

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2024

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

***University Academy Charter High School
Jersey City, New Jersey***

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

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024***

***Prepared by
University Academy Charter High School
Finance Department***

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

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INTRODUCTORY SECTION

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
275 WEST SIDE AVENUE
JERSEY CITY, NEW JERSEY 07305-1597
201-200-3200

December 6, 2024

Honorable President and
Members of the Board of Trustees
University Academy Charter High School
County of Hudson
Jersey City, New Jersey

Dear Board Members:

The Annual Comprehensive financial report of the University Academy Charter High School (the "Charter School") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (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 basic financial statements and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

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

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and*

- *State Aid.* Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

An elected five-member Board of Trustees (the "Board") serves as the policy maker for the Charter School. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of Charter School tax money.

The Business Administrator/Board Secretary is the chief financial officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

1. REPORTING ENTITY AND ITS SERVICES: University Academy Charter High School is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by GASB Statement No. 14, as amended. All funds of the Charter School are included in this report. The Charter School's Board of Trustees, constitutes the Charter School's reporting entity.

The University Academy Charter High School provides a full range of educational services appropriate to grades 9 through 12. The charter school completed its twelfth year of operation at June 30, 2024 during which there was an average enrollment of approximately 429 students.

The Charter School is located on the campus of New Jersey City University. The convenience of this location affords the Charter High School the ability to use certain college facilities, plus it provides students with an introduction to student perspective as seen from a college campus.

The following details the student enrollment of the Charter School.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-2024	429	-2.28%
2022-2023	439	2.57%
2021-2022	428	-1.38%
2020-2021	434	2.36%
2019-2020	424	-0.47%

REPORTING ENTITY AND ITS SERVICES (CONTINUED)

2. MAJOR INITIATIVES: Major initiatives for the 2023-2024 school year continued to build upon the successes observed during our very positive Charter Renewal in 2020-2021. These included continuing the strengths from remote learning, particularly the enhancement of online educational resources, that would support learning acceleration and student social-emotional growth during in-person instruction. These priorities were built into the Strategic Plan, which includes additional facilities and programming to support both STEM achievement and social-emotional well-being. Curricula were revised to incorporate NJDOE mandates, and the school continued its partnership tutoring programs with New Jersey City University.

We've offered a wide range of summer enrichment programming this year, including a summer-long college/career bootcamp, which included several college visits, a STEM and literacy-focused learning acceleration program for returning students, our annual 2-week Freshman Academy, which more than half of our incoming 9th grade students participated in. The new Zen Den is now operational as part of our new Social Emotional Wellness Center.

The STEAM Suite Expansion Project will be underway Summer 2024 with substantial completion anticipated by Fall 2024.

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

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

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

4. BUDGETARY CONTROLS: In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls

is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

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

5. CASH MANAGEMENT: The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to Basic Financial Statement” Note 3. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government 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.

6. RISK MANAGEMENT: The Charter School carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in J-20.

7. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, CPAs, was appointed 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 New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The auditor’s report on the basic financial statements and specific required supplemental information are included in the financial section of this report. The auditor’s reports, related specifically to the single audit, are included in the single audit section of this report.

8. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the University Academy Charter High School Board of Trustees for their concern in providing fiscal accountability to the stakeholders and sending districts of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

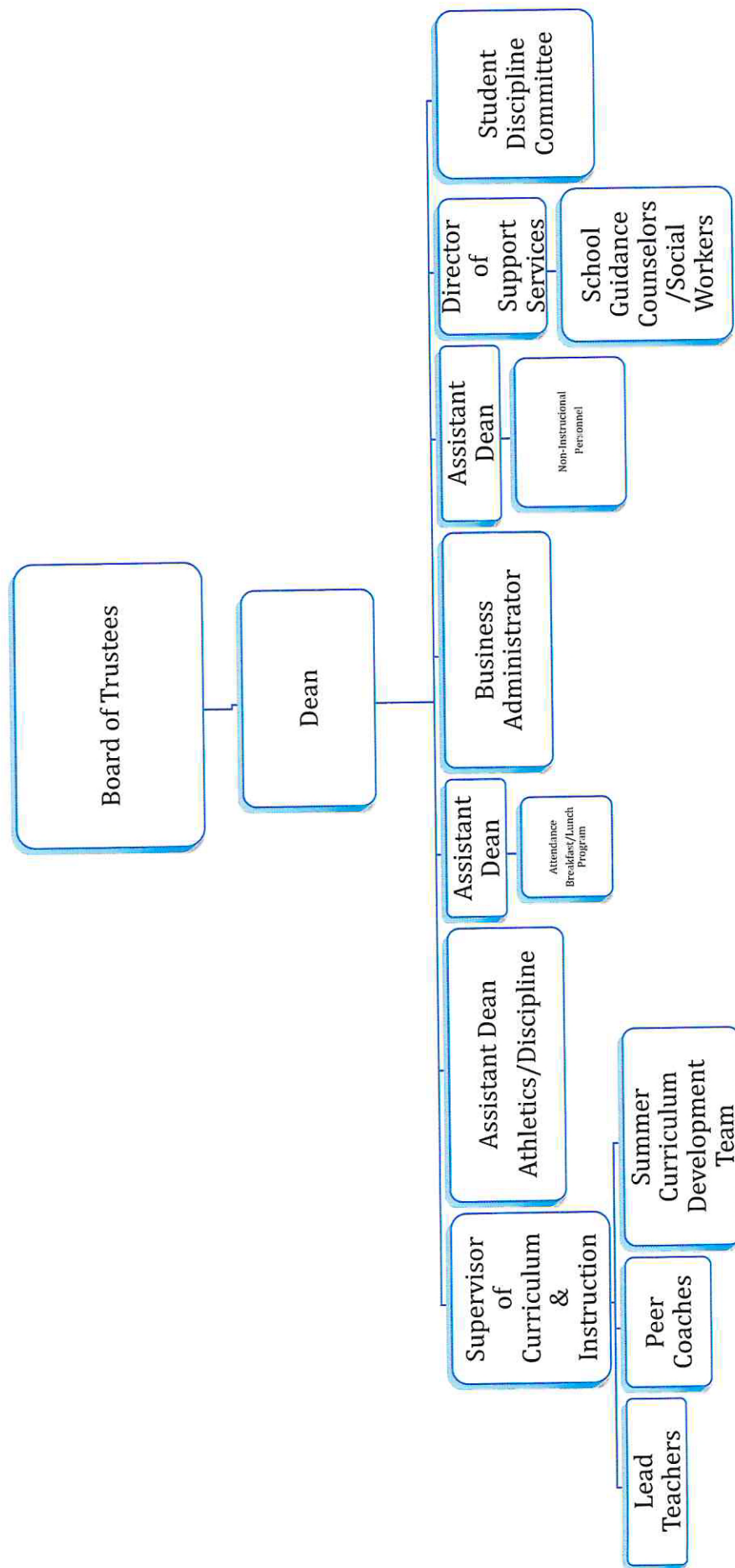
Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sergio Riquelme', written over a horizontal line.

Sergio Riquelme
President

Appendix G

***University Academy Charter HS
Organizational Chart***



**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2024**

MEMBERS OF THE BOARD OF TRUSTEES

Sergio Riquelme, President

Glenda Almeida, Treasurer

Daysi Romero, Trustee

Carmen Torres-Izquierdo, Trustee

**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

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Independent Auditor's Report

Honorable President and
Members of the Board of Trustees
University Academy Charter High School
County of Hudson
Jersey City, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the University Academy Charter High School (Charter School), in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of University Academy Charter High School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, following this report, and pension and post-employment benefit schedules in Exhibits L-1 through L-3, and M-1, and the related notes and budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information

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


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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated December 6, 2024 on our consideration of the University Academy Charter High School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 University Academy Charter High School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards and the Office of School Finance, Department of Education, State of New Jersey* in considering the Charter School's internal control over financial reporting and compliance.



BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants



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

Union, New Jersey
December 6, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

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

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

Financial Highlights

Key financial highlights for 2023 are as follows:

District-Wide Financial Statement of Activities: General and Program F

	<u>Amount</u>	<u>%</u>
General Revenues	\$17,056,363	97%
Program Specific	\$574,738	3%
Total Revenues	\$17,631,101	100%

District-Wide Financial Statement of Activities: Revenues and Expense

	<u>Amount</u>
Charter School Expenses	\$12,860,676
Program Specific	\$574,738
General Revenues	\$17,056,363

Governmental Funds: General Fund

	<u>Amount</u>
General Fund Revenues	\$15,571,277
General Fund Expenditures	\$16,716,256
Decrease in Fund Balance	\$1,144,979

- ❖ General revenues accounted for most all revenues. Program specific revenues are in the form of charges for services and operating grants and contributions.
- ❖ General revenues were adequate to provide for these programs.
- ❖ The General Fund's fund balance increased over 2023. This increase was anticipated by the Board of Trustees.

**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

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

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

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

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

**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

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

Statement of Net Position and the Statement of Activities (Continued)

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

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

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Fund

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

**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 37 of this report.

The Charter School as a Whole

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

The Charter School as a Whole

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

The Charter School's combined net position were

	<u>2024</u>	<u>2023</u>
Combined Net Position	\$10,192,399	\$6,566,145

Governmental Activities

	<u>2024</u>	<u>% of total expenses</u>	<u>2023</u>	<u>% of total expenses</u>
Total Revenues	\$17,458,220		\$13,182,980	
State Reimbursed TPAF Social Security	\$255,688		\$260,559	
Total Cost of All Programs and Services	\$12,674,645		\$10,357,049	
Instruction Expenses	\$4,298,488	34%	\$4,172,234	40%

The Charter School's total revenues includes state reimbursed TPAF social security contributions.

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

**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

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

Governmental Activities (Continued)

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

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

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

Business-Type Activities

	<u>2024</u>	<u>2023</u>
Operating Loss	13,150	
Operating Income		\$26,666
Charges for Services	\$25,180	\$28,108
Federal and State Reimbursements	\$147,701	\$156,327

Revenues for the Charter School's business-type activities (Food Service) were comprised of federal and state reimbursements. These reimbursements for meals, include payments for free and reduced lunches and breakfast snack program.

	<u>2024</u>	<u>2023</u>
Total Revenues	\$16,993,733	\$12,690,395
Total Expenditures	\$18,136,672	\$9,945,147
Decrease in Fund Bal	\$1,144,979	
Increase in Fund Bal		\$2,723,651

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. The net change in fund balance for fiscal years 2024 and 2023 was most significant in the general fund.

