967)
(Increase)/Decrease in Accounts Receivable		(405)	(405)
Increase/(Decrease) in Deferred Commodities Revenue	(561)	-	(561)
Total Adjustments	69,747	(405)	69,342
Net Cash (Used) by Operating Activities	<u>\$ (545,183)</u>	<u>\$ 38,050</u>	<u>\$ (507,133)</u>
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 56,580		\$ 56,580
Purchase of Capital Assets on Account	11,763		11,763

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO THE FINANCIAL STATEMENTS

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Robert Treat Academy Charter School, Inc. (the “Board” or the “School”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine trustees who each serve three year terms and is responsible for the fiscal control of the School. A Chief School Administrator is appointed by the Board and is responsible for the administrative control of the School. A School Business Administrator/School Secretary is also appointed by the Board and oversees the business functions of the School. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Kindergarten through grade eight (8) school.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Chief School Administrator is responsible for general supervision of all schools, planning and operational functions of the School. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Chief School Administrator to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School are not misleading. The primary government consists of all funds, departments and agencies that are not legally separate from the School. For the Robert Treat Academy Charter School, Inc. this includes general operations, food service, before and after school child care and student related activities of the School.

Component units are legally separate organizations for which the School is financially accountable. The School is financially accountable for an organization if the School appoints a voting majority of the organization’s governing Board and (1) the School is able to significantly influence the programs or services performed or provided by the organization; or (2) the School is legally entitled to or can otherwise access the organization’s resources; the School is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School in that the School approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the School has no component units. Furthermore, the School is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

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

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

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school School's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school to school, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

C. Basis of Presentation - Financial Statements

The financial statements include both school-wide financial statements (based on the School as a whole) and fund financial statements (based on specific School activities or objectives). Both the school-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate school-wide and fund financial statements are presented, they are interrelated. In the school-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the School's enterprise funds. Fiduciary funds are excluded from the school-wide financial statements. Currently the School has no fiduciary funds.

School-Wide Financial Statements

The school-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by legal levy aid and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school's, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Local levy aid, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the school-wide financial statements. Exceptions to this general rule are charges between the School's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the school-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The School considers all of its governmental and enterprise funds to be major funds.

The School reports the following major governmental funds:

The *general fund* is the School's primary operating fund. It accounts for all financial resources of the School, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The School reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

The *before and after care fund* accounts for the activities of the School's extended before and after school program which provides child care and remediation services for school students.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the school-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The school-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Local levy aid is recognized as revenues in the year for which it is budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

Local levy aid, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the School.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash, Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. *Receivables*

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. *Inventories*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state regulations.

5. *Capital Assets*

Capital assets, which include leasehold improvements and equipment, are reported in the applicable governmental or business-type activities columns in the school-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The School was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the School constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Construction in progress are not depreciated. The other property, plant, and equipment of the School is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Leasehold Improvements	7-15
Furniture	7-10
Office and Computer Equipment	5-10
Other Equipment	5-20

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the School-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial 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 School has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the School-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item which arises only under the accrual basis of accounting that qualifies for reporting in this category is the deferred commodities revenue, reported in both the School-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

7. Pensions

In the school-wide financial statements and proprietary fund types in the fund financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the School by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the School-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

9. Long-Term Obligations

In the school-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

10. Net Position/Fund Balance

School-Wide Statements

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

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the School's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the School is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Charter School Escrow Reserve – This restriction was created in accordance with New Jersey Department of Education in Paragraph 2.17 of the Charter School Agreement to be utilized in the event of dissolution of the Charter.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue fund types), it is the School's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

11. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The School itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The School has no committed fund balances at year end.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

11. Fund Balance Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the School for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the school-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all local levy aid, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Local Levy Aid and State Aid

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

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

3. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the School for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for School employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the School for School employees enrolled in the TPAF retirement system.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the before and after care enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 RECONCILIATION OF SCHOOL-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the school-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the school-wide statement of net position. One element of that reconciliation explains that “deferred outflows and inflows related to net pension liability are amortized over future years and therefore are not reported in the funds.” The details of this \$231,953 difference are as follows:

Deferred Outflows on Net Pension Liability	\$ 763,857
Deferred Inflows on Net Pension Liability	<u>(531,904)</u>
Net adjustment to fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 231,953</u>

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the school-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including the net position liabilities, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(3,503,673) difference are as follows:

Net Pension Liability	<u>\$ (3,503,673)</u>
Net adjustment to fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (3,503,673)</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the School annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds.

Budget adoptions and amendments are recorded in the School's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$137,349 and decreased the special revenue fund by \$53,072. The increases in General Fund were funded by the additional appropriation of unassigned fund balance and the reappropriation of prior year General Fund encumbrances. Reduced grant awards and appropriated student activity revenues had a net affect to reduce the appropriations in the Special Revenue Fund. During the fiscal year the Board authorized and approved additional fund balance appropriations of unassigned fund balance of \$117,360 from the general fund.

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned 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 which are reappropriated and honored during the subsequent fiscal year.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The School's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The School is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the School's deposits was \$4,541,006 and bank and brokerage firm balances of the Board's deposits amounted to \$4,905,692. The School's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 4,862,839
Uninsured and Uncollateralized	<u>42,853</u>
	<u><u>\$ 4,905,692</u></u>

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The School does not have a policy for custodial credit risk. As of June 30, 2024 the School's bank balance of \$42,853 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in
the Board's name

\$ 42,853

Investments

The School 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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school or bonds or other obligations of the local unit or units within which the school is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school Schools, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school Schools; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

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

B. Receivables

Receivables as of June 30, 2024 for the School's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service Enterprise Fund</u>	<u>Before and After Care Enterprise Fund</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 2,249,462	\$ 36,398		\$ 2,285,860
State	\$ 9,618		1,546		11,164
Local	88,183	10,000			98,183
Other	<u>133,757</u>	<u>-</u>	<u>7,645</u>	\$ 29,924	<u>171,326</u>
Gross Receivables	231,558	2,259,462	45,589	29,924	2,566,533
Less: Allowance for					
Uncollectibles	<u>-</u>	<u>-</u>	<u>7,645</u>	<u>29,519</u>	<u>37,164</u>
Net Total Receivables	<u>\$ 231,558</u>	<u>\$ 2,259,462</u>	<u>\$ 37,944</u>	<u>\$ 405</u>	<u>\$ 2,529,369</u>

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 15,449
Grant Drawdowns Reserved for Encumbrances	<u>1,265,006</u>
Total Unearned Revenue for Governmental Funds	<u><u>\$ 1,280,455</u></u>

D. Capital Assets

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

	<u>Balance,</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>June 30, 2024</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in Progress	<u>-</u>	<u>\$ 1,067,407</u>	<u>-</u>	<u>\$ 1,067,407</u>
Total capital assets, not being depreciated	<u>-</u>	<u>1,067,407</u>	<u>-</u>	<u>1,067,407</u>
Capital assets, being depreciated:				
Leashold Improvements	\$ 862,518	195,883		1,058,401
Furniture and equipment	<u>1,322,836</u>	<u>64,260</u>	<u>-</u>	<u>1,387,096</u>
Total capital assets being depreciated	<u>2,185,354</u>	<u>260,143</u>	<u>-</u>	<u>2,445,497</u>
Less accumulated depreciation for:				
Leashold Improvements	(407,094)	(69,151)		(476,245)
Furniture and equipment	<u>(1,064,436)</u>	<u>(71,809)</u>	<u>-</u>	<u>(1,136,245)</u>
Total accumulated depreciation	<u>(1,471,530)</u>	<u>(140,960)</u>	<u>-</u>	<u>(1,612,490)</u>
Total capital assets, being depreciated, net	<u>713,824</u>	<u>119,183</u>	<u>-</u>	<u>833,007</u>
Governmental activities capital assets, net	<u><u>\$ 713,824</u></u>	<u><u>\$ 1,186,590</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,900,414</u></u>

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2023	Increases	Decreases	Balance, June 30, 2024
Business-type activities:				
Capital assets, not being depreciated:				
Construction in Progress	-	\$ 11,763	-	\$ 11,763
Total capital assets, not being depreciated	-	11,763	-	11,763
Capital assets, being depreciated:				
Equipment	\$ 192,608	-	-	192,608
Total capital assets being depreciated	192,608	-	-	192,608
Less accumulated depreciation for:				
Machinery and equipment	(120,044)	(7,028)	-	(127,072)
Total accumulated depreciation	(120,044)	(7,028)	-	(127,072)
Total capital assets, being depreciated, net	72,564	(7,028)	-	65,536
Business-type activities capital assets, net	\$ 72,564	\$ 4,735	\$ -	\$ 77,299

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

Governmental Activities:	
Instruction	
Regular Instruction	\$ 46,778
Total Instruction	46,778
Support Services	
Student and Instruction Related Services	13,808
School Administration	8,727
Plant Operations and Maintenance of Plant	71,647
Total Support Services	94,182
Total depreciation expense - governmental activities	\$ 140,960
Business-Type Activities:	
Food Service	\$ 7,028

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 767,720
		<u>\$ 767,720</u>

The above balance is to cover cash balances which were in an overdraft position.

The School expects all interfund balances to be liquidated within one year.