**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

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

The Charter School's Funds (Continued)

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

Revenues	2024 Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Local Sources	\$ 11,341,903	66.75%	\$ 4,344,400	62.09%
State Sources	4,130,054	24.30%	(488,687)	-10.58%
Federal Sources	1,521,776	8.95%	447,625	41.67%
Total	<u>\$ 16,993,733</u>	<u>100.00%</u>	<u>\$ 4,303,338</u>	

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2024, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	2024 Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Instruction	\$ 4,298,488	23.70%	\$ 126,254	3.03%
Administration	4,402,996	24.28%	777,189	21.43%
Support Services	3,340,383	18.42%	1,262,799	60.78%
Capital Outlay	6,094,805	33.60%	6,025,283	8666.73%
Total	<u>\$ 18,136,672</u>	<u>100.00%</u>	<u>\$ 8,191,525</u>	

Changes in expenditures were the results of varying factors.

General Fund Budgeting Highlights

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

**UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
JERSEY CITY, NEW JERSEY**

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

General Fund Budgeting Highlights (Continued)

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

Capital Assets (Net of Accumulated Depreciation) and Debt Administration

	<u>2024</u>	<u>2023</u>
Bldg Improvements & Equipment	\$7,588,512	\$2,506,967

The Charter School had no debt at the end of 2024.

For the Future

The University Academy Charter High School is in stable financial condition presently. The Charter School is proud of its community support. A major concern is the continued enrollment growth of the Charter School with the increased reliance on federal and state funding.

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

Contacting the Charter School's Financial Management

This financial report is designed to provide our constituents with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Rhonda Curry, School Business Administrator at University Academy Charter High School, 275 West Side Avenue, Jersey City, New Jersey 07305-1597.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 11,997,503	\$ 140,953	\$ 12,138,456
Internal Balances	108,638	(108,638)	-
Receivables	706,355	6,724	713,079
Right of Use Asset, Net of Amortization	6,979,415		6,979,415
Capital Assets, Net	609,097	20,639	629,736
Total Assets	20,401,008	59,678	20,460,686
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	124,277		124,277
Total Deferred Outflows of Resources	124,277	-	124,277
LIABILITIES:			
Payable to State Government	164,622	-	164,622
Payable to Federal Government	1,839	-	1,839
Accounts Payable	305,404	-	305,404
Deferred Revenue	206,709	-	206,709
Rent Payable	226,270	-	226,270
Noncurrent Liabilities:			
Due Within One Year	752,331	-	752,331
Due Beyond One Year	7,624,312	-	7,624,312
Pension	1,035,972		1,035,972
Total Liabilities	10,317,459	-	10,317,459
DEFERRED INFLOWS OF RESOURCES:			
Pensions	75,105		75,105
Total Deferred Inflows of Resources	75,105	-	75,105
NET POSITION:			
Net Investment in Capital Assets	7,588,512	20,639	7,609,151
Restricted for:			
Student Activity	50,408		50,408
Escrow	75,000	-	75,000
Unrestricted (Deficit)	2,418,801	39,039	2,457,840
Total Net Position	\$ 10,132,721	\$ 59,678	\$ 10,192,399

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Statement of Activities
For The Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 4,298,488	\$ 1,831,231	\$ -	\$ 353,818	\$ -	\$ (5,775,901)	\$ -	\$ (5,775,901)
Administration	2,317,296	640,593	-	-	-	(2,957,889)	-	(2,957,889)
Support Services	1,942,997	180,406	52,322	-	-	(2,071,081)	-	(2,071,081)
Interest on Long-Term Debt	560,711		-	-	-	(560,711)		(560,711)
Unallocated Depreciation and Amortization	902,923	-	-	-	-	(902,923)	-	(902,923)
Total Governmental Activities	10,022,415	\$ 2,652,230	\$ 52,322	\$ 353,818	\$ -	\$ (12,268,505)	\$ -	\$ (12,268,505)
BUSINESS-TYPE ACTIVITIES:								
Food Service	186,031		20,897	147,701	-		(17,433)	(17,433)
Total Business-Type Activities	186,031		20,897	147,701	-	-	(17,433)	(17,433)
Total Primary Government	<u>\$ 10,208,446</u>		<u>\$ 73,219</u>	<u>\$ 501,519</u>	<u>\$ -</u>	<u>\$ (12,268,505)</u>	<u>\$ (17,433)</u>	<u>\$ (12,285,938)</u>
GENERAL REVENUES								
General Purposes						\$ -	\$ -	\$ -
Federal and State Aid Not Restricted						16,585,662	-	16,585,662
Investment Earnings						310,969	-	310,969
Miscellaneous Income						155,449	4,283	159,732
Total General Revenues						<u>17,052,080</u>	<u>4,283</u>	<u>17,056,363</u>
Change in Net Position						4,783,575	(13,150)	4,770,425
Net Assets - Beginning (As Originally Reported)						6,493,317	72,828	6,566,145
Prior Period Adjustment: Change in Lease Terms Impacting GASB 87						(1,144,171)	-	(1,144,171)
Net Position, July 1 (Restated)						5,349,146	72,828	5,421,974
Net Position - Ending						<u>\$ 10,132,721</u>	<u>\$ 59,678</u>	<u>\$ 10,192,399</u>

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

SECTION B – FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Governmental Funds

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 11,799,693	\$ 197,810	\$ 11,997,503
Receivables:			
Interfund Receivables	683,126		683,126
Receivables From Other Governments	38,956	667,399	706,355
Total Current Assets	12,521,775	865,209	13,386,984
Total Assets	<u>\$ 12,521,775</u>	<u>\$ 865,209</u>	<u>\$ 13,386,984</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Current Liabilities:			
Accounts Payable	\$ 237,239	68,165	\$ 305,404
Interfund Payables	34,561	539,927	574,488
Payable to State Government	164,622		164,622
Payable to Federal Government	1,839		1,839
Unearned Revenue		206,709	206,709
Rent Payable	226,270		226,270
Total Current Liabilities	664,531	814,801	1,479,332
Total Liabilities	<u>664,531</u>	<u>814,801</u>	<u>1,479,332</u>
Fund Balances:			
Restricted For:			
Encumbrances	2,957,060		2,957,060
Escrow	75,000		75,000
Student Activities		50,408	50,408
Unassigned:			
General Fund	8,825,184		8,825,184
Total Fund Balances	<u>11,857,244</u>	<u>50,408</u>	<u>11,907,652</u>
Total Liabilities and Fund Balances	<u>\$ 12,521,775</u>	<u>\$ 865,209</u>	

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 governmental funds. The cost of the assets is \$1,118,837 and the accumulated depreciation is \$509,740.

609,097

Right of use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,596,695 and the accumulated depreciation is \$2,617,280.

6,979,415

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

(8,376,643)

Net pension liability of \$1,035,972, deferred inflows of resources of \$75,105 less deferred outflows of resources of \$124,277 related to pensions are not reported in the governmental funds

(986,800)

Net Position of Governmental Activities

\$ 10,132,721

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 10,823,163	\$ -	\$ 10,823,163
Interest on Investments	310,969		310,969
Miscellaneous	155,449	52,322	207,771
Total Local Sources	11,289,581	52,322	11,341,903
Intermediate Sources			-
State Sources	4,130,054		4,130,054
Federal Sources	151,642	1,370,134	1,521,776
Total Revenues	15,571,277	1,422,456	16,993,733
EXPENDITURES:			
Instruction	3,678,194	620,294	4,298,488
Administration	4,402,996		4,402,996
Support Services	2,540,261	800,122	3,340,383
Capital Outlay	6,094,805		6,094,805
Total Expenditures	16,716,256	1,420,416	18,136,672
NET CHANGE IN FUND BALANCES	(1,144,979)	2,040	(1,142,939)
Excess (Deficiency) of Revenues over Expenditures	(1,144,979)	2,040	(1,142,939)
OTHER FINANCING SOURCES (USES):			
Transfers- Lease Proceeds	6,614,029		6,614,029
Total Other Financing Sources and Uses	6,614,029	-	6,614,029
NET CHANGE IN FUND BALANCES	5,469,050	2,040	5,471,090
FUND BALANCES, JULY 1	7,422,528	48,368	7,470,896
PRIOR PERIOD ADJUSTMENTS	(1,034,334)	-	(1,034,334)
FUND BALANCE, JULY 1, RESTATED	6,388,194	48,368	6,436,562
FUND BALANCES, JUNE 30	\$ 11,857,244	\$ 50,408	\$ 11,907,652

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental fund (from B-2)	\$	5,471,090
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expense	\$	(30,496)	
Amortization Expense		(872,427)	
Capital Outlay		6,094,805	5,191,882

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

New long-term debt issued	(6,614,029)
Principal payment on long-term debt	668,509
Increase in accrued interest payable	

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

66,123

Change in net position of governmental activities

\$ 4,783,575

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

PROPRIETARY FUNDS

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Proprietary Fund
Statement of Net Position
June 30, 2024

Business-type Activities - Enterprise Fund	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 140,953
Intergovernmental Accounts Receivable:	
Federal	6,513
State	<u>211</u>
Total Current Assets	<u>147,677</u>
Noncurrent Assets:	
Buildings and Building Improvements	103,198
Accumulated Depreciation on Building and Building Improvements	(82,559)
Machinery and Equipment	28,984
Accumulated Depreciation on Machinery and Equipment	<u>(28,984)</u>
Total Noncurrent Assets	<u>20,639</u>
Total Assets	<u><u>\$ 168,316</u></u>
LIABILITIES AND NET POSITION:	
Liabilities:	
Current Liabilities:	
Interfund Accounts Payable	<u>\$ 108,638</u>
Total Current Liabilities	<u>108,638</u>
Total Liabilities	<u>108,638</u>
Net Position:	
Net Investment in Capital Assets	20,639
Unrestricted	<u>39,039</u>
Total Net Position	<u>59,678</u>
Total Liabilities and Net Position	<u><u>\$ 168,316</u></u>

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities		
	Enterprise Fund		
	School Nutrition	Fixed Contract Price	Total Enterprise
OPERATING REVENUES:			
Charges for Services:			
Daily Sales Reimbursable Program	\$ -	-	\$ -
Daily Sales Non-reimbursable Program	20,897	-	20,897
Miscellaneous Revenue	4,283		4,283
Total Operating Revenues	25,180	-	25,180
OPERATING EXPENSES:			
Salaries	57,211	-	57,211
Management Fees	18,462	-	18,462
Supplies and Materials	30,289		30,289
Depreciation Expense	6,880	-	6,880
Cost of Sales- Reimbursable Programs	63,328	-	63,328
Miscellaneous Expenses	9,861	-	9,861
Total Operating Expenses	186,031	-	186,031
OPERATING LOSS	(160,851)	-	(160,851)
NONOPERATING REVENUES:			
State Source:			
State School Lunch Program	6,019	-	6,019
Federal Source:			
National School Breakfast/Lunch/Snack Program	141,682	-	141,682
Total Nonoperating Revenues	147,701	-	147,701
CHANGE IN NET POSITION	(13,150)	-	(13,150)
TOTAL NET POSITION, JULY 1	72,828		72,828
TOTAL NET POSITION, JUNE 30	\$ 59,678	\$ -	59,678

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

Business-type Activities - Enterprise Fund	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 42,069
Cash Payments to Suppliers and Employees	<u>(186,110)</u>
Net Cash Used In Operating Activities	<u>(144,041)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	<u>147,701</u>
Net Cash Provided By Noncapital Financing Activities	<u>147,701</u>
Net Increase In Cash And Cash Equivalents	3,660
Cash And Cash Equivalents, Beginning Of Year	<u>137,293</u>
Cash And Cash Equivalents, End Of Year	<u><u>\$ 140,953</u></u>
 Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Gain Used for Operating Activities	\$ (160,851)
Depreciation	6,880
Change In Assets And Liabilities:	
Increase In Receivables From Other Governments	16,889
Decrease In Interfund Payable	<u>1,661</u>
Net Cash Used In Operating Activities	<u><u>\$ (144,041)</u></u>

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

FIDUCIARY FUNDS'
(NOT APPLICABLE)

NOTES TO THE FINANCIAL STATEMENTS

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Charter School is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Trustees consists of representatives of the public and private community sectors, professional representatives and representatives of parents of students, and is responsible for the fiscal control of the Charter School. The Head Teacher is appointed by the Board of Trustees and is responsible for the administrative control of the Charter School.

In evaluating how to define the Charter School for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 (as amended). Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Charter School has no component units.

B. Basis of Presentation

The financial transactions of the Charter School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Charter School:

Governmental-Wide Statements

The statement of net position and the statement of activities display information about the Charter School. These statements include the financial activities of the Charter School. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Charter School. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position and the statement of activities display information about the Charter School.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Charter School and for each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental-Wide Statements (continued)

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

Fund Financial Statements

The financial transactions of the Charter School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Charter School:

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Charter School.

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental Fund Types (Continued)

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

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

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

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governments should establish a policy that defines operating revenues and expenses that is appropriate to the nature of the activity being reported, and use it consistently from period to period. Transactions for which cash flows are reported as capital and related financing activities, non-capital financing activities, or investing activities normally would not be reported as components of operating income.

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

In its accounting and financial reporting, the Charter School follows the pronouncements of the GASB.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services provided and used are not eliminated in the process of consolidation.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental Fund Types (Continued)

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating 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 Charter School enterprise funds are charges for daily sales of food, special functions and miscellaneous receipts. Operating expenses for proprietary funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local government, including New Jersey school districts and their charter schools. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, or fiscal year 2020-2021. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. After considering the criteria and guidance, it was determined that Payroll and Payroll Agency (Fund 60) activities are more appropriately reported in a general fund (Fund 10). Additionally, the Student Activity (Fund 90) activity are more appropriately reported in a special revenue fund (Fund 20).

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

The government-wide proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Charter School gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, property taxes, grants, entitlements and donations.

Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The Charter School considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Budgets/Budgetary Control

Formal budgetary integration into the accounting system is employed as a management control device during the year.

For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting:

	<u>2024</u>	<u>2023</u>
Total Revenues & Expenditures (Budgetary Basis)	\$ 1,760,984	\$ 1,151,116
Adjustments:		
Less Encumbrances at June 30, 2024	(338,528)	-
Plus Encumbrances at June 30, 2023	<u>-</u>	<u>-</u>
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 1,422,456</u>	<u>\$ 1,151,116</u>

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Note A in the Required Supplementary Information Section.

E. Encumbrances Accounting

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

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

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Equity

Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

Additionally, the Charter School had adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provision 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.

Interfund Transactions:

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

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

Inventories:

Inventory purchases are recorded as expenditures during the year of purchase.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Allowance for Uncollectible Accounts:

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

Capital Assets:

The Charter School has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost.

Donated capital assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Charter School does not possess any infrastructure. The capitalization threshold used by Charter Schools in the State of New Jersey is \$2,000.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building Improvements	20
Office & Computer Equipment	5-10

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

Right of use Assets

The Charter School has recorded a right of use lease assets as a result of implementing GASB 87. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Compensated Absences:

The Charter School employees do not accumulate sick leave, therefore, no liability is reflected in the basic financial statements.

Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024. The Charter School had no prepaid expenses for the fiscal year ended June 30, 2024.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (non-allocation method). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Net Position (Conitnued)

Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* defines net position as the residual of all other elements presented in statement of financial position. It is the difference between (1) assets and deferred outflows of resources and (2) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

In the Government-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 imposed by creditors (such as 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.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Fund Balance Reserves: (Continued)

In the fund financial statements, governmental funds report the following classifications of fund balance:

Unassigned – Includes amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund. The Charter School reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unassigned fund balance is available, the Charter School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, and the Charter School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues — Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Management Estimates:

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

Accrued Salaries and Wages:

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

G. Pensions

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

H. Impact of Recently Issued Accounting Principles

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

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Impact of Recently Issued Accounting Principles (Continued)

currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Charter School.

I. Leases

As a result of the adoption of GASB 87, leases are recognized as a right-of-use asset and a corresponding lease liability in other financial liabilities at the date at which the leased asset is available for use by the School. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are subject to impairment.

The lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily available. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the School and payment of penalties for termination of a lease when the lease term reflects the lessee exercising a termination option. Each lease payment is allocated between the repayment of the principal portion of lease liability

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

and the interest portion. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is recorded in financing expense. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of income.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan

Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Charter Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

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

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

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

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

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

Investments

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

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

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

	General Fund	Special Revenue	Proprietary Fund	Total
Operating Account	\$ 11,799,693	\$ 197,810	\$ 140,953	\$ 12,138,456

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

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

Investments (Continued)

The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was:

Book	\$12,138,456
Bank	\$12,978,888

All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2024, the Board had funds invested and on deposit in checking accounts. These funds constitute deposits with financial institutions" as defined by GASB Statement No. 40 and are classified as Category 1, both at year-end and throughout the year.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

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

Investments (Continued)

New Jersey Cash Management Fund (Continued)

Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

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

NOTE 3: RECEIVABLES

Receivables at June 30, 2024, consisted of accounts, intergovernmental, grants, and miscellaneous. All receivables are considered collectible in full.

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

	Governmental Funds			Proprietary Fund	Total Business Type Activities	Total
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund		
State Awards	\$ 38,956	\$ -	\$ 38,956	\$ 211	\$ 211	\$ 39,167
Federal Awards		667,399	667,399	6,513	6,513	673,912
Other	-	-	-	-	-	-
Gross Receivables	38,956	667,399	706,355	6,724	6,724	713,079
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 38,956	\$ 667,399	\$ 706,355	\$ 6,724	\$ 6,724	\$ 713,079

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 683,126	\$ 34,561
Special Revenue Fund		539,927
Proprietary Fund		108,638
Total	<u>\$ 683,126</u>	<u>\$ 683,126</u>

Interfund balances are expected to be liquidated by the end of the subsequent year.

NOTE 5: CAPITAL ASSETS

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

	Beginning Balance	Additions (Adjustments)	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Building Improvements	\$ 497,778	\$ 404,772	\$ -	\$ 902,550
Equipment	216,287	-	-	216,287
Totals at Historical Cost	714,065	404,772	-	1,118,837
Less Accumulated Depreciation For:				
Building Improvements	(318,575)	(16,592)	-	(335,167)
Equipment	(160,669)	(13,904)	-	(174,573)
Total Accumulated Depreciation	(479,244)	(30,496)	-	(509,740)
Total Capital Assets Being Depreciated,	234,821	374,276	-	609,097
Net of Accumulated Depreciation	234,821	374,276	-	609,097
Government Activity Capital Assets, Net	<u>\$ 234,821</u>	<u>\$ 374,276</u>	<u>\$ -</u>	<u>\$ 609,097</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Building Improvements	103,198			103,198
Less Accumulated Depreciation	(75,679)	(6,880)		(82,559)
Machinery and Equipment	28,984	-	-	28,984
Less Accumulated Depreciation	(28,984)	-	-	(28,984)
Enterprise Fund Capital Assets, Net	<u>\$ 27,519</u>	<u>\$ (6,880)</u>	<u>\$ -</u>	<u>\$ 20,639</u>

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 5: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Depreciation Expense:	
Instructional	\$ -
Unallocated	30,496

NOTE 6: RIGHT OF USE ASSETS

The Charter School has recorded two (2) right of use leased assets. These are right of use assets for leased equipment and a leased school facility. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right of use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right of use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

Leased Assets	Beginning Balance	Additions	Deductions	Ending Balance
Leased Assets Being Amortized				
Leased - Equipment Expense	54,523	0	0	54,523
Leased - Real Estate Expense	3,786,907	5,809,787	0	9,596,694
Total Leased Assets Being Amortized	3,841,430	5,809,787	0	9,651,217
Less: Accumulated Amortization				
Leased - Equipment Expense	(54,523)	0	0	(54,523)
Leased - Real Estate Expense	(1,514,762)	(1,102,518)	0	(2,617,280)
Total Accumulated Amortization	(1,569,285)	(1,102,518)	0	(2,671,803)
Total, Net of Accumulated Amortization	2,272,145	4,707,269	0	6,979,414

NOTE 7: LONG-TERM OBLIGATIONS

Building Lease

The School leases a portion of a building located at 275 West Side Avenue, Jersey City, New Jersey, from New Jersey City University (the University), under the terms of a lease dated May 6, 2003. The total size of the building at 275 West Side Avenue is 57,415 square feet. The

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

Building Lease (Continued)

School rents 29,651 square feet or 51.6% of the building along its Southern side, for use as the School Premises. The remaining 27,764 square feet of the building is used exclusively by the University and is not rented to the School. Under the terms of the lease, the University provides the School with classroom, office, and multipurpose space (cafeteria, gymnasium, etc.) in the rented School Premises area and the University also provides the School with maintenance and security services. The University also pays the cost of utilities including heat, air conditioning, water and land based (non-cellular) telephone service. The terms of the lease provide for an annual charge for these services (the Additional

Rent) calculated as explained below. The lease also calls for payment of a fixed annual charge (the Base Rent). A portion of the School Premises is also used by the University to conduct evening classes offered by the University. The lease specifies that the School's "Pro Rata Percentage" shall be the percentage of School use of the Premises divided by the total use, by School plus University, for the rented space. The School's "Pro Rata Percentage", since lease inception has been calculated at 86.11 %. This percentage is will remain the same throughout the lease term unless renegotiated to the satisfaction of both the School and the University.

The terms of the lease allow for lease cancellation at the earliest of the following dates: (1) June 30, 2033 or (2) in the event the NJ Department of Education revokes the School's Charter before June 30, 2033, the effective date of revocation shall be the termination date of the lease.

The total rent to be paid by the School to the University each year is the sum of the Base Rent plus the Additional Rent times the Pro Rata Percentage. This can be represented as follows:

$(\text{Base Rent} + \text{Additional Rent}) \times (\text{Pro Rata Percentage}) = \text{Total Rent Payment for Year.}$

Base Rent, before application of the Pro Rata Percentage, is set forth in the lease as follows:

<u>Fiscal Year For</u>	<u>Amount</u>
June 30, 2015 - June 30, 2033	635,347 (*)
(*) Average - Actual amounts vary from \$632,500 to \$637,750	

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

Building Lease (Continued)

Generally accepted accounting principles, as set forth in GASB Statement No. 13 ("Accounting for Leases") require that:

"If rental payments are not made on a straight-line basis, rental expense nevertheless shall be recognized on a straight-line basis unless another systematic and rational basis is more representative of the time period in which benefit is derived from the leased property, in which case that basis shall be used."