Interfund Transfers

<u>Transfer To:</u>	<u>Transfer From:</u>	<u>Amount</u>
Food Service	General Fund	\$ 117,360
		<u>\$ 117,360</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

F. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	<u>Balance, July 1, 2023</u>	<u>Increases</u>	<u>Reductions</u>	<u>Balance, June 30, 2024</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital Financing Agreements	\$ 11,329		\$ 11,329		
Net Pension Liability	<u>3,108,310</u>	<u>\$ 718,660</u>	<u>323,297</u>	<u>\$ 3,503,673</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 3,119,639</u>	<u>\$ 718,660</u>	<u>\$ 334,626</u>	<u>\$ 3,503,673</u>	<u>\$ -</u>

For the governmental activities, the liabilities for the net pension liability are generally liquidated by the general fund.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION

A. Risk Management

The School is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The School has obtained insurance coverage to guard against these events to minimize the exposure to the School should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The School is a member of the New Jersey School Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various insurance claims.

The relationship between the School and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The School is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

B. Contingent Liabilities

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

Federal and State Awards – The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the School.

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested 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.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits ("Division"), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower Retirement (formerly Prudential) is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2024.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2024 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the School was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>		<u>PERS</u>	<u>On-Behalf</u> <u>TPAF</u>
2024	\$	323,297	\$ 1,165,034
2023		259,733	1,249,273
2022		264,432	1,270,599

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$713, \$771 and \$810, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the School-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$253,111 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the School-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

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

At June 30, 2024, the School reported in the statement of net position (accrual basis) a liability of \$3,503,673 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The School's proportionate share of the net pension liability was based on the ratio of the School's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the School's proportionate share was .02419 percent, which was an increase of .00359 percent from its proportionate share measured as of June 30, 2022 of .02060 percent.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the School recognized in the school-wide statement of activities (accrual basis) pension expense/(benefit) of \$150,425 for PERS. The pension contribution made by the School during the current 2023/2024 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 33,500	\$ 14,322
Changes of Assumptions	7,697	212,338
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	16,135	
Changes in Proportion and Differences Between School Contributions and Proportionate Share of Contributions	<u>706,525</u>	<u>305,244</u>
Total	<u>\$ 763,857</u>	<u>\$ 531,904</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2025	\$ (128,245)
2026	30,475
2027	233,366
2028	86,870
2029	9,487
Thereafter	<u>-</u>
	<u>\$ 231,953</u>

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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 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.

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 the 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>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS 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 Net Pension Liability

The following presents the School’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the School’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
School's Proportionate Share of the PERS Net Pension Liability	<u>\$ 4,561,037</u>	<u>\$ 3,503,673</u>	<u>\$ 2,603,717</u>

The sensitivity analysis was based on the proportionate share of the School’s net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the School’s net pension liability at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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. For the fiscal year ended June 30, 2023, the State's pension contribution was more than the actuarial determined amount.

In accordance with GASB No. 68, the School is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the School. Accordingly, the School's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the School for TPAF. Therefore, in addition, the School does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2024, the School recognized in the School-wide statement of activities (accrual basis) pension expense of \$377,883 for TPAF. This amount has been included in the School-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the School is \$15,381,695. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the School adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the School was .03014 percent, which was a decrease of .0003 percent from its proportionate share measured as of June 30, 2022 of .03044 percent.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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.

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the TPAF'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>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

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

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the School calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the School that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the School	<u>\$ 18,137,810</u>	<u>\$ 15,381,695</u>	<u>\$ 13,060,391</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the School as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the School at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

D. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school Schools.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school employees, including those Board employees and retirees eligible for coverage.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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 State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School for the fiscal years ended June 30, 2024, 2023 and 2022 were \$317,080, \$328,181 and \$296,863, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the School is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the School. Accordingly, the School's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the School. Therefore, in addition, the School does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2024, the School recognized in the School-wide statement of activities (accrual basis) OPEB expense of \$1,010,555. This amount has been included in the School-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the OPEB liability attributable to the School is \$11,478,176. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the School at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the School was .02192 percent, which was an increase of .00072 percent from its proportionate share measured as of June 30, 2022 of .02120 percent.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

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

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) 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 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period 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 4.5% 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%.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the School for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 10,735,453
Changes Recognized for the Fiscal Year:	
Service Cost	885,285
Interest on the Total OPEB Liability	404,247
Differences Between Expected and Actual Experience	(265,186)
Changes of Assumptions	23,135
Gross Benefit Payments	(315,117)
Contributions from the Member	10,359
Net Changes	\$ 742,723
Balance, June 30, 2023 Measurement Date	\$ 11,478,176

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the School at June 30, 2023.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

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

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the School	<u>\$ 13,456,191</u>	<u>\$ 11,478,176</u>	<u>\$ 9,890,060</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the School calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the School	<u>\$ 9,528,656</u>	<u>\$ 11,478,176</u>	<u>\$ 14,029,128</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the School at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the School at June 30, 2023 were not provided by the pension system.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 6 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the School have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the School's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School.

The School has been awarded a total of \$5,526,821 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Levy - Charter School Aid - Local Share	\$ 1,551,440	\$ 50,271	\$ 1,601,711	\$ 1,601,711	
Interest	50,000	-	50,000	172,501	\$ 122,501
Miscellaneous	72,000	-	72,000	253,764	181,764
Total Local Sources	1,673,440	50,271	1,723,711	2,027,976	304,265
State Sources					
Equalization Aid	10,497,236	216,644	10,713,880	10,680,987	(32,893)
Special Education Categorical Aid	292,106	11,914	304,020	304,020	-
Security Aid	356,571	12,384	368,955	368,955	-
On-behalf TPAF Pension - Normal Contribution (Non-Budgeted)				1,151,897	1,151,897
On-behalf TPAF Pension - Non-Contributory Insurance (Non-Budgeted)				13,137	13,137
On-behalf TPAF - Post Retirement Medical Contributions (Non-Budgeted)				317,080	317,080
On-behalf TPAF- Long-Term Disability Insurance (Non-Budgeted)				713	713
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	253,111	253,111
Total State Sources	11,145,913	240,942	11,386,855	13,089,900	1,703,045
Total Revenues	12,819,353	291,213	13,110,566	15,117,876	2,007,310
EXPENDITURES					
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	183,159	-	183,159	181,621	1,538
Grades 1-5 - Salaries of Teachers	1,673,628	(152,300)	1,521,328	1,475,069	46,259
Grades 6-8 Salaries of Teachers	1,092,258	38,000	1,130,258	1,129,590	668
Regular Programs - Home Instruction					
Purchased Professional - Educational Services	24,350	-	24,350	10,051	14,299
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	531,087	2,000	533,087	532,638	449
Purchased Technical Services	262,969	(53,844)	209,125	178,387	30,738
General Supplies	411,639	(34,860)	376,779	374,876	1,903
Textbooks	233,292	45,000	278,292	272,697	5,595
Total Regular Programs - Instruction	4,412,382	(156,004)	4,256,378	4,154,929	101,449
Special Education					
Resource Room/Resource Center					
Salaries of Teachers	148,087	117,000	265,087	248,780	16,307
General Supplies	-	500	500	456	44
Total Resource Room/Resource Center	148,087	117,500	265,587	249,236	16,351
Total Special Education - Instruction	148,087	117,500	265,587	249,236	16,351
Bilingual Education					
Salaries of Teachers	-	14,000	14,000	10,550	3,450
Total Bilingual Education	-	14,000	14,000	10,550	3,450

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Before and After School Programs					
Salaries of Teachers	\$ 309,212	\$ 38,000	\$ 347,212	\$ 179,757	\$ 167,455
Other Objects	-	-	-	-	-
Total Before and After School Programs	309,212	38,000	347,212	179,757	167,455
School-Spon. Cocurricular/Extracurricular Activities					
Purchased Services	20,000	44,000	64,000	50,577	13,423
Other Objects	5,000	30,000	35,000	33,686	1,314
Total School-Spon. Cocurricular/Extracurricular Activities	25,000	74,000	99,000	84,263	14,737
School-Spon. Athletics					
Salaries	12,800	26,900	39,700	20,400	19,300
Supplies and Materials	14,500	(4,480)	10,020	6,662	3,358
Other Objects	3,026	7,940	10,966	8,403	2,563
Total School-Spon. Athletics	30,326	30,360	60,686	35,465	25,221
Total Instruction	4,925,007	117,856	5,042,863	4,714,200	328,663
Undist. Expend. - Instruction					
Tuition to Other LEAs within State - Specail	-	56,700	56,700	56,434	266
Total Undist. Expend. - Instruction	-	56,700	56,700	56,434	266
Undist. Expend. - Health Services					
Salaries	162,158	-	162,158	142,342	19,816
Purchased Professional and Technical Services	14,760	-	14,760	6,500	8,260
Supplies and Materials	9,000	-	9,000	6,893	2,107
Total Undist. Expend. - Health Services	185,918	-	185,918	155,735	30,183
Undist. Expend. - Speech, OT, PT & Related Svcs					
Salaries	123,000	-	123,000	89,560	33,440
Purchased Professional - Educational Services	71,380	-	71,380	40,580	30,800
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. - Speech, OT, PT & Related Svcs	194,380	-	194,380	130,140	64,240
Other Support Svc - Extraordinary Svcs.					
Salaries - Other Professional Staff	95,000	19,000	114,000	113,031	969
Purchased Professional - Educational Services	-	-	-	-	-
Total Other Support Svc - Extraordinary Svcs.	95,000	19,000	114,000	113,031	969
Guidance					
Salaries - Other Professional Staff	-	11,300	11,300	11,261	39
Total Guidance	-	11,300	11,300	11,261	39
Child Study Team					
Salaries - Other Professional Staff	221,905	43,000	264,905	264,278	627
Other Purchased Services	13,340	17,700	31,040	15,325	15,715
Supplies and Materials	55,000	(45,046)	9,954	5,401	4,553
Total Child Study Team	290,245	15,654	305,899	285,004	20,895
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	145,000	(47,000)	98,000	64,661	33,339
Total Undist. Expend. - Improvement of Inst. Serv	145,000	(47,000)	98,000	64,661	33,339