The School assumes, for financial statement purposes, that the Charter will be renewable for all years during the lease term. Thus the School shall calculate the amount of rent payable and set forth same in its financial statements each year until such time as either: (1) The State Department of Education advises that the School Charter will not be renewed, (2) The State Department of Education or the Governmental Accounting Standards board advises at a future date that "another systematic and rational basis is more representative of the time period in which benefit is derived from the leased property ".

The lease has been amended and restated as of August 1, 2023. The lease calls for renting the same property but with an increase in square footage from 29,651 to 57,153. The term of the lease is twenty (20) years from the commencement date plus renewal terms of two (2) consecutive terms of five (5) years each beyond the end of the initial term. The lease may be terminated prior to expiration date if the Charter School's charter is revoked by the New Jersey Department of Education.

The right of use asset and lease liability are based on the lease existing as of June 30, 2023. The right of use asset and liability will be recalculated once the new lease becomes effective.

Equipment Lease

The equipment agreement was executed on December 30, 2019, to lease a copy machine and requires monthly payments of \$1,547.42. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5%, which is the stated rate in the lease agreement. As a result of the lease, the school has recorded a right of use asset with a net book value of \$0 on June 30, 2024.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

Equipment Lease (Continued)

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

Maturity Analysis	Principal	Interest
07/01/2024 - 06/30/2025	752,331	519,036
07/01/2025 - 06/30/2026	814,200	469,067
07/01/2026 - 06/30/2027	895,227	414,056
07/01/2027 - 06/30/2028	982,207	353,633
Thereafter	4,932,678	687,564
Total	8,376,643	2,443,356

LONG-TERM LIABILITY ROLLFORWARD SCHEDULE

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
Lease Liabilities	2,431,123	\$ 5,945,520	\$ -	\$ 8,376,643	738,748
Net Pension Liability	1,022,300		13,672	1,035,972	-
Governmental Activity long-term liabilities	\$ 3,453,423	\$ 5,945,520	\$ 13,672	\$ 9,412,615	\$ 738,748

NOTE 8: PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided

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

Tier	Descriptions
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, 2010 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided (Continued)

Basis of Presentation

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

The following is essential data related to the PERS pension plan:

Contributions:

Charter School contributions to PERS as of June 30, 2024	\$96,782
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Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Charter School reported liability as of June 30, 2024	\$1,035,972
The Charter School proportion of net liability as of measurement date June 30, 2023	0.00715234%
The Charter School proportion of net liability decrease from measurement date June 30, 2022	0.00677412%
The Charter School recognized pension expense as of June 30, 2024	\$86,552

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred Outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ration of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided (Continued)

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

through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2023 measurement date 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.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a county that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2023 State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided (Continued)

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

additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided (Continued)

Allocation Methodology and Reconciliation to Financial Statements (Continued)

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

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

At June 30, 2024, the Charter School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 which was rolled forward to June 30, 2023. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,276	\$ 62,784
Difference Between Expected and Actual Experience	9,905	4,235
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	4,771	-
Change in Proportion	<u>107,325</u>	<u>8,086</u>
	<u>\$ 124,277</u>	<u>\$ 75,105</u>

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, .04, 5.13, 5.16, 5.21, 5.63, and years for the 2023, 2022, 2021, 2020, 2019, and 2018 amounts, respectively.

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

Fiscal Year Ending June 30,	Total
2025	\$ 53,717
2026	29,983
2027	(41,899)
2028	7,498
2029	(128)
	<u>\$ 49,172</u>

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (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. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuations as of July 1, 2022.

This actuarial valuations 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%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2023.

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.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (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 (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount Rate

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

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

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

Measurement Date Ended June 30, 2023			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School proportionate share of the Net Pension Liability	\$ 1,359,985	\$ 1,035,972	\$ 776,362

Measurement Date Ended June 30, 2022			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 1,324,489	\$ 1,022,300	\$ 781,166

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

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

Benefit Provided

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

Tier	Descriptions
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, 2010 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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Benefit Provided (Continued)

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

Allocation Methodology

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

The contributions policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Benefit Provided (Continued)

Allocation Methodology (Continued)

amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023 measurement date, the State's pension contribution was less than the actuarial determined amount.

The following represents essential data related to the TPAF pension plan:

Special Funding Situation:

The State of New Jersey contributions to TPAF for normal pension benefits on behalf of the Charter School as of June 30, 2024	\$133,916
Contributions from the State of New Jersey is less than the contractually required contribution by	\$1,081,659
The State's proportionate share of net liability as of measurement date June 30, 2023	\$13,248,113
The Charter School proportion of net liability as of measurement date June 30, 2023	0.0259600%
The Charter School proportion of net liability decrease from measurement date June 30, 2022	0.0210334%
The State recognized pension expense on behalf of the Charter School as of June 30, 2023	\$1,081,659
The amount reported as a deferred outflow of resources related to pensions resulting from changes in assumptions amortized over a period of 8.5 years	\$2,502,380,838
The amount reported as a deferred inflow of resources resulting from the difference between projected and actual	\$14,830,205,474

Special Funding Situation

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Special Funding Situation (Continued)

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

This note discloses the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal year ended 2024, the State of New Jersey contributed less than the contractually required contribution.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023.

The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>13,248,113</u>
Total	<u><u>\$ 13,248,113</u></u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the Charter School and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 1,278,925,078	\$ 14,657,999,241
Difference Between Expected and Actual Experience	658,340,412	83,374,071
Changes in Proportion and differences between employer contributions and proportionate share of contributions	88,832,162	88,832,162
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	476,283,186	-
	<u>\$ 2,502,380,838</u>	<u>\$ 14,830,205,474</u>

The deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The deferred inflow of resources resulting from the difference between projected and actual.

Fiscal Year Ending June 30,	Total
2025	\$ (3,918,676,894)
2026	(3,446,016,070)
2027	(1,604,289,401)
2028	(1,742,641,843)
2029	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension 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%
Wages	3.25%
Salary Increases:	
	2.75 -4.25%
	based on years of service
Investment Rate of Return	7.00%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Long Term Expected Rate of Return (continued)

The long-term expected rate of return was determined using a building block method which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

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

Measurement Date Ended June 30, 2023			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 15,729,656	\$ 13,248,113	\$ 11,465,639

Measurement Date Ended June 30, 2022			
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
Charter School's proportionate share of the Net Pension Liability	\$ 12,744,551	\$ 10,852,498	\$ 9,289,740

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position – TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

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

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 9: POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description and Benefits Provided (continued)

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

Employees covered by benefit terms:

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

Active plan member	217,212
Inactive plan members or beneficiaries currently receiving benefits	152,383
Inactive plan members entitled to but not yet receiving benefit payments	<u>-</u>
Total	<u>369,595</u>

Total Nonemployer OPEB Liability

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

Actuarial Assumptions and Other Inputs

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

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (continued)

Actuarial Assumptions and Other Inputs (Continued)

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018- June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 114.8% in fiscal year 2026 and decreases to 4.50% in fiscal 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50 in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for measurement date 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.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 9: POST-RETIREMENT BENEFITS (CONITINUED)

General Information about the OPEB Plan (continued)

Discount Rate (Continued)

	Total OPEB Liability
Balance at June 30, 2023	\$ 6,332,221
Service cost	525,603
Interest on Total OPEB Liability	231,541
Effect on Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(353,695)
Effect of Changes of Assumptions	13,251
Contributions - Employee	5,934
Gross Benefits Paid by the State	(180,490)
Net Changes	242,144
Balance at June 30, 2024	6,574,365

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

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

	Measurement Date Ended June 30, 2023		
	At 1% Decrease (2.65%)	At current discount rate (3.65%)	At 1% Increase (4.54%)
Total OPEB Liability	\$ 10,589,413	\$ 9,032,805	\$ 7,783,029

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (continued)

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

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

	Measurement Date Ended June 30, 2023		
	At 1% decrease	Trend Rate	At 1% Increase
Total OPEB Liability	\$ 5,457,737	\$ 6,574,365	\$ 8,035,476

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

For the fiscal year ended June 30, 2023 the Charter School recognized OPEB expense in the amount of	492,585
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For the fiscal year ended June 30, 2024 the Charter School recognized OPEB revenue and expense in the government-wide financial statements for the State's proportionate share of the OPEB Plan's OPEB expenses, associated with the Charter School. This expense and revenue was based on the OPEB Plan's June 30, 2023 measurement date.

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At measurement date June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 9: POST-RETIREMENT BENEFITS (CONITINUED)

General Information about the OPEB Plan (continued)

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

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 959,219	\$ (1,731,622)
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 934,883	(1,814,290)
Sub Total	1,894,102	(3,545,912)
Contributions Made in Fiscal Year 2024 after June 30, 2023 Measurement Date	N/A	N/A
Total	1,894,102	(3,545,912)

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

Fiscal Year ending June 30	
2024	\$ (327,857)
2025	(327,857)
2026	(284,954)
2027	(167,998)
2028	(34,387)
Total Thereafter	(508,756)
	\$ (1,651,810)

The Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Charter School is a member of the New Jersey School Boards Association Insurance Group, Educational Risk and Insurance Consortium (the Consortium). The Consortium is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost workers' compensation, employees' liability, automobile and equipment liability,

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 10: RISK MANAGEMENT (CONTINUED)

general liability and boiler and machinery insurance coverage for member school districts in order to keep local property taxes at a minimum.

Property and Liability Insurance

The charter school maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

NOTE 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements were as follows:

Normal Pension Costs	\$1,098,048
Social Security Contributions	\$255,688
Post Retirement Medical Costs	\$298,304
Long-Term Disability Insurance	\$703

NOTE 12: CONTINGENCIES

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

NOTE 13: CONCENTRATIONS

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Notes To Basic Financial Statements
June 30, 2024

NOTE 14: FUND BALANCE APPROPRIATED

	<u>2024</u>	<u>2023</u>
General Fund:		
Total Fund Balance	\$11,857,244	\$7,422,528
Reserved for Encumbrances	\$2,957,060	\$0
Restricted for Escrow	\$75,000	\$75,000
Unreserved and Undesignated	\$8,825,184	\$7,347,528
Special Revenue Restricted	\$50,908	

NOTE 15: SUBSEQUENT EVENTS

Subsequent events were evaluated through December 6, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Levy Budget:					
"Local Levy" Local Share-Charter School Aid	\$ 4,157,843	\$ -	\$ 4,157,843	\$ 10,823,163	\$ 6,665,320
Total Local Levy Budget	4,157,843	-	4,157,843	10,823,163	6,665,320
Categorical Aid:					
"Local Levy" State Share-Charter School Aid	-	-	-	1,888,753	1,888,753
Special Education Aid	-	-	-	353,818	353,818
State Adjustment Aid	-	-	-	234,740	234,740
Total Categorical Aid	-	-	-	2,477,311	2,477,311
Revenues From Other Sources:					
Interest Income	-	-	-	310,969	310,969
Miscellaneous Revenue	-	-	-	307,091	307,091
Reimbursed Social Security Benefit Contributions	-	-	-	255,688	255,688
On-Behalf TPAF(Non-Budget)					
Pension Contribution Contributions	-	-	-	1,098,048	1,098,048
Post Retirement Medical Contributions				298,304	298,304
Non-Contributory Insurance Contributions				703	703
Total Revenues From Other Sources	-	-	-	2,270,803	2,270,803
Total Revenues	4,157,843	-	4,157,843	15,571,277	11,413,434
EXPENDITURES:					
Instruction:					
Salaries of Teachers	3,191,641	(134,169)	3,057,472	2,959,727	97,745
Other Salaries for Instruction	255,000	33,480	288,480	288,481	(1)
Purchased Prof/Tech Services	129,200	170,000	299,200	150,985	148,215
Other Purchased Services	103,250	(20,000)	83,250	59,080	24,170
General Supplies	85,000	247,123	332,123	96,293	235,830
Textbooks	30,000	-	30,000	23,232	6,768
Miscellaneous	75,000	25,396	100,396	100,396	-
Total Instruction	3,869,091	321,830	4,190,921	3,678,194	512,727
Administration:					
Salaries - General Administration	613,480	353,291	966,771	846,195	120,576
Salaries of Secretarial/Clerical Assistants	304,263	-	304,263	290,079	14,184
Total Benefits Cost	1,860,081	(643,291)	1,216,790	1,337,167	(120,377)
Purchases Prof/Tech Services	118,219	56,423	174,642	130,596	44,046
Communications/Telephone	30,900	3,576	34,476	31,422	3,054
Supplies and Materials	24,500	50,000	74,500	63,253	11,247
Miscellaneous Expenses	18,402	125,000	143,402	51,541	91,861
Total Administration	2,969,845	(55,001)	2,914,844	2,750,253	164,591
Support Services:					
Salaries	\$ 525,993	\$ (148,910)	\$ 377,083	\$ 320,001	\$ 57,082
Purchased Prof/Tech Services	90,000	61,119	151,119	85,679	65,440
Rental of Land and Buildings	1,434,423	200,636	1,635,059	367,970	1,267,089
Debt Service Leases: Principal and Interest (Non-Budgeted)	-	-	-	1,229,220	(1,229,220)
Other Purchased Services	73,000	343,484	416,484	268,888	147,596
Transportation-Other Than To/From School	42,000	50,000	92,000	82,434	9,566
Insurance for Property, Liability and Fidelity	120,000	(25,000)	95,000	88,682	6,318
Supplies and Materials	27,500	215,204	242,704	45,231	197,473
Miscellaneous Expenses	15,000	37,156	52,156	52,156	-
Total Support Services	2,397,916	663,689	3,061,605	2,540,261	521,344

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Capital Outlay:					
Instructional Equipment	40,000	(36,157)	3,843	-	3,843
Non-Instructional Equipment	20,400	131,157	151,557	626	150,931
Miscellaneous Expenses	10,000	3,132,325	3,142,325	514,484	2,627,841
Lease Purchase Agreements				5,579,695	(5,579,695)
Total Capital Outlay	70,400	3,227,325	3,297,725	6,094,805	(2,797,080)
On-Behalf TPAF (Non-Budgeted)					
Social Security Contributions	-	-	-	255,688	(255,688)
Pension Contributions	-	-	-	1,098,048	(1,098,048)
Post-Retirement Medical Contributions				298,304	(298,304)
Non-Contributory Insurance Contributions				703	(703)
Total Expenditures	9,307,252	4,157,843	13,465,095	16,716,256	(3,251,161)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,149,409)	(4,157,843)	(9,307,252)	(1,144,979)	8,162,273
Other Financing Sources (Uses)					
Lease Proceeds			-	6,614,029	-
				-	-
Total Other Financing Sources (Uses)	-	-	-	6,614,029	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,149,409)	(4,157,843)	(9,307,252)	5,469,050	8,162,273
FUND BALANCE, JULY 1	7,422,528	-	7,422,528	7,422,528	-
PRIOR PERIOD ADJUSTMENT				(1,034,334)	(1,034,334)
FUND BALANCE, JULY 1- RESTATED	7,422,528	-	7,422,528	6,388,194	(1,034,334)
FUND BALANCE, JUNE 30	\$ 2,273,119	\$ (4,157,843)	\$ (1,884,724)	\$ 11,857,244	\$ 7,127,939

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Local	\$ -	\$ -	\$ -	\$ 52,322	\$ 52,322
Federal	-	-	-	1,708,662	1,708,662
Total Revenues	-	-	-	1,760,984	1,760,984
EXPENDITURES:					
Instruction:					
Salaries	238,908	-	238,908	182,028	56,880
Purchased Prof/Tech Services	126,387	-	126,387	126,387	-
General Supplies	379,736	-	379,736	357,132	22,604
Total Instruction	745,031	-	745,031	665,547	79,484
Support Services:					
Salaries	266,511	-	266,511	266,511	-
Personal Services - Employee Benefits	111,193	-	111,193	111,193	-
Purchased Prof/Ed Services	61,500	-	61,500	16,129	45,371
Purchased Technical Services	66,308	-	66,308	66,308	-
Other Purchased Prof/Tech Services	619,449	-	619,449	215,276	404,173
Other Purchased Services	57,680	-	57,680	57,680	-
Supplies and Materials	165,674	-	165,674	165,674	-
Miscellaneous Expenditures	86,844	-	86,844	134,626	(47,782)
Total Support Services	1,435,159	-	1,435,159	1,033,397	401,762
Total Expenditures	2,246,530	-	2,246,530	1,758,944	487,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,246,530)	\$ -	\$ (2,246,530)	\$ 2,040	\$ 2,248,570

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

Fiscal Year Ended June 30, 2024

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>	
Sources/Inflows of Resources				
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1]	\$ 15,571,277	[C-2]	1,760,984
Difference - Budget to GAAP				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				<u>(338,528)</u>
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 15,571,277</u>	[B-2]	<u>\$ 1,422,456</u>
Uses/Outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 16,716,256	[C-2]	1,420,416
Differences - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.				<u>(338,528)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 16,716,256</u>	[B-2]	<u>\$ 1,081,888</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS
UNAUDITED

	2016	2017	Fiscal Year Ending June 30,		2020	2021	2022	2023	2024
			2018	2019					
Charter School's proportion of the net pension liability	0.00494267%	0.005195020%	0.006095040%	0.006095040%	0.006250916%	0.006250916%	0.006615022%	0.006774100%	0.007152340%
Charter School's proportionate share of the net pension liability	\$ 944,642	\$ 944,642	\$ 1,341,582	\$ 1,495,783	\$ 1,238,684	\$ 1,126,320	\$ 753,547	\$ 1,022,300	\$ 1,035,972
Charter School's covered payroll (plan measurement period)	\$ 922,433	\$ 1,042,993	\$ 377,100	\$ 415,847	\$ 462,025	\$ 430,679	\$ 479,186	\$ 537,746	\$ 635,086
Charter School's proportionate share of the net pension liability as a percentage of it's covered payroll	102%	91%	356%	360% #	268%	262%	157%	190%	163%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	45.37%	45.37%	45.37%	58.32%	51.52%	53.31%

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 37,242	\$ 42,827	\$ 52,844	\$ 52,484	\$ 52,484	\$ 64,014	\$ 62,188	\$ 73,513	\$ 86,552
Contributions in relation to the contractually required contribution	(37,242)	(42,827)	(52,844)	(52,484)	(52,484)	(64,014)	(62,188)	(86,552)	(96,782)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,039)	\$ (10,230)
Charter School's covered payroll (Fiscal Year)	\$ 922,433	\$ 1,042,993	\$ 377,100	\$ 415,847	\$ 462,025	\$ 430,679	\$ 479,186	\$ 537,746	\$ 635,086
Contributions as a percentage of covered payroll	4.04%	4.11%	14.01%	12.62%	11.36%	14.86%	12.98%	13.67%	13.63%

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER'S PENSION AND ANNUITY FUND
LAST NINE FISCAL YEARS
UNAUDITED

	2016	2017	2018	Fiscal Year Ending June 30, 2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable of the Charter School	0.0229637%	0.0234783%	0.02718721%	0.02467427%	0.02627420%	0.02561381%	0.02561381%	0.02133340%	0.02596000%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 11,605,693	\$ 12,548,369	\$ 17,183,477	\$ 19,410,352	\$ 18,715,080	\$ 17,281,211	\$ 17,281,211	\$ 10,852,498	\$ 13,248,113
Charter School's covered payroll (plan measurement period)	2,757,193	2,898,099	3,010,989	3,141,802	2,686,812	3,216,363	2,965,531	2,932,504	3,574,488
Charter School's proportionate share of the net pension liability as a percentage of it's covered payroll	420.92%	432.99%	570.69%	617.81%	696.55%	537.29%	582.74%	370.08%	370.63%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	22.33%	36.03%	26.95%	24.48%	35.52%	53.08%

***SCHEDULE M – SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***

University Academy Charter High School
Required Supplementary Information Schedules
Schedule of Changes in the Charter School's Net OPEB Liability and Related Ratios
Last Seven Fiscal Years
(Unaudited)

	Measurement Date Ending						
	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
OPEB Liability at Beginning of Measurement Period	\$ 6,929,819	\$ 6,579,724	\$ 5,311,000	\$ 5,844,666	\$ 8,964,588	\$ 7,413,041	\$ 6,332,221
Service cost	632,510	526,694	458,594	543,716	873,060	608,015	525,603
Interest on Total OPEB Liability	213,449	251,977	219,947	220,968	192,302	167,811	231,541
Effect on Changes of Benefit Terms	-	-	-	-	(7,890)	-	-
Difference between expected and actual experience	(1,049,266)	(1,300,825)	(57,923)	869,052	(2,469,769)	2,919	(353,695)
Effect of Changes of Assumptions	5,612	(609,464)	87,144	1,637,522	7,314	(1,698,675)	13,251
Contributions - Employee		4,908	5,318	4,730	4,916	5,332	5,934
Gross Benefits Paid by the State	(152,400)	(142,014)	(179,414)	(156,066)	(151,480)	(166,222)	(180,490)
Net Change in Total OPEB Liability	(350,095)	(1,268,724)	533,666	3,119,922	(1,551,547)	(1,080,820)	242,144
OPEB Liability at Beginning of Measurement Period	6,929,819	6,579,724	5,311,000	5,844,666	8,964,588	7,413,041	6,332,221
Total OPEB Liability at End of Measurement Period	6,579,724	5,311,000	5,844,666	8,964,588	7,413,041	6,332,221	6,574,365