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undist. Expend. - Instructional Staff Training Serv					
Other Purchased Professional and Technical Services	\$ 42,400	\$ (5,000)	\$ 37,400	\$ 30,375	\$ 7,025
Other Purchased Services	10,000	-	10,000	207	9,793
Total Undist. Expend. - Instructional Staff Training	52,400	(5,000)	47,400	30,582	16,818
Undist. Expend. - Supp Serv. General Admin.					
Legal Services	77,000	-	77,000	57,614	19,386
Audit Fees	45,500	-	45,500	41,921	3,579
Other Purchased Professional Services	66,200	(22,700)	43,500	37,417	6,083
Purchased Technical Services	24,500	27,100	51,600	47,072	4,528
Communications/Telephone	79,880	-	79,880	79,343	537
General Supplies	16,850	10,000	26,850	24,354	2,496
BOE Membership Dues and Fees	22,817	(5,000)	17,817	17,675	142
Total Undist. Expend. - Supp Serv. General Admin	332,747	9,400	342,147	305,396	36,751
Undist. Expend. - School Admin					
Salaries of Principals/Assistant Principals	371,358	-	371,358	365,118	6,240
Salaries of Secretarial and Clerical Assistants	468,848	(15,100)	453,748	447,300	6,448
Total Undist. Expend. - School Admin	840,206	(15,100)	825,106	812,418	12,688
Undist. Expend. - Central Services					
Salaries	171,650	30,100	201,750	201,743	7
Purchased Technical Services	21,674	15,816	37,490	32,387	5,103
Interest on Current Loans	-	-	-	-	-
Total Undist. Expend. - Central Services	193,324	45,916	239,240	234,130	5,110
Undist. Expend. - Admin Info. Technology					
Salaries	223,661	-	223,661	196,858	26,803
Purchased Technical Services	14,050	(2,600)	11,450	4,065	7,385
Supplies and Materials	7,000	100	7,100	3,336	3,764
Total Undist. Expend. - Admin Info. Technology	244,711	(2,500)	242,211	204,259	37,952
Undist. Expend. - Custodial Services					
Salaries	406,938	169,499	576,437	548,837	27,600
Cleaning Repair and Maintenance Services	120,000	133,042	253,042	236,524	16,518
Rental of Land, Building & Other than Lease Purchases	1,263,000	1	1,263,001	1,263,000	1
Insurance	86,751	(22,450)	64,301	63,983	318
General Supplies	65,000	11,829	76,829	67,733	9,096
Energy (Electricity)	210,000	26,800	236,800	229,216	7,584
Other Objects	23,000	12,200	35,200	29,710	5,490
Total Undist. Expend. - Custodial Services	2,174,689	330,921	2,505,610	2,439,003	66,607
Undist. Expend. - Security					
Salaries	158,600	6,100	164,700	164,613	87
Purchased Professional and Technical Services	2,000	-	2,000	-	2,000
Total Undist. Expend. - Security	160,600	6,100	166,700	164,613	2,087
Undist. Expend. - Student Transportation Services					
Contract Services (Other than Between Home & School) -Vendors	43,550	31,434	74,984	62,698	12,286
Other Objects	1,000	-	1,000	-	1,000
Total Undist. Expend. - Student Transportation Services	44,550	31,434	75,984	62,698	13,286

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 315,961	-	\$ 315,961	\$ 264,077	\$ 51,884
Other Retirement Contributions - TPAF	1,000	-	1,000		1,000
Other Retirement Contributions - PERS	313,132	\$ 10,166	323,298	323,297	1
Unemployment Compensation	49,000	(2,100)	46,900	33,456	13,444
Workmen's Compensation	65,176	7,000	72,176	71,441	735
Health Benefits	1,346,307	30,732	1,377,039	1,376,233	806
Other Employee Benefits	50,000	(5,900)	44,100	44,015	85
Total Unallocated Benefits	2,140,576	39,898	2,180,474	2,112,519	67,955
On-behalf TPAF Pension - Normal Contribution (Non-Budgeted)				1,151,897	(1,151,897)
On-behalf TPAF Pension - Non-Contributory Insurance (Non-Budgeted)				13,137	(13,137)
On-behalf TPAF - Post Retirement Medical Contributions (Non-Budgeted)				317,080	(317,080)
On-behalf TPAF- Long-Term Disability Insurance (Non-Budgeted)				713	(713)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	253,111	(253,111)
Total On Behalf Contributions	-	-	-	1,735,938	(1,735,938)
Total Undistributed Expenditures	7,094,346	496,723	7,591,069	8,917,822	(1,326,753)
Total Expenditures - Current Expenditures	12,019,353	614,579	12,633,932	13,632,022	(998,090)
CAPITAL OUTLAY					
Architectural/Engineering Services		37,200	37,200		37,200
Construction Services		71,623	71,623	53,255	18,368
Buildings Other than Lease Purchase Agreements	800,000	(412,200)	387,800	-	387,800
Total Equipment and Construction Services	800,000	(303,377)	496,623	53,255	443,368
Total Capital Outlay	800,000	(303,377)	496,623	53,255	443,368
Total Expenditures	12,819,353	311,202	13,130,555	13,685,277	(554,722)
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	(19,989)	(19,989)	1,432,599	1,452,588
Other Financing Sources/(Uses) Transfer Out - Enterprise Fund	-	(117,360)	(117,360)	(117,360)	-
Total Other Financing Sources/(Uses)	-	(117,360)	(117,360)	(117,360)	-
Net Change in Fund Balance	-	(137,349)	(137,349)	1,315,239	1,452,588
Fund Balance, Beginning of Year	2,924,347	-	2,924,347	2,924,347	-
Fund Balance, End of Year	\$ 2,924,347	\$ (137,349)	\$ 2,786,998	\$ 4,239,586	\$ 1,452,588
Restricted Fund Balance					
Charter School Reserve				\$ 75,000	
Assigned Fund Balance					
Reserve for Encumbrances				54,226	
Unassigned Fund Balance				4,110,360	
Fund Balance Per Governmental Funds				\$ 4,239,586	

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Federal Sources	\$ 3,981,048	\$ (284,072)	\$ 3,696,976	\$ 3,657,096	\$ (39,880)
State Sources	-	207,140	207,140	207,140	-
Miscellaneous	3,600	23,860	27,460	28,887	1,427
Total Revenues	3,984,648	(53,072)	3,931,576	3,893,123	(38,453)
EXPENDITURES					
Instruction					
Salaries for Instruction	526,048	784,629	1,310,677	1,310,495	182
Purchased Professional/Educational Services		2,000	2,000	-	2,000
Co-Curricular Activities	-	25,460	25,460	25,460	-
Total Instruction	526,048	812,089	1,338,137	1,335,955	2,182
Support Services					
Salaries	3,455,000	(3,425,622)	29,378	4,379	24,999
Employee Benefits	-	87,265	87,265	87,265	-
Other Objects		12,699	12,699		
General Supplies	-	-	-	-	-
Total Support Services	3,455,000	(3,325,658)	129,342	91,644	24,999
Facilities Acquisition and Construction Services					
Construction Services	3,600	2,460,497	2,464,097	2,464,097	-
Equipment	-	-	-	-	-
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Const. Services	3,600	2,460,497	2,464,097	2,464,097	-
Total Expenditures/Outflows	3,984,648	(53,072)	3,931,576	3,891,696	27,181
Net Change in Fund Balance	-	-	-	1,427	1,427
Fund Balances, Beginning of Year	-	-	-	3,007	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ 4,434	\$ 1,427
Recapitulation of Fund Balances					
Student Activities				\$ 4,434	

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of 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.