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

Notes to Schedule:

Differences Between Expected and Actual Experiences: The \$980,424,863 decrease in the liability from June 30, 2022 to June 30, 2023 is due the combined effect of the following:

Update in census information	\$ (303,903,385)
Premium and Claims Experience	(676,521,478)
Total	<u>\$ (980,424,863)</u>

Changes in Assumptions:

The \$105,539,463 decrease in the liability from June 30, 2022 to June 30, 2023 is due to the combined effect of the following:

Trend Update	\$ 1,002,445,292
Discount Rate Change	<u>\$ (896,905,829)</u>
Total Changes in Assumption	<u>\$ 105,539,463</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2024

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate remained at 7.00% as of June 30, 2022 and as of June 30, 2023 in accordance with Paragraph 44 of GASB Statement No. 67.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2024

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.40% as of June 30, 2022 to 7.00% as of June 30, 2023 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SECTION E – SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	NCLB Title I	U.E.A. Part B	CRRSA ESSER II	Student Activity / Athletics Fund	CRRSA Mental Health Grant	CRRSA Learning Acceleration Grant	ARP ESSER	ARP ESSER Accelerated Learning Coach	ARP ESSER Summer Learning	ARP ESSER Comprehensive Beyond the School Day	ARP ESSER Mental Health	Grand Total
REVENUE SOURCES:												
Local	\$ -	\$ -	\$ -	\$ 52,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,322
State	305,687	119,660	189,449	-	-	34,613	937,084	7,129	30,040	40,000	45,000	1,708,662
Federal	305,687	119,660	189,449	52,322	-	34,613	937,084	7,129	30,040	40,000	45,000	1,760,984
Total Revenues												
EXPENDITURES:												
Instruction:												
Salaries	10,000	-	-	-	-	31,868	72,120	-	30,040	38,000	-	182,028
Purchased Prof/Tech Services	103,357	-	-	-	-	-	23,030	-	-	-	-	126,387
General Supplies	52,282	3,017	-	-	-	-	301,833	-	-	-	-	357,132
Total Instruction	165,639	3,017	-	-	-	31,868	396,983	-	30,040	38,000	-	665,547
Support Services:												
Salaries	54,852	62,176	50,000	-	-	-	70,000	-	-	-	29,483	266,511
Personal Services - Employee Benefits	4,196	38,793	20,000	-	-	2,437	31,500	-	-	-	13,267	111,193
Other Purchased Prof/Tech Services	66,000	9,000	119,449	-	-	308	95,827	7,129	-	-	-	82,437
Purchased Property Services	-	-	-	-	-	-	42,680	-	-	-	-	215,276
Other Purchased Services	-	-	-	-	-	-	160,000	-	-	-	-	57,680
Supplies and Materials	15,000	5,674	-	-	-	-	80,094	-	-	2,000	2,250	165,674
Miscellaneous Expenditures	-	-	-	50,282	-	-	-	-	-	-	-	134,656
Total Support Services	140,048	116,643	189,449	50,282	-	2,745	480,101	7,129	-	2,000	45,000	1,033,397
Facilities Acquisition and Construction Services:												
Instructional Equipment	-	-	-	-	-	-	60,000	-	-	-	-	60,000
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	60,000	-	-	-	-	60,000
Total Expenditures	305,687	119,660	189,449	50,282	-	34,613	937,084	7,129	30,040	40,000	45,000	1,758,944
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ 2,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,040

**SECTION G – PROPRIETARY FUND
DETAIL STATEMENTS**

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

Food Services Fund – This fund provides for the operation of food services in all schools within the Charter School.

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

***SECTION H – FIDUCIARY FUNDS
DETAIL STATEMENTS
(NOT APPLICABLE)***

STATISTICAL SECTION (UNAUDITED)

GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

Contents

Financial Trends

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

Revenue Capacity (Not Applicable)

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

Debt Capacity (Not Applicable)

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Net Assets/Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net Investment in Capital Assets										
Restricted	\$ 7,588,512	\$ 2,506,967	\$ 3,237,869	\$ 212,387	\$ 220,904	\$ 245,575	\$ 270,246	\$ 311,576	\$ 352,886	\$ 395,131
Unrestricted	125,408	75,000	75,000	75,079	75,000	-	75,000	75,000	75,000	75,000
Total Governmental Activities Net Assets/Position	<u>\$ 10,132,721</u>	<u>\$ 3,868,957</u>	<u>\$ 3,545,517</u>	<u>\$ 816,767</u>	<u>\$ (162,212)</u>	<u>\$ (2,186)</u>	<u>\$ 367,965</u>	<u>\$ 796,989</u>	<u>\$ 1,176,622</u>	<u>\$ 1,320,734</u>
		<u>\$ 6,450,924</u>	<u>\$ 3,667,386</u>	<u>\$ 1,104,233</u>	<u>\$ 133,692</u>	<u>\$ 243,389</u>	<u>\$ 713,211</u>	<u>\$ 1,183,565</u>	<u>\$ 1,604,508</u>	<u>\$ 1,790,865</u>
Business-Type Activities										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 20,639	\$ -	\$ 41,279	\$ 41,279	\$ -	\$ 55,039	\$ 115,127	\$ 115,127	\$ 115,127	\$ 115,127
Unrestricted	39,039	72,828	(3,814)	(5,111)	26,205	(9,552)	(58,998)	(45,460)	(27,712)	(6,775)
Total Business-Type Activities Net Assets/Position	<u>\$ 59,678</u>	<u>\$ 72,828</u>	<u>\$ 37,465</u>	<u>\$ 36,168</u>	<u>\$ 26,205</u>	<u>\$ 45,487</u>	<u>\$ 56,129</u>	<u>\$ 69,667</u>	<u>\$ 87,415</u>	<u>\$ 108,352</u>
Charter School-wide										
Net Investment in Capital Assets	\$ 7,609,151	\$ 2,506,967	\$ 3,279,148	\$ 253,666	\$ 220,904	\$ 300,614	\$ 385,373	\$ 426,703	\$ 468,013	\$ 510,258
Restricted	125,408	75,000	75,000	75,079	75,000	-	75,000	75,000	75,000	75,000
Unrestricted	2,457,840	3,941,785	350,703	811,656	(136,007)	(11,738)	308,967	751,529	1,148,910	1,313,959
Total Charter School-wide Net Assets/Position	<u>\$ 10,192,399</u>	<u>\$ 6,523,752</u>	<u>\$ 3,704,851</u>	<u>\$ 1,140,401</u>	<u>\$ 159,897</u>	<u>\$ 288,876</u>	<u>\$ 769,340</u>	<u>\$ 1,253,232</u>	<u>\$ 1,691,923</u>	<u>\$ 1,899,217</u>

Source: Annual Comprehensive Financial Report

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
Instruction	\$ 6,129,719	\$ 5,777,867	\$ 4,655,689	\$ 4,909,993	\$ 4,128,613	\$ 4,635,085	\$ 4,581,033	\$ 4,380,271	\$ 4,176,562	\$ 4,363,774
Administration	2,957,889	2,246,479	2,403,791	1,907,053	1,504,494	1,441,803	1,493,615	1,033,371	841,252	831,947
Support Services	2,123,403	1,471,598	1,479,345	2,756,255	2,215,821	2,546,344	2,430,044	2,238,358	1,981,465	1,789,283
Interest on Long-Term Debt	560,711	177,778	223,246	-	-	-	-	-	-	-
Unallocated Depreciation and Amortization	902,923	790,763	16,592	8,517	24,671	24,671	41,320	41,320	41,320	16,592
Total Governmental Activities Expenses	12,674,645	10,464,485	8,778,663	9,581,818	7,873,599	8,729,091	8,614,364	7,797,217	7,102,284	7,090,834
Business-Type Activities:										
Food Service	186,031	157,769	150,945	87,914	92,885	120,303	121,969	151,065	158,508	131,389
Total Business-Type Activities Expenses	186,031	157,769	150,945	87,914	92,885	120,303	121,969	151,065	158,508	131,389
Total Charter School Expenses	\$ 12,860,676	\$ 10,622,254	\$ 8,929,608	\$ 9,669,732	\$ 7,966,484	\$ 8,849,394	\$ 8,736,333	\$ 7,948,282	\$ 7,260,792	\$ 7,222,223
Program Revenues										
Governmental Activities:										
Charges for Services	52,322	\$ 76,465	\$ 49,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	353,818	353,355	315,320	295,887	305,604	308,537	285,254	270,222	309,453	304,504
Total Governmental Activities Expenses	406,140	429,820	364,814	295,887	305,604	308,537	285,254	270,222	309,453	304,504
Business-Type Activities:										
Charges for Services	25,180	1,465	1,411	42	6,041	9,238	7,832	19,810	16,669	19,488
Operating Grants and Contributions	147,701	156,327	150,777	97,835	67,562	94,633	100,599	113,507	120,902	105,126
Total Business-Type Activities Expenses	172,881	157,792	152,188	97,877	73,603	103,871	108,431	133,317	137,571	124,614
Total Charter School Program Revenues	\$ 579,021	\$ 587,612	\$ 517,002	\$ 393,764	\$ 379,207	\$ 412,408	\$ 393,685	\$ 403,539	\$ 447,024	\$ 429,118
Net (Expense)/Revenue										
Governmental Activities	\$ (12,288,505)	\$ (10,034,665)	\$ (8,413,849)	\$ (9,285,931)	\$ (7,567,995)	\$ (8,420,554)	\$ (8,329,110)	\$ (7,526,995)	\$ (6,792,831)	\$ (6,786,330)
Business-Type Activities	(13,150)	23	1,243	9,963	(19,282)	(16,432)	(13,538)	(17,748)	(20,937)	(6,775)
Total Charter School-wide Net Expense	\$ (12,281,655)	\$ (10,034,642)	\$ (8,412,606)	\$ (9,275,968)	\$ (7,587,277)	\$ (8,436,986)	\$ (8,342,648)	\$ (7,544,743)	\$ (6,813,768)	\$ (6,793,105)
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
General Purposes	\$ -	\$ 4,387,693	\$ 2,537,007	\$ 3,174,617	\$ 2,000,980	\$ 1,541,315	\$ 1,440,903	\$ 1,371,124	\$ 1,484,744	\$ 1,453,600
Federal and State Aid Not Restricted	16,585,662	8,290,535	9,180,110	7,049,272	6,211,682	6,388,486	6,514,714	5,565,238	5,182,707	5,066,696
Investment Earnings	310,969	27,455	6,803	7,870	9,329	17,744	15,500	6,092	4,261	3,547
Miscellaneous Income	155,449	47,477	20,927	11,951	11,661	15,878	7,270	263,745	11,265	220,709
Total Governmental Activities	17,052,080	12,753,160	11,744,847	10,243,710	8,233,652	7,963,423	7,978,387	7,206,199	6,682,977	6,744,552
Business-Type Activities:										
Miscellaneous Income	4,283	8,697	54	-	-	-	-	-	-	-
Total Business-Type Activities	4,283	8,697	54	-	-	-	-	-	-	-
Total Charter School-wide	\$ 17,056,363	\$ 12,761,857	\$ 11,744,901	\$ 10,243,710	\$ 8,233,652	\$ 7,963,423	\$ 7,978,387	\$ 7,206,199	\$ 6,682,977	\$ 6,744,552
Change in Net Assets/Position										
Governmental Activities	\$ 4,783,575	\$ 2,718,495	\$ 3,330,998	\$ 957,779	\$ 665,657	\$ (457,131)	\$ (350,723)	\$ (320,796)	\$ (109,854)	\$ (41,778)
Business-Type Activities	(13,150)	23	1,243	9,963	(19,282)	(16,432)	(13,538)	(17,748)	(20,937)	(6,775)
Total Charter School	\$ 4,770,425	\$ 2,718,518	\$ 3,332,241	\$ 967,742	\$ 646,375	\$ (473,563)	\$ (364,261)	\$ (338,544)	\$ (130,791)	\$ (48,553)