The following presents a reconciliation of the General and Special Revenue Funds 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 the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	(C-1) \$ 15,117,876	(C-2) \$ 3,893,123
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		175,521
Encumbrances, June 30, 2024	-	(1,265,006)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>15,117,876</u>	(B-2) \$ <u>2,803,638</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 13,685,277	(C-2) \$ 3,891,696
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023		175,521
Encumbrances, June 30, 2024	-	(1,265,006)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>13,685,277</u>	(B-2) \$ <u>2,802,211</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
POST-EMPLOYMENT BENEFITS INFORMATION

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years *

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School's Proportion of the Net Position Liability (Asset)	0.02419	0.02060	0.02258 %	0.02028 %	0.02182 %	0.01992 %	0.00892 %	0.00743 %	0.00601 %	0.00575 %
School's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,503,673	\$ 3,108,310	\$ 2,674,878	\$ 3,307,064	\$ 3,930,867	\$ 3,921,661	\$ 4,365,134	\$ 4,381,566	\$ 2,775,000	\$ 2,233,868
School's Covered Payroll	1,897,497	1,645,965	1,521,250	1,498,787	1,054,060	1,368,032	1,369,354	1,100,895	925,548	849,075
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	185%	189%	176%	221%	373%	287%	319%	398%	300%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 323,297	\$ 259,733	\$ 264,432	\$ 221,848	\$ 212,205	\$ 198,115	\$ 173,716	\$ 131,428	\$ 106,280	\$ 98,360
Contributions in Relation to the Contractually Required Contributions	<u>323,297</u>	<u>259,733</u>	<u>264,432</u>	<u>221,848</u>	<u>212,205</u>	<u>198,115</u>	<u>173,716</u>	<u>131,428</u>	<u>106,280</u>	<u>98,360</u>
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School's Covered Payroll	2,261,771	1,897,497	1,645,965	1,521,250	1,498,787	1,054,060	1,368,032	1,369,354	1,100,895	925,548
Contributions as a Percentage of Covered Payroll	14.29%	13.69%	16.07%	14.58%	14.16%	18.80%	12.70%	9.60%	9.65%	10.63%

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

TEACHERS PENSION AND ANNUITY FUND
Last Ten Fiscal Years *

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School's Proportion of the Net Position Liability (Asset)	%	%	%	%	%	%	%	%	%	%
School's Proportionate Share of the Net Pension Liability (Asset)										
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the School	<u>\$15,381,695</u>	<u>\$ 15,702,975</u>	<u>\$ 14,730,020</u>	<u>\$ 19,345,542</u>	<u>\$ 18,600,445</u>	<u>\$ 18,604,640</u>	<u>\$ 21,295,969</u>	<u>\$ 24,195,725</u>	<u>\$ 17,236,202</u>	<u>\$ 14,274,990</u>
Total	\$15,381,695	\$ 15,702,975	\$ 14,730,020	\$ 19,345,542	\$ 18,600,445	\$ 18,604,640	\$ 21,295,969	\$ 24,195,725	\$ 17,236,202	\$ 14,274,990
School's Covered Payroll	3,495,303	3,293,557	3,344,452	3,262,935	3,304,780	3,106,941	3,103,502	2,901,438	3,128,921	3,079,579
School's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.53%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF SCHOOL CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE SCHOOL'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY

Postemployment Health Benefit Plan

Last Seven Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 885,285	\$ 1,246,308	\$ 1,430,498	\$ 796,269	\$ 789,381	\$ 829,861	\$ 1,012,437
Interest on Total OPEB Liability	404,247	284,501	342,140	314,396	348,927	368,139	311,850
Changes of Benefit Terms			(14,038)				
Differences Between Expected and Actual Experiences	(265,186)	(831,839)	(2,777,734)	2,641,318	(1,056,644)	(1,235,111)	
Changes of Assumptions	23,135	(2,879,882)	13,012	2,640,617	123,865	(958,133)	(1,586,381)
Gross Benefit Payments	(315,117)	(281,807)	(269,510)	(251,667)	(255,014)	(223,259)	(221,434)
Contribution from the Member	<u>10,359</u>	<u>9,041</u>	<u>8,747</u>	<u>7,628</u>	<u>7,559</u>	<u>7,716</u>	<u>8,154</u>
Net Change in Total OPEB Liability	<u>742,723</u>	<u>(2,453,678)</u>	<u>(1,266,885)</u>	<u>6,148,561</u>	<u>(41,926)</u>	<u>(1,210,787)</u>	<u>(475,374)</u>
Total OPEB Liability - Beginning	<u>10,735,453</u>	<u>13,189,131</u>	<u>14,456,016</u>	<u>8,307,455</u>	<u>8,349,381</u>	<u>9,560,168</u>	<u>10,035,542</u>
Total OPEB Liability - Ending	<u>\$ 11,478,176</u>	<u>\$ 10,735,453</u>	<u>\$ 13,189,131</u>	<u>\$ 14,456,016</u>	<u>\$ 8,307,455</u>	<u>\$ 8,349,381</u>	<u>\$ 9,560,168</u>
School's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>11,478,176</u>	<u>10,735,453</u>	<u>13,189,131</u>	<u>14,456,016</u>	<u>8,307,455</u>	<u>8,349,381</u>	<u>9,560,168</u>
Total OPEB Liability - Ending	<u>\$ 11,478,176</u>	<u>\$ 10,735,453</u>	<u>\$ 13,189,131</u>	<u>\$ 14,456,016</u>	<u>\$ 8,307,455</u>	<u>\$ 8,349,381</u>	<u>\$ 9,560,168</u>
School's Covered Payroll	<u>\$ 5,392,800</u>	<u>\$ 4,939,522</u>	<u>\$ 4,865,702</u>	<u>\$ 4,761,722</u>	<u>\$ 4,358,840</u>	<u>\$ 4,474,973</u>	<u>\$ 4,472,856</u>
School's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the School will only present information for those years for which information is available.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE SCHOOL'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF SCHOOL PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability
are presented in Note 5.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	IDEA Part B Basic	IDEA Part B Preschool	NCLB Title I	NCLB Title II-A	CRRSA - ESSR II		Total Page - 2	Total 2024
					Mental Health	Learning Accel.		
REVENUES								
Intergovernmental								
Federal	\$ 167,159	\$ 3,723	\$ 644,798	\$ 40,938	\$ 1,967	\$ 19,373	\$ 2,779,138	\$ 3,657,096
State							207,140	207,140
Local	-	-	-	-	-	-	28,887	28,887
Total Revenues	<u>\$ 167,159</u>	<u>\$ 3,723</u>	<u>\$ 644,798</u>	<u>\$ 40,938</u>	<u>\$ 1,967</u>	<u>\$ 19,373</u>	<u>\$ 3,015,165</u>	<u>\$ 3,893,123</u>
EXPENDITURES								
Instruction								
Salaries for Instruction	\$ 108,299		\$ 644,798	\$ 40,938		\$ 19,373	\$ 497,087	\$ 1,310,495
Co-Curricular Activities	-	-	-	-	-	-	25,460	25,460
Total Instruction	<u>108,299</u>	<u>-</u>	<u>644,798</u>	<u>40,938</u>	<u>-</u>	<u>19,373</u>	<u>522,547</u>	<u>1,335,955</u>
Support Services								
Salaries		\$ 2,412			\$ 1,967		-	4,379
Employee Benefits	58,860	1,311					27,094	87,265
General Supplies	-	-	-	-	-	-	-	-
Total Support Services	<u>58,860</u>	<u>3,723</u>	<u>-</u>	<u>-</u>	<u>1,967</u>	<u>-</u>	<u>27,094</u>	<u>91,644</u>
Facilities acquisition and construction services:								
Construction services							2,464,097	2,464,097
Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,464,097</u>	<u>2,464,097</u>
Total Expenditures	<u>167,159</u>	<u>3,723</u>	<u>644,798</u>	<u>40,938</u>	<u>1,967</u>	<u>19,373</u>	<u>3,013,738</u>	<u>3,891,696</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	1,427	1,427
Fund Balance, Beginning of Year	-	-	-	-	-	-	3,007	3,007
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,434</u>	<u>\$ 4,434</u>

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ARP - ESSER III						PS & CS	Total
	<u>ESSER III</u>	<u>Accelerated Learning</u>	<u>Summer Learning</u>	<u>Mental Health</u>	<u>Local Grants</u>	<u>Student Activities</u>	<u>Security Grant</u>	<u>Page 2 2024</u>
REVENUES								
Intergovernmental								
Federal	\$ 2,636,211	\$ 83,109	\$ 14,818	\$ 45,000				\$ 2,779,138
State							\$ 207,140	207,140
Local	-	-	-	-	\$ 2,000	\$ 26,887	-	28,887
Total Revenues	<u>\$ 2,636,211</u>	<u>\$ 83,109</u>	<u>\$ 14,818</u>	<u>\$ 45,000</u>	<u>\$ 2,000</u>	<u>\$ 26,887</u>	<u>\$ 207,140</u>	<u>\$ 3,015,165</u>
EXPENDITURES								
Instruction								
Salaries for Instruction	\$ 354,160	\$ 83,109	\$ 14,818	\$ 45,000				\$ 497,087
Co-Curricular Activities	-	-	-	-	-	\$ 25,460	-	25,460
Total Instruction	<u>354,160</u>	<u>83,109</u>	<u>14,818</u>	<u>45,000</u>	<u>-</u>	<u>25,460</u>	<u>-</u>	<u>522,547</u>
Support Services								
Salaries								-
Employee Benefits	27,094							27,094
General Supplies	-	-	-	-	-	-	-	-
Total Support Services	<u>27,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,094</u>
Facilities acquisition and construction services:								
Construction Services	2,254,957				\$ 2,000		\$ 207,140	2,464,097
Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities acquisition and construction services	<u>2,254,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>207,140</u>	<u>2,464,097</u>
Total Expenditures	<u>2,636,211</u>	<u>83,109</u>	<u>14,818</u>	<u>45,000</u>	<u>2,000</u>	<u>25,460</u>	<u>207,140</u>	<u>3,013,738</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	1,427	-	1,427
Fund Balance, Beginning of Year	-	-	-	-	-	3,007	-	3,007
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,434</u>	<u>\$ -</u>	<u>\$ 4,434</u>

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUND

EXHIBIT G-1

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

EXHIBIT I-1

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF SERIAL BONDS**

THIS SCHEDULE IS NOT APPLICABLE

EXHIBIT I-2

**SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
<u>Capital Financing Agreements</u>						
Copier Lease (2) - 2020/2021	\$ 34,960	6.290%	\$ 11,329	-	\$ 11,329	\$ -
Total Capital Financing Agreements			<u>\$ 11,329</u>	<u>-</u>	<u>\$ 11,329</u>	<u>-</u>

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS SCHEDULE IS NOT APPLICABLE

STATISTICAL SECTION

This part of the Robert Treat Academy Charter School, Inc.'s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity - Not Applicable

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

J-6 to J-9

Debt Capacity - Not Applicable

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

J-10 to J-13

Demographic and Economic Information - Not Applicable

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-21

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

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Invested in capital assets	\$ 458,226	\$ 336,608	\$ 222,412	\$ 454,092	\$ 383,648	\$ 304,522	\$ 354,667	\$ 607,740	\$ 713,824	\$ 1,900,414
Restricted	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	78,007	79,434
Unrestricted (Deficit)	(1,589,064)	(1,639,838)	(1,920,095)	(2,647,913)	(3,268,099)	(3,271,956)	(2,562,486)	(1,805,206)	(606,574)	892,866
Total governmental activities net position	<u>\$ (1,055,838)</u>	<u>\$ (1,228,230)</u>	<u>\$ (1,622,683)</u>	<u>\$ (2,118,821)</u>	<u>\$ (2,809,451)</u>	<u>\$ (2,892,434)</u>	<u>\$ (2,132,819)</u>	<u>\$ (1,122,466)</u>	<u>\$ 185,257</u>	<u>\$ 2,872,714</u>
Business-type activities										
Invested in capital assets	\$ 2,201	\$ 1,320	\$ 117,789	\$ 111,970	\$ 110,736	\$ 90,156	\$ 86,620	\$ 79,592	\$ 72,564	\$ 77,299
Unrestricted		87,843	46,052	114,682	183,565	141,363	176,882	544,526	595,014	762,241
Total business-type activities net position	<u>\$ 2,201</u>	<u>\$ 89,163</u>	<u>\$ 163,841</u>	<u>\$ 226,652</u>	<u>\$ 294,301</u>	<u>\$ 231,519</u>	<u>\$ 263,502</u>	<u>\$ 624,118</u>	<u>\$ 667,578</u>	<u>\$ 839,540</u>
School-wide										
Invested in capital assets	\$ 460,427	\$ 337,928	\$ 340,201	\$ 566,062	\$ 494,384	\$ 394,678	\$ 441,287	\$ 687,332	\$ 786,388	\$ 1,977,713
Restricted	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	78,007	79,434
Unrestricted (Deficit)	(1,589,064)	(1,551,995)	(1,874,043)	(2,533,231)	(3,084,534)	(3,130,593)	(2,385,604)	(1,260,680)	(11,560)	1,655,107
Total school net position	<u>\$ (1,053,637)</u>	<u>\$ (1,139,067)</u>	<u>\$ (1,458,842)</u>	<u>\$ (1,892,169)</u>	<u>\$ (2,515,150)</u>	<u>\$ (2,660,915)</u>	<u>\$ (1,869,317)</u>	<u>\$ (498,348)</u>	<u>\$ 852,835</u>	<u>\$ 3,712,254</u>

Note 1 - Net Position at June 30, 2015 reflects the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2020 was restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities" and a correction of an error for compensated absences liability.

Source: School financial statements

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction	\$ 6,028,461	\$ 6,272,638	\$ 7,199,835	\$ 7,863,199						
Regular Instruction					\$ 7,002,111	\$ 6,141,448	\$ 6,175,646	\$ 6,701,671	\$ 6,981,899	\$ 6,739,714
Special Education					170,645	178,112	190,190	278,063	181,581	640,260
Other Instruction					750,760	344,359	784,491	825,983	940,809	1,113,616
School Sponsored Activities							35,099	89,975	113,403	156,192
Administrative	1,593,117	1,875,598	2,033,720	2,087,608	1,915,802	2,060,038	2,101,607	2,130,295	1,978,995	2,197,914
Support Services	2,927,008	3,168,237	3,536,994	3,963,836	2,226,095	1,699,791	1,465,902	1,146,950	1,286,169	1,227,692
Plant Operation and Maintenance					1,358,568	2,139,971	2,418,637	2,550,999	2,795,526	2,884,575
Pupil Transportation					2,975	94,506		27,207	62,047	62,698
Interest on Debt								1,820	1,110	360
Unallocated Depreciation	149,989	152,017	143,618	102,114						
Total governmental activities expenses	10,698,575	11,468,490	12,914,167	14,016,757	13,426,956	12,658,225	13,171,572	13,752,963	14,341,539	15,023,021
Business-type activities:										
Food Service	249,005	383,723	446,254	445,070	449,865	457,010	206,613	600,160	701,874	730,827
Before and After Care	218,557	213,170	218,576	293,523	332,226	282,132	7,184	13,870		175,672
Total business-type activities expense	467,562	596,893	664,830	738,593	782,091	739,142	213,797	614,030	701,874	906,499
Total school expenses	\$ 11,166,137	\$ 12,065,383	\$ 13,578,997	\$ 14,755,350	\$ 14,209,047	\$ 13,397,367	\$ 13,385,369	\$ 14,366,993	\$ 15,043,413	\$ 15,929,520
Program Revenues										
Governmental activities:										
Charges for Services									\$ 35,122	\$ 26,887
Operating grants and contributions	\$ 1,559,587	\$ 1,898,605	\$ 2,620,762	\$ 3,823,982	\$ 3,384,347	\$ 3,309,301	\$ 4,474,206	\$ 4,905,225	4,450,604	3,827,885
Capital grants and contributions									203,818	1,264,103
Total governmental activities program revenues	1,559,587	1,898,605	2,620,762	3,823,982	3,384,347	3,309,301	4,474,206	4,905,225	4,689,544	5,118,875
Business-type activities:										
Charges for services										
Food service	25,070	85,999	103,073	94,991	114,736	81,958	1,687	773	118,952	115,897
Before and After Care	218,557	213,170	218,576	293,523	186,008	167,136	99	-	175,672	214,127
Operating grants and contributions	218,750	384,686	417,859	412,890	548,996	332,270	236,909	960,003	626,382	631,077
Total business type activities program revenues	462,377	683,855	739,508	801,404	849,740	581,364	238,695	960,776	921,006	961,101
Total school program revenues	\$ 2,021,964	\$ 2,582,460	\$ 3,360,270	\$ 4,625,386	\$ 4,234,087	\$ 3,890,665	\$ 4,712,901	\$ 5,866,001	\$ 5,610,550	\$ 6,079,976
Net (Expense)/Revenue										
Governmental activities	\$ (9,138,988)	\$ (9,569,885)	\$ (10,293,405)	\$ (10,192,775)	\$ (10,042,609)	\$ (9,348,924)	\$ (8,697,366)	\$ (8,847,738)	\$ (9,651,995)	\$ (9,904,146)
Business-type activities	(5,185)	86,962	74,678	62,811	67,649	(157,778)	24,898	346,746	219,132	54,602
Total school-wide net expense	\$ (9,144,173)	\$ (9,482,923)	\$ (10,218,727)	\$ (10,129,964)	\$ (9,974,960)	\$ (9,506,702)	\$ (8,672,468)	\$ (8,500,992)	\$ (9,432,863)	\$ (9,849,544)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Local tax levy aid for general purposes	\$ 1,241,491	\$ 1,273,255	\$ 1,323,693	\$ 1,404,955	\$ 1,358,342	\$ 1,401,314	\$ 1,388,335	\$ 1,451,314	\$ 1,519,113	\$ 1,601,711
Unrestricted grants and contributions	8,016,584	8,113,292	8,572,049	8,286,189	7,988,329	7,960,854	7,971,143	8,154,447	9,323,873	10,680,987
Investment earnings										
Miscellaneous income	33,722	10,946	3,210	5,493	5,308	51,899	104,588	266,200	116,732	426,265
Transfers	(4,304)					(114,996)	(7,085)	(13,870)	-	(117,360)
Total governmental activities	9,287,493	9,397,493	9,898,952	9,696,637	9,351,979	9,299,071	9,456,981	9,858,091	10,959,718	12,591,603
Business-type activities:										
Transfers	4,304					114,996	7,085	13,870	-	117,360
Total business-type activities	4,304	-	-	-	-	114,996	7,085	13,870	-	117,360
Total school-wide	\$ 9,291,797	\$ 9,397,493	\$ 9,898,952	\$ 9,696,637	\$ 9,351,979	\$ 9,414,067	\$ 9,464,066	\$ 9,871,961	\$ 10,959,718	\$ 12,708,963
Change in Net Position										
Governmental activities	\$ 148,505	\$ (172,392)	\$ (394,453)	\$ (496,138)	\$ (690,630)	\$ (49,853)	\$ 759,615	\$ 1,010,353	\$ 1,307,723	\$ 2,687,457
Business-type activities	(881)	86,962	74,678	62,811	67,649	(42,782)	31,983	360,616	219,132	171,962
Total school	\$ 147,624	\$ (85,430)	\$ (319,775)	\$ (433,327)	\$ (622,981)	\$ (92,635)	\$ 791,598	\$ 1,370,969	\$ 1,526,855	\$ 2,859,419