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Assigned	\$ 2,957,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -
Restricted	75,000	75,000	-	75,079	75,000	-	75,000	75,000	75,000	75,000
Unassigned	8,825,184	7,347,528	4,698,877	2,111,573	1,152,334	1,264,999	1,572,459	1,931,862	2,211,338	2,279,872
Total General Fund	\$ 11,857,244	\$ 7,422,528	\$ 4,698,877	\$ 2,186,652	\$ 1,227,334	\$ 1,264,999	\$ 1,697,459	\$ 2,006,862	\$ 2,286,338	\$ 2,354,872

Source: Annual Comprehensive Financial Report

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Local Sources:										
Local Tax Levy	\$ 10,823,163	\$ 6,846,106	\$ 4,745,346	\$ 3,174,617	\$ 2,000,980	\$ 1,541,315	\$ 1,440,903	\$ 1,371,124	\$ 1,484,744	\$ 1,453,600
Interest In Investments	310,969	27,455	6,803	7,870	9,329	17,744	15,500	6,092	4,261	3,547
Miscellaneous	207,771	123,942	64,381	11,951	15,544	17,932	7,270	26,699	11,265	220,709
State Sources	4,130,054	4,618,741	5,108,806	5,837,379	5,671,425	5,799,783	5,673,745	5,496,185	5,155,470	5,034,015
Federal Sources	1,521,776	1,074,151	1,280,609	679,784	352,903	383,821	361,186	337,275	336,690	337,185
Total Revenues	16,993,733	12,690,395	11,211,985	9,711,601	8,050,181	7,760,595	7,498,604	7,237,375	6,992,430	7,049,056
Expenditures:										
Instruction	4,298,488	4,172,234	3,162,567	3,449,625	3,402,829	3,193,170	3,392,180	3,346,605	3,248,242	3,214,611
Administration	4,402,996	3,625,807	3,443,325	2,986,912	2,681,791	2,816,387	2,264,353	2,094,516	1,977,581	2,180,402
Support Services	3,340,383	2,077,584	2,064,237	2,315,746	2,003,226	2,102,310	2,083,122	1,971,833	1,773,456	1,565,263
Capital Outlay	6,094,805	69,522	3,816,245	-	-	81,188	68,352	103,897	61,685	129,633
Total Expenditures	18,136,672	9,945,147	12,486,374	8,752,283	8,087,846	8,193,055	7,808,007	7,516,851	7,060,964	7,089,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,142,939)	2,745,248	(1,274,389)	959,318	(37,665)	(432,460)	(309,403)	(279,476)	(68,534)	(40,853)
Other Financing Sources (Uses):										
Transfers In	6,614,029	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	6,614,029	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 5,471,090	\$ 2,745,248	\$ (1,274,389)	\$ 959,318	\$ (37,665)	\$ (432,460)	\$ (309,403)	\$ (279,476)	\$ (68,534)	\$ (40,853)

Source: Annual Comprehensive Financial Report

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

General Fund - Other Local Revenue by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Donations	Miscellaneous Revenue	Annual Total
2024	\$ -	\$ 307,091	\$ 307,091
2023	-	819,087	834,201
2022	-	14,887	14,887
2021	-	11,661	11,661
2020	-	-	-
2019	-	15,878	15,878
2018	-	7,270	7,270
2017	-	24,699	24,699
2016	4,094	7,171	11,265
2015	2,827	217,882	220,709

Source: Charter School records

DEMOGRAPHIC AND ECONOMIC INFORMATION

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2024	N/A	N/A	N/A	N/A
2023	\$268,578	\$81,390	\$48,404	4.8%
2022	248,928	N/A	N/A	9.7%
2021	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2019	247,597	N/A	\$30,490	11.6%
2018	241,800	\$37,862	N/A	11.5%
2017	241,700	\$50,843	N/A	9.30%
2016	242,389	\$48,543	N/A	5.80%
2015	241,791	N/A	N/A	4.60%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Principal Employers
Last Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Jersey City Public Schools		1		5,414	1	4.59%
Goldman Sachs & Co., Inc.		2		3,000	2	2.54%
City of Jersey City		3		2,692	4	2.28%
Insurance Service Officer		4				
United States Postal Service		5				
Pershing LLC I Mellon Bank		6		2,121	5	1.80%
Healthcare Staffing and Consulting LLC	N/A	7	N/A			
Jersey City Medical Center Inc.		8				
New Jersey City University		9		1,663	6	1.41%
JP Morgan Chase Bank		10		1,576	7	1.34%
I.P.C. Systems Inc.		11				
Citigroup Inc.		12		1,500	10	1.27%
Christ Hospital Health Service		13		1,529	8	1.30%
Hudson County Executive Office				2,900	3	2.46%
Merrill Lynch & Co., Inc.				1,500	9	1.27%
	<u>0</u>		<u>0.00%</u>	<u>23,895</u>		<u>20.26%</u>

OPERATING INFORMATION

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 Full-Time Equivalent Charter School Employees by Function
 Last Ten Fiscal Years
 Unaudited

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	37	35	37	41	42	43	42	39	43	42
Administrative	8	8	8	8	7	7	7	6	6	6
Support Services	17	14	13	15	15	16	17	13	13	13
Clerical	6	5	5	5	6	6	6	-	6	6
Total	68	62	63	69	70	72	72	58	68	67

Source: Charter School Personnel Records

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2024	432	\$ 12,041,867	\$ 27,493	22.21%	37	N/A	N/A	12:1	432	420	0.70%	97.22%
2023	438	9,875,625	\$ 22,496	14.42%	37	N/A	N/A	12:1	429	413	-2.28%	96.27%
2022	439	8,670,129	19,660	-1.16%	37	N/A	N/A	12:1	429	412	2.57%	96.58%
2021	441	8,752,283	19,892	6.74%	42	N/A	N/A	10:1	439	424	-1.38%	96.26%
2020	440	8,087,846	18,636	-2.59%	42	N/A	N/A	10:1	428	412	2.36%	95.85%
2019	434	8,111,867	19,132	9.26%	43	N/A	N/A	11:1	434	416	-0.47%	96.46%
2018	424	7,739,655	17,511	-1.97%	42	N/A	N/A	10:1	424	409	2.65%	96.24%
2017	442	7,412,954	17,863	5.40%	43	N/A	N/A	11:1	426	410	0.48%	96.39%
2016	415	6,999,279	16,947	N/A	42	N/A	N/A	11:1	415	400	N/A	96.37%
2015	413	6,960,276	-	N/A	41	N/A	N/A	11:1	413	398	N/A	0.00%

Sources: Charter School records

Note: Enrollment based on annual October Charter School count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certified staff.

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

School Building Information

Last Ten Fiscal Years

Unaudited

Charter School Buildings	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Professional Studies Building New Jersey City University 2039 Kennedy Blvd. Jersey City, NJ										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (Student)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charter School Building 275 West Side Avenue Jersey City, NJ										
Square Feet	57,173	29,651	29,651	29,651	29,651	29,651	29,651	29,651	29,651	29,651
Capacity (Student)	450	450	450	450	425	425	425	425	425	425
Enrollment	432	439	439	(0)	415	418	420	420	420	405

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Insurance Schedule

June 30, 2024

	<u>Coverage</u>	<u>Deductible</u>
COMMERCIAL PACKAGE		
New Jersey School Board Association Insurance Group		
Property		
Blanket Personal Property Limit	\$1,525,000	\$1,000
Blanket Extra Expense	\$50,000,000	\$1,000
Blanket Valuable Papers & Record	\$10,000,000	\$1,000
Fire Department Service Charge	\$10,000	\$1,000
Pollutant Clean Up & Removal	\$250,000	\$1,000
Computer Coverage:		
- EDP	\$250,000	\$1,000
- Transit	\$25,000	\$1,000
- Loss of Income	\$10,000	\$1,000
Flood:		
- Zones A&V	\$10,000,000	\$1,000
- All Other Zones	\$50,000,000	\$1,000
Earthquake:		
- Fund Limit	\$50,000,000	\$1,000
Equipment Breakdown:		
- Limit	\$100,000,000	\$1,000
Public Employee Dishonesty with Faithful Performance	\$100,000	
Theft, Disappearance & Destruction - Loss of Money & Securities	\$10,000	
Forgery or Alteration	\$100,000	
Board Secretary/Business Administrator	\$100,000	
Board Treasurer	\$100,000	
Computer Fraud	\$100,000	
General Liability		
Per Occurrence	\$6,000,000	
Personal Injury & Advertising Injury	\$6,000,000	
Premises Medical Payments - Per Person	\$5,000	
Premises Medical Payments - Per Accident	\$10,000	
Employee Benefits Liability	\$6,000,000	
Abuse/Molestation		
Per Occurrence	\$6,000,000	
Annual Aggregate	\$6,000,000	
Pollution Liability		
- Per Occurrence	\$1,000,000	\$500
- Aggregate Per named Insured Sub-Limit	\$2,000,000	
- Policy Aggregate	\$11,000,000	
Deductible per Incident		\$25,000
Business Automobile		
Liability Limit includes Hired and Non-Owned Auto	\$6,000,000	

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Insurance Schedule
June 30, 2024

	<u>Coverage</u>	<u>Deductible</u>
COMMERCIAL PACKAGE		
New Jersey School Board Association Insurance Group		
<i>School Leaders Professional Liability</i>		
Limit of Liability Coverage	\$6,000,000	
Aggregate	\$6,000,000	
Limit of Liability Coverage B - Each Claim	\$100,000	
Each Policy Period	\$300,000	
Deductible - Each Claim		\$5,000
<i>Workers' Compensation</i>		
Bodily Injury by Accident	\$2,000,000	
Bodily Injury by Disease - Each Employee	\$2,000,000	
Bodily Injury by Disease Aggregate Limit	\$2,000,000	

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 New Jersey Performance Framework Financial Ratios
 Audited Performance Indicators
 Last Three Fiscal Years

	2022 Audit	2023 Audit	2024 Audit	Source
Cash	5,568,314	7,726,057	12,138,456	Audit Exhibit A-1
Current Assets (include cash)	5,838,376	8,605,311	12,851,535	Audit Exhibit A-1
Current Liabilities	1,094,040	1,089,606	904,844	Audit Exhibit A-1
Total Expenses	9,696,032	10,514,818	12,860,676	Audit Exhibit A-2
Change in Net Position	2,565,871	2,861,294	4,770,425	Audit Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	429.00	429.00	432.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	439	439	432	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation and Amortization Expense	16,592	30,496	902,923	Auditor/Workpapers
Interest Expense	-	-	560,711	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	560,711	Auditor/Workpapers

Performance Indicators		2022	2023	2024	3 YR CUM	Calculation****	Target****
Near Term Indicators							
1a.	Current Ratio (working capital ratio)	5.34	7.90	14.20		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	210	268	345		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	98%	98%	100%	98%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payments	NO	NO	NO		Auditor	not in default
Sustainability Indicators							
2a***	3 Year Cumulative Cash Flow	2,083,425	2,157,743	4,412,399	8,653,567	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	N/A	N/A	N/A		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

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

Meets Standard

Does Not Meet Standard

Falls Far Below Standard

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
University Academy Charter High School
County of Hudson
Jersey City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund information of University Academy Charter High School (Charter School), in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated December 6, 2024.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did not identify any significant deficiencies in internal control.