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted										
Charter School Reserve	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Committed	41,900	30,380	33,740	36,900						
Assigned	57,502	66,481	90,684			74,904	41,276	24,838	19,989	54,226
Unassigned	628,231	666,589	743,219	499,074	236,782	530,785	1,479,980	1,972,019	2,829,358	4,110,360
Total General fund	<u>\$ 802,633</u>	<u>\$ 838,450</u>	<u>\$ 942,643</u>	<u>\$ 610,974</u>	<u>\$ 311,782</u>	<u>\$ 680,689</u>	<u>\$ 1,596,256</u>	<u>\$ 2,071,857</u>	<u>\$ 2,924,347</u>	<u>\$ 4,239,586</u>
All Other Governmental Funds										
Restricted						\$ 16,661	\$ 5,129	\$ 1,325	\$ 3,007	\$ 4,434
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,661</u>	<u>\$ 5,129</u>	<u>\$ 1,325</u>	<u>\$ 3,007</u>	<u>\$ 4,434</u>

Note 1 - Fund Balances as of June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 1,241,491	\$ 1,273,255	\$ 1,323,693	\$ 1,404,955	\$ 1,358,342	\$ 1,401,314	\$ 1,388,335	\$ 1,451,314	\$ 1,519,113	\$ 1,601,711
Miscellaneous	33,722	10,946	3,210	5,493	5,308	51,899	135,880	292,518	161,854	460,496
State sources	8,630,315	8,947,427	9,467,361	9,479,881	9,609,507	9,637,828	9,951,718	10,523,925	11,890,116	13,343,101
Federal sources	559,215	551,523	560,841	672,962	664,001	627,031	1,072,040	1,989,865	1,993,371	2,516,206
Total revenue	<u>10,464,743</u>	<u>10,783,151</u>	<u>11,355,105</u>	<u>11,563,291</u>	<u>11,637,158</u>	<u>11,718,072</u>	<u>12,547,973</u>	<u>14,257,622</u>	<u>15,564,454</u>	<u>17,921,514</u>
Expenditures										
Instruction	4,545,985	4,415,022	4,545,022	4,543,497						
Regular Instruction					6,120,034	5,434,513	5,377,466	6,505,415	7,073,083	6,869,932
Special Education Instruction					146,501	155,720	160,274	278,024	186,124	660,383
Other Instruction					644,539	241,159	660,301	808,161	963,503	1,158,750
School Sponsored Activities						34,172	35,099	87,163	114,202	155,961
Administrative	2,977,387	3,518,881	3,756,892	3,866,383	1,704,023	2,008,469	2,125,455	2,116,602	2,004,388	2,199,632
Support Services	2,625,802	2,783,032	2,919,576	3,151,286	2,018,200	1,303,095	885,885	1,124,402	1,301,143	1,232,573
Plant Operation and Maintenance					1,298,000	2,071,656	2,358,756	2,472,519	2,755,728	2,808,320
Student Transportation					2,975	20,530		27,207	62,047	62,698
Capital Outlay	7,700	30,399	29,422	333,794	2,078		55,799	327,996	225,602	1,327,550
Debt Service										
Principal						11,715	12,778	22,646	23,352	11,329
Interest							-	1,820	1,110	360
Total expenditures	<u>10,156,874</u>	<u>10,747,334</u>	<u>11,250,912</u>	<u>11,894,960</u>	<u>11,936,350</u>	<u>11,281,029</u>	<u>11,671,813</u>	<u>13,771,955</u>	<u>14,710,282</u>	<u>16,487,488</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>307,869</u>	<u>35,817</u>	<u>104,193</u>	<u>(331,669)</u>	<u>(299,192)</u>	<u>437,043</u>	<u>876,160</u>	<u>485,667</u>	<u>854,172</u>	<u>1,434,026</u>
Other Financing sources (uses)										
Lease Proceeds						46,860	34,960		-	-
Transfers out	(4,304)					(114,996)	(7,085)	(13,870)	-	(117,360)
Total other financing sources (uses)	<u>(4,304)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,136)</u>	<u>27,875</u>	<u>(13,870)</u>	<u>-</u>	<u>(117,360)</u>
Net change in fund balances	<u>\$ 303,565</u>	<u>\$ 35,817</u>	<u>\$ 104,193</u>	<u>\$ (331,669)</u>	<u>\$ (299,192)</u>	<u>\$ 368,907</u>	<u>\$ 904,035</u>	<u>\$ 471,797</u>	<u>\$ 854,172</u>	<u>\$ 1,316,666</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Noncapital expenditures are total expenditures less capital outlay.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE*
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year Ended June 30</u>	<u>Contributions</u>	<u>Rentals</u>	<u>Prior Year's Refunds</u>	<u>Parent Fees</u>	<u>Miscellaneous</u>	<u>E Rate</u>	<u>Total</u>
2024			\$ 219,721	\$ 3,320	\$ 30,723		\$ 253,764
2023			18,106	2,340	1,455	\$ 2,736	24,637
2022			150,213		2,138	111,958	264,309
2021	\$ 49,633		6,287		1,543	46,375	103,838
2020			7,653		5,852	35,305	48,810
2019	3,201	\$ 620	1,110		377		5,308
2018	2,000	1,400	2,093				5,493
2017	2,510	710					3,220
2016	9,896	1,050					10,946
2015	33,372	350					33,722

* Source: School's Financial Statements

EXHIBITS J-6 THROUGH J-15

NOT APPLICABLE

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
FULL-TIME EQUIVALENT SCHOOL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employees:										
Certified	57.0	56.0	55.0	57.0	57.0	57.0	55.0	64.0	61.0	65.0
Other	<u>48.5</u>	<u>48.5</u>	<u>47.0</u>	<u>44.0</u>	<u>47.0</u>	<u>48.0</u>	<u>47.0</u>	<u>45.0</u>	<u>45.0</u>	<u>36.0</u>
Total	<u><u>105.5</u></u>	<u><u>104.5</u></u>	<u><u>102.0</u></u>	<u><u>101.0</u></u>	<u><u>104.0</u></u>	<u><u>105.0</u></u>	<u><u>102.0</u></u>	<u><u>109.0</u></u>	<u><u>106.0</u></u>	<u><u>101.0</u></u>

Source: School Personnel Records

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Operating Expenditures	Cost Per Pupil	Percentage Change	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	10,149,174	16,236	4.12%	625.1	600.0	9.13%	95.98%
2016	10,716,935	16,485	1.53%	650.1	626.0	4.00%	96.29%
2017	11,221,490	16,466	-0.12%	681.5	653.0	4.83%	95.82%
2018	11,561,166	17,050	3.55%	678.1	652.0	-0.50%	96.15%
2019	11,934,272	17,453	2.36%	683.8	656.8	0.84%	96.05%
2020	11,269,314	16,480	-5.57%	683.8	656.8	0.00%	96.05%
2021	11,571,605	16,935	2.76%	683.3	665.1	-0.07%	97.34%
2022	13,419,493	19,426	14.71%	690.8	647.7	1.10%	93.76%
2023	14,460,218	20,797	7.06%	695.3	653.3	0.65%	93.96%
2024	15,148,249	21,687	4.28%	698.5	661.6	0.46%	94.72%

Sources: School records

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
OPERATING STATISTICS (Continued)
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Kindergarten	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
2015	01:12.5	01:12.5	01:12.5	01:12.5	01:12.5	01:12.5	01:12.25	01:12.5	01:12.5
2016	01:12.5	01:12.5	01:12.5	01:12.5	01:12.5	01:12.5	01:12.25	01:12.5	01:12.5
2017	01:12.5	01:12.5	01:12.5	01:12.5	01:12.5	01:12.5	01:12.25	01:12.5	01:12.5
2018	01:13.0	01:13.3	01:13.2	01:12.2	01:12.7	01:12.5	01:12.0	01:12.2	01:11.2
2019	01:11.7	01:13.3	01:13.3	01:13.0	01:12.1	01:12.6	01:12.5	01:11.2	01:12.5
2020	01:11.7	01:13.3	01:13.3	01:13.0	01:12.1	01:12.6	01:12.5	01:11.2	01:12.5
2021	01:11.7	01:13.3	01:13.3	01:13.0	01:12.1	01:12.6	01:12.5	01:11.2	01:12.5
2022	01:11.7	01:13.3	01:13.3	01:13.0	01:12.1	01:12.6	01:12.5	01:11.2	01:12.5
2023	01:11.7	01:13.3	01:13.3	01:13.0	01:12.1	01:12.6	01:12.5	01:11.2	01:12.5
2024	01:12.8	01:13.5	01:13.5	01:12.7	01:13.2	01:13.0	01:13.3	01:12.4	01:12.0

Sources: School records

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHOOL BUILDING INFORMATION
LAST EIGHT FISCAL YEARS
(Unaudited)**

Robert Treat Academy Charter School, Inc. rents 49,896 square feet of space and 21,000 square feet of space in school buildings from the North Ward Center, Inc. at 443 Clifton Avenue and 180 William Street, respectively.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS

School Facilities	Project #	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
North	N/A	\$ 572,008	\$ 450,555	\$ 372,823	\$ 346,272	\$ 271,588	\$ 170,086	\$ 149,435	\$ 138,208	\$ 119,746	\$ 131,752
Central	N/A	<u>257,471</u>	<u>189,620</u>	<u>141,416</u>	<u>134,661</u>	<u>108,787</u>	<u>61,291</u>	<u>117,278</u>	<u>115,733</u>	<u>53,221</u>	<u>51,667</u>
		<u>\$ 829,479</u>	<u>\$ 640,175</u>	<u>\$ 514,239</u>	<u>\$ 480,933</u>	<u>\$ 380,375</u>	<u>\$ 231,377</u>	<u>\$ 266,713</u>	<u>\$ 253,941</u>	<u>\$ 172,967</u>	<u>\$ 183,419</u>

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF INSURANCE
JUNE 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Property and General Liability - New Jersey School Insurance Group:		
Personal Property/Fire Damage	\$ 2,027,000	\$ 1,000
General Liability:		
Bodily Injury and Property Damage - Each Occurrence	11,000,000	
Products and Completed Operations - Annual Aggregate	11,000,000	
Sexual Abuse - Per Occurrence	11,000,000	
Personal Advertising Injury - Per Occurrence/Annual Aggregate	11,000,000	
Employee Benefits Liability - Each Claim/Annual Aggregate	11,000,000	1,000
Premises Medical Payments - Per Accident	10,000	
Business Auto	11,000,000	
Commercial Inland Marine/Blanket Hardware and Software	150,000	1,000
Boiler and Machinery	100,000,000	25,000
Environmental Liability	1,000,000	50,000
Privacy and Network Security Liability - Coalition	2,000,000	50,000
Crime:		
Employee Dishonesty	250,000	1,000
Public Official Bond (Board Secretary) - Selective	205,000	
Money and Securities	25,000	500
Money Orders/Counterfeit	25,000	500
Forgery and Alteration	25,000	500
Computer Fraud	25,000	500
School Legal Liability - New Jersey Schools Insurance Group		
Coverage A	11,000,000	5,000
Workers Compensation - New Jersey Schools Insurance Group:		
Statutory:		
Each Accident	3,000,000	
Disease - Policy Limit/Employee	3,000,000	
Compulsory Student Accident - Berkley Life and Health Insurance Company	1,000,000	
Catastrophic Student Accident - United States Fire Insurance Company	500,000	

Source: Robert Treat Academy Charter School, Inc. records.

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
CHARTER SCHOOL PERFORMANCE FRAMEWORK
FINANCIAL PERFORMANCE, FISCAL RATIOS
(Unaudited)

	2022	2023	2024	Source
Cash	2,487,452	3,666,262	4,541,006	Audit: Exhibit A-1
Current Assets	3,466,724	4,206,081	7,072,435	Audit: Exhibit A-1
Total Assets	4,154,056	4,992,469	9,050,148	Audit: Exhibit A-1
Current Liabilities	847,121	681,092	2,064,114	Audit: Exhibit A-1
Total Liabilities	881,802	692,421	2,064,114	Audit: Exhibit A-1***
Net Position	(498,348)	852,835	3,712,254	Audit: Exhibit A-1
Total Revenue	15,737,962	16,394,596	18,788,939	Audit: Exhibit A-2
Total Expenses	14,366,993	15,043,413	15,929,520	Audit: Exhibit A-2
Change in Net Position	1,370,969	1,351,183	2,859,419	Audit: Exhibit A-2
Depreciation Expense	81,951	126,546	147,988	Financial Statements/Audit Workpapers
Interest Expense				Financial Statements/Audit Workpapers
Principal Payments	22,646	23,352	11,329	Financial Statements/Audit Workpapers
Interest Payments	1,820	1,110	360	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	690.8	695.0	698.5	DOE Enrollment Reports
March 30th Budgeted Enrollment	695	700	690	Charter School Budget

Near Term Indicators		2022	2023	2024	3 YR CUM	Source:
1a.	Current Ratio	4.09	6.18	3.43		Current Assets/Current Liabilities
1b.	Unrestricted Days Cash	63.20	89.0	104.1		Cash/(Total Expenses/365)
1c.	Enrollment Variance	99.40%	99.29%	101.23%		Average Daily Enrollment/Budgeted Enrollment
1d.*	Default on Loans	No	No	No		Audit
Sustainability Indicators						
2a.	Total Margin	8.71%	8.24%	15.22%		Change in Net Assets/Total Revenue
2b.	Debt to Asset	21%	14%	23%		Total Liabilities/Total Assets
2c.**	Cash Flow	546,346	1,178,810	874,744		Net Change in Cash Flow from Prior Years
2d.	Debt Service Coverage Ratio	64	63	265		(Change in Net Assets + Depreciation+Interest Expense)/(Principal & Interest Payments)

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

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

*** Total Liabilities without Net Pension Liability

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Robert Treat Academy Charter School, Inc.
Newark, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund, of the Robert Treat Academy Charter School, Inc. as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Robert Treat Academy Charter School, Inc.'s basic financial statements and have issued our report thereon dated November 22, 2024.

Report on Internal Control Over Financial Reporting

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

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

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 may exist that were not identified.

Report on Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Robert Treat Academy Charter School, Inc. in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 22, 2024.

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 Robert Treat Academy Charter School, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Robert Treat Academy Charter School, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants



Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
November 22, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Robert Treat Academy Charter School, Inc.
Newark, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Robert Treat Academy Charter School, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Robert Treat Academy Charter School, Inc.'s major federal and state programs for the fiscal year ended June 30, 2024. The Robert Treat Academy Charter School, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Robert Treat Academy Charter School, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Robert Treat Academy Charter School, Inc.'s federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Robert Treat Academy Charter School, Inc.'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, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Robert Treat Academy Charter School, Inc.'s compliance with the requirements of each major federal and state program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Robert Treat Academy Charter School, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Robert Treat Academy Charter School, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Robert Treat Academy Charter School, Inc.'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with U.S. Uniform Guidance which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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


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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Robert Treat Academy Charter School, Inc., as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements. We have issued our report thereon dated November 22, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants


Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
November 22, 2024

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023			Carryover/ (Walkover) A/R	Carryover/ (Walkover) Def. Rev.	Prior Year Unex. Exp.	Cash Received	Budgetary Expenditures	A/R Rev. Adj.	Unearned Rev. Adj.	Balance, June 30, 2024			GAAP Receivable
						Unearned Revenue	(Accounts Receivable)	Due to Grantor								Unearned Revenue	(Accounts Receivable)	Due to Grantor	
U.S. Department of Agriculture Passed-through State Department of Agriculture																			
National School Lunch Program																			
Cash Assistance - Breakfast	10.553	241NJ304N1099	N/A	7/1/23-6/30/24	\$ 53,160							\$ 49,680	\$ 53,160				\$ (3,480)		\$ (3,480)
Cash Assistance - Breakfast	10.553	231NJ304N1099	N/A	7/1/22-6/30/23		\$ (3,934)						3,934					-		-
Cash Assistance - Lunch	10.555	241NJ304N1099	N/A	7/1/23-6/30/24	358,490							334,187	358,490				(24,303)		(24,303)
Cash Assistance - Lunch	10.555	231NJ304N1099	N/A	7/1/22-6/30/23		(27,678)						27,678					-		-
Cash Assistance - Snack	10.555	241NJ304N1099	N/A	7/1/23-6/30/24	119,787							111,172	119,787				(8,615)		(8,615)
Cash Assistance - Snack	10.555	231NJ304N1099	N/A	7/1/22-6/30/23	113,058		(8,079)					8,079					-		-
Non-Cash Assistance	10.555	241NJ304N1098	N/A	7/1/23-6/30/24	57,141							56,580	54,520		\$ 2,060				
Non-Cash Assistance	10.555	231NJ304N1098	N/A	7/1/22-6/30/23	56,580	\$ 2,621							2,621			-			
Supply Chain Assistance	10.555	241NJ304N1099	N/A	7/1/23-6/30/24	20,556	-	-	-	-	-	-	20,556	20,556	-	-	-	-	-	-
Total U.S. Department of Agriculture/Child Nutrition Cluster						2,621	(39,691)	-	-	-	-	611,866	609,134	-	-	2,060	(36,398)	-	(36,398)
U.S. Department of Education Passed-through State Department of Education																			
L.D.E.A. Part B, Basic	84.027A	H027A240100	IDEA-7730-24	7/1/23-9/30/24	167,159							80,628	167,159			-	(86,531)		(86,531)
L.D.E.A. Part B, Basic	84.027A	H027A230100	IDEA-7730-23	7/1/22-9/30/23	148,591		(72,897)					72,897					-		-
L.D.E.A. Part B, Preschool	84.173A	H173A240114	IDEA-7730-24	7/1/23-9/30/24	3,723							1,656	3,723			-	(2,067)		(2,067)
L.D.E.A. Part B, Preschool	84.173A	H173A230114	IDEA-7730-23	7/1/22-9/30/23	3,648	-	(1,789)	-	-	-	-	1,789	-	-	-	-	-	-	-
Total Special Education Cluster (IDEA)						-	(74,686)	-	-	-	-	156,970	170,882	-	-	-	(88,598)	-	(88,598)
ESEA Title I	84.010A	S010A240030	EASA-7730-24	7/1/23-9/30/24	649,497				\$ (10,000)	\$ 10,000		581,360	644,798			14,699	(78,137)		(63,438)
ESEA Title I	84.010A	S010A230030	EASA-7730-23	7/1/22-9/30/23	659,947	10,000	(76,162)		10,000	(10,000)		66,162				-	-		-
ESEA Title II A	84.367A	S367A240029	EASA-7730-24	7/1/23-9/30/24	40,938							40,938	40,938						-
Elementary and Secondary School Emergency Relief Fund (Esser)																			
ESSER II - Learning Acceleration	84.425R	S425D210027	N/A	3/13/20-9/30/23	94,528	19,373	(19,373)					19,373	19,373			-	-		-
ESSER II - Mental Health	84.425R	S425D210027	N/A	3/13/20-9/30/23	45,000	1,967	(17,184)					17,184	1,967			-	-	-	-
ARP ESSER III	84.425U	S425U210027	N/A	3/13/20-9/30/24	3,310,417	2,636,211	(2,780,074)					699,849	2,636,211			-	(2,080,225)		(2,080,225)
ARP Accelerated Learning	84.425U	S425U210027	N/A	3/13/20-9/30/24	83,109	83,109	(83,109)					83,109	83,109			-	-		-
ARP Summer Learning	84.425U	S425U210027	N/A	3/13/20-9/30/24	40,000	24,551	(40,000)					14,818	14,818			9,733	(25,182)		(15,449)
ARP After School	84.425U	S425U210027	N/A	3/13/20-9/30/24	40,000	15,450	(15,450)					15,450				15,450	-		-
ARP Mental Health	84.425U	S425U210027	N/A	3/13/20-9/30/24	45,000	45,000	(45,000)	-	-	-	-	43,248	45,000	-	-	-	(1,752)	-	(1,752)
Total Elementary and Secondary School Emergency Relief Fund (Esser Cluster)						2,825,661	(3,000,190)	-	-	-	-	893,031	2,800,478	-	-	25,183	(2,107,159)	-	(2,097,426)
Total U.S. Department of Education						2,835,661	(3,151,038)	-	-	-	-	1,738,461	3,657,096	-	-	39,882	(2,273,894)	-	(2,249,462)
Total Federal Financial Assistance						\$ 2,838,282	\$ (3,190,729)	\$ -	\$ -	\$ -	\$ -	\$ 2,350,327	\$ 4,266,230	\$ -	\$ -	\$ 41,942	\$ (2,310,292)	\$ -	\$ (2,285,860)

ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023			Cash Received	Budgetary Expenditures	Balance, June 30, 2024			MEMO	
				Accounts Receivable	Unearned Revenue	Due to Grantor			Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
Equalization Aid - State Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 12,282,698				\$ 10,592,804	\$ 10,680,987		\$ (88,183)		\$ (88,183)	\$ 10,680,987
Equalization Aid - State Aid	23-495-034-5120-078	7/1/22-6/30/23	10,842,986	\$ (111,329)			111,329			-		-	-
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	304,020				304,020	304,020					304,020
Security Aid	24-495-034-5120-084	7/1/22-6/30/23	368,955	-	-	-	368,955	368,955	-	-	-	-	368,955
Total State Aid Public - Cluster				(111,329)	-	-	11,377,108	11,353,962	-	(88,183)	-	(88,183)	11,353,962
On-Behalf TPAF Pension - Normal Cost	24-495-034-5094-002	7/1/23-6/30/24	1,151,897				1,151,897	1,151,897					1,151,897
On-Behalf TPAF Pension - NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	13,137				13,137	13,137					13,137
On Behalf TPAF Post Retirement Medical Benefits	24-495-034-5094-001	7/1/23-6/30/24	317,080				317,080	317,080					317,080
On Behalf TPAF Long Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	713				713	713					713
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	253,111				243,493	253,111		(9,618)		(9,618)	253,111
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24		\$ (19,389)	-	-	19,389	-	-	-	-	-	-
Total General Fund State Aid				(130,718)	-	-	13,122,817	13,089,900	-	(97,801)	-	(97,801)	13,089,900
Special Revenue Funds													
PS & CS Security Grant	N/A	7/1/23-9/30/24	207,140				207,140	207,140		-		-	207,140
PS & CS Security Grant	N/A	7/1/22-9/30/23	33,700	(33,700)	-	-	33,700	-	-	-	-	-	-
Total Special Revenue Fund State Aid				(33,700)	-	-	240,840	207,140	-	-	-	-	207,140
Enterprise Funds													
National School Lunch Program (State Share)	24-100-010-3350-023	7/1/23-6/30/24	17,742				16,488	17,742		(1,254)		(1,254)	17,742
National School Lunch Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	11,916	(903)			903			-		-	-
National School Breakfast Program (State Share)	24-100-010-3350-023	7/1/23-6/30/24	1,920				1,776	1,920		(144)		(144)	1,920
National School Breakfast Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	1,225	(94)			94			-		-	-
After the Bell Program (State Share)	24-100-010-3350-023	7/1/23-6/30/24	2,281		-	-	2,133	2,281	-	(148)	-	(148)	2,281
After the Bell Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	2,291	(170)	-	-	170	-	-	-	-	-	-
Total Enterprise Fund/Child Nutrition Cluster				(1,167)	-	-	21,564	21,943	-	(1,546)	-	(1,546)	21,943
Total State Financial Assistance Subject to Single Audit Determination				(165,585)	-	-	13,385,221	13,318,983	-	(99,347)	-	(99,347)	13,318,983
Less:													
State Financial Assistance Programs Not													
Subject to Major Program Determination													
On-Behalf TPAF Pension - Normal Cost	24-495-034-5094-002	7/1/23-6/30/24	1,151,897				(1,151,897)	(1,151,897)					(1,151,897)
On-Behalf TPAF Pension - NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	13,137				(13,137)	(13,137)					(13,137)
On Behalf TPAF Post Retirement Medical Benefits	24-495-034-5094-001	7/1/23-6/30/24	317,080				(317,080)	(317,080)					(317,080)
On Behalf TPAF Long Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	713	-	-	-	(713)	(713)	-	-	-	-	(713)
State Financial Assistance Amount Utilized													
for Calculation to Determine Single Audit													
and Major Programs.				\$ (165,585)	\$ -	\$ -	\$ 11,902,394	\$ 11,836,156	\$ -	\$ (99,347)	\$ -	\$ (99,347)	\$ 11,836,156

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

The Robert Treat Academy Charter School, Inc. (the “Board” or the “School”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the School. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the general fund and food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the School’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the School’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 a modified accrual basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$1,089,485 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the School’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 13,089,900	\$ 13,089,900
Special Revenue Fund	\$ 2,516,206	253,201	2,769,407
Food Service Fund	<u>609,134</u>	<u>21,943</u>	<u>631,077</u>
Total Financial Assistance	<u>\$ 3,125,340</u>	<u>\$ 13,365,044</u>	<u>\$ 16,490,384</u>

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the School's fiscal year and grant program years.

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$253,111 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$1,165,034, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$317,080 and TPAF Long-Term Disability Insurance in the amount of \$713 represents the amount paid by the State on behalf of the School for the fiscal year ended June 30, 2024.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 1 – Summary of Auditor’s Results

Financial Statement Section**Description**

A) Type of auditors' report issued on financial statements Unmodified

B) Internal control over financial reporting:

(1) Material weakness(es) identified: Yes X No

(2) Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance?

 X yes no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425R</u>	<u>S425D210027</u>	<u>CRRSA ESSER Program Cluster</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP ESSER Program Cluster</u>
<u> </u>	<u> </u>	<u> </u>

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes no

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 1 – Summary of Auditor's Results

State Awards

Description

Internal control over major programs:

(1) Material weakness(es) identified:

_____ Yes X No

(2) Significant deficiencies identified that are
not considered to be material weaknesses?

_____ Yes X None reported

Type of auditors' report issued on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with N.J. Circular Letter 15-08?

_____ Yes X No

Identification of major state programs:

GMIS Number

Name of State Program or Cluster

495-034-5120-078

Equalization Aid

495-034-5120-089

Special Education Aid

495-034-5120-084

Security Aid

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 of *Government Auditing Standards*.

There are none

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

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

CURRENT YEAR FEDERAL AWARDS

Finding 2024-001

Our audit of salary charges to the ARP ESSER III grant programs revealed employees and their respective salary or hourly rate were not formally approved in the School minutes.

Federal Program Information:

ARP ESSER III	84.425U
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Criteria or Specific Requirement

Federal Grant Compliance Supplement

Condition:

Salaries and hourly rates of individuals charged to the ARP ESSER III grant program were not approved in the official minutes of the School.

Questioned Costs:

None.

Context:

Numerous employees charged to ARP ESSER III grant were not approved in the official minutes by grant title and salary or hourly rate to be charged.

Effect:

School was not in compliance with Uniform Guidance compliance requirements.

Cause:

Unknown.

Recommendation:

Employees and their respective salary or hourly rate charged to the ARP ESSER III grant program be formally approved in the School minutes.

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and indicated that corrective action will be taken.

**ROBERT TREAT ACADEMY CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

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

CURRENT YEAR STATE AWARDS

There are none.