Report on Compliance and Other Matters

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

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
December 6, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE AND NEW
JERSEY CIRCULAR 15-08 OMB**

Honorable President and
Members of the Board of Trustees
University Academy Charter High School
County of Hudson
Jersey City, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the University Academy Charter High School's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and New Jersey Circular 15-08- OMB State Aid/Grant Compliance Supplement 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. The University Academy Charter High School's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

In our opinion, the University Academy Charter High School, in the County of Hudson, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state and federal 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; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of University Academy Charter High School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. K-2

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a

Basis for Opinion on Each Major Federal and State Program (Continued)

legal determination of University Academy Charter High School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to University Academy Charter High School's Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on University Academy Charter High School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about University Academy Charter High School's compliance with the requirements of each major State and Federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding University Academy Charter High School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of University Academy Charter High School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of University Academy Charter High School's internal control over compliance. Accordingly, no such opinion is expressed.

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


Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 Uniform Guidance and New Jersey Circular OMB 15-08. Accordingly, this report is not suitable for any other purpose.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
December 6, 2024

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
 State Department of Education
 For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Additional Award Justification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Pass Through To Subrecipients	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2024 Unearned Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
E.S.S.A.																
84.010A	N/A		900104040030	ESSA - 8060 - 24	\$ 291,776	9/1/23	\$ -	\$ -	\$ 76,620	\$ (305,687)	\$ -	\$ -	\$ -	\$ (228,767)	\$ -	\$ -
84.010A	N/A		9010A18000	ESSA - 8060 - 23	265,328	9/1/22	(287,942)	(287,942)	287,942	(305,687)	-	-	-	(228,767)	-	-
Total E.S.S.A.									364,562							
Special Education Cluster (IDEA):																
I.D.E.A. Part B Basic																
84.027	84.027A		H027A20001	IDEA - 8060 - 24	119,660	9/1/23	8,3124		4,945	(119,660)				(114,715)		
84.027	84.027A		H027A20001	IDEA - 8060 - 23	109,634	9/1/22	(79,293)		79,293							
84.027	84.027X			IDEA - 8060 - 24	-	7/1/23	(79,293)		84,238	(119,660)				(114,715)		
Total Special Education Cluster (IDEA)																
Other Special Revenue Funds:																
84.425	COVID-19, 84.425D		S425D230027	N/A	274,100	3/13/20	9/30/23		189,449	(189,449)						
84.425	COVID-19, 84.425D		S425D230027	N/A	13,873	3/13/20	9/30/23		34,613	(34,613)						
84.425	COVID-19, 84.425U		S425U230027	N/A	40,000	3/13/20	9/30/24		37,711	(45,140)				(7,129)		
84.425	COVID-19, 84.425U		S425D230027	N/A	50,000	3/13/20	9/30/24		7,129	(7,129)						
ARP ESSER A Federal																
ARP ESSER Evidence Based Comprehensive Beyond the																
School Day																
84.425	COVID-19, 84.425U		S425D230027	N/A	40,000	3/13/20	9/30/24		14,253	(40,000)				(25,747)		
84.425	COVID-19, 84.425U		S425D230027	N/A	1,691,884	3/13/20	9/30/24		646,043	(937,084)				(291,041)		
ARP ESSER																
ARP ESSER Evidence Based Summer Learning and																
Enrichment																
84.425	COVID-19, 84.425U		S425D230027	N/A	40,000	3/13/20	9/30/24		30,640	(30,640)				(323,917)		
Total Other Special Revenue Funds									959,386	(1,265,316)						
Total Special Revenue Fund							(367,235)	-	1,408,486	(1,708,652)	-	-	-	(667,399)	-	-
U.S. Department of Agriculture																
Passed-through State Department of Agriculture																
Enterprise Fund:																
COVID-19																
Child Nutrition Cluster:																
COVID-19 School Breakfast Program			241N304N1099	N/A	37,678	7/1/23	6/30/24		35,926	(37,678)				(1,752)		
COVID-19 School Breakfast Program			231N304N1099	N/A	40,488	7/1/22	6/30/24	(6,569)	6,569	(89,301)				(4,761)		
COVID-19 National School Lunch Program			241N304N1099	N/A	89,301	7/1/23	6/30/24		84,540	(89,301)				(4,761)		
COVID-19 National School Lunch Program			231N304N1099	N/A	97,860	7/1/22	6/30/23	(16,171)	16,171	(136,979)				(6,513)		
Supply Chain Assistance (SCA)			228N304N1099	N/A	14,703	7/1/23	6/30/24		14,703	(14,703)						
Total Enterprise Fund							(22,740)	-	157,909	(141,692)	-	-	-	(6,513)	-	-
Total Federal Financial Awards							(369,975)	\$ -	1,566,407	\$ (1,850,344)	\$ -	\$ -	\$ -	\$ (673,912)	\$ -	\$ -

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balance	Balance at June 30, 2024		MEMO
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue/ Interfund Payable	
State Department of Education													
General Fund:													
State Aid - Public													
Equalization Aid	24-495-034-5120-078	1,888,753	7/1/23	6/30/24				2,053,375	(1,888,753)				
Equalization Aid	23-495-034-5120-078	4,134,118	7/1/22	6/30/23		101,828						164,622 *	1,888,753
Special Education Categorical Aid	24-495-034-5120-089	353,818	7/1/23	6/30/24				353,818	(353,818)				101,828
Security Aid	24-495-034-5120-084	234,740	7/1/23	6/30/24					(234,740)				353,818
Adjustment Aid	24-495-034-5120-085		7/1/23	6/30/24									234,740
Total State Aid - Public		6,611,429				101,828	-	2,641,933	(2,477,311)	-	-	266,450	2,579,139
On-Behalf													
TPAF Post-Retirement Medical Contributions	24-495-034-5094-001	298,304	7/1/23	6/30/24				298,304	(298,304)				298,304
TPAF Pension Contributions	24-495-034-5094-002	1,098,048	7/1/23	6/30/24				1,098,048	(1,098,048)				1,098,048
Non-Contributory Insurance Contributions	24-495-034-5094-004	703	7/1/23	6/30/24				703	(703)				703
Reimbursed TPAF - Social Security Contributions	24-495-034-5094-003	255,688	7/1/23	6/30/24				216,732	(255,688)		(38,956)		255,688
Reimbursed TPAF - Social Security Contributions	23-495-034-5094-003	226,083	7/1/22	6/30/23	(43,631)			43,631					
Total General Fund					(43,631)	101,828	-	4,299,351	(4,130,054)	-	(38,956)	266,450	4,231,882
Special Revenue Fund:													
Charter School Emergent Project & Capital Maintenance Grant	24-100-034-5120-519	151,642	7/1/23	6/30/24				151,642	(151,642)				151,642
Total Special Revenue Fund					-	-	-	151,642	(151,642)	-	-	-	151,642
State Department of Agriculture													
School Breakfast Program	24-100-010-3350-021	2,302	7/1/23	6/30/24				2,280	(2,302)		(22)		2,302
National School Lunch Program (State Share)	24-100-010-3350-023	3,717	7/1/23	6/30/24				3,528	(3,717)		(189)		3,717
National School Lunch Program (State Share)	23-100-010-3350-023	1,311	7/1/22	6/30/23									
Total Enterprise Fund					-	-	-	5,808	(6,019)	-	(211)	-	6,019
Total State Financial Assistance					\$ (43,631)	\$ 101,828	\$ -	\$ 4,456,801	\$ (4,287,715)	\$ -	\$ (39,167)	\$ 266,450	\$ 22 \$ 4,389,543
State Financial Assistance Not Subject to Major Program Determination:													
General Funds:													
TPAF Pension Contributions	24-495-034-5094-002	1,098,048	7/1/23	6/30/24					1,098,048				1,098,048
TPAF Post-Retirement Medical Contributions	24-495-034-5094-001	298,304	7/1/23	6/30/24					298,304		-	-	298,304
Non-Contributory Insurance Contributions	24-495-034-5094-004	703	7/1/23	6/30/24					703		-	-	703
Total State Financial Assistance Subject to Major Program Determination for Single Audit									\$ (2,890,660)				

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Notes to the Schedules of Expenditures Of Federal and State Awards and Financial Assistance
June 30, 2024

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

	Federal	State	Total
General Fund	\$ 151,642	\$ 4,130,054	\$ 4,281,696
Special Revenue Fund	1,370,134	-	1,370,134
Food Service Fund	141,682	6,019	147,701
Total Awards & Financial Assistance	<u>\$ 1,663,458</u>	<u>\$ 4,136,073</u>	<u>\$ 5,799,531</u>

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Notes to the Schedules of Expenditures Of Federal and State Awards and Financial Assistance
June 30, 2024

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

University Academy Charter High School has no loan balances outstanding at June 30, 2024.

NOTE 6. OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions TPAF Post-Retirement Medical Benefits Contributions and TPAF Long-Term Disability Insurance represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

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

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

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

NOTE 9. MAJOR PROGRAMS

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

NOTE 10. DE MINIMIS INDIRECT COST RATE

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

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ Yes <u>__X__</u> No
2) Significant deficiencies identified?	_____ Yes <u>__X__</u> None Reported
Noncompliance material to basic financial statements noted?	_____ Yes <u>__X__</u> No

Federal Awards

Internal control over major programs:	
1) Material weakness(es) identified?	_____ Yes <u>__X__</u> No
2) Significant deficiencies that are not considered to be material weaknesses?	_____ Yes <u>__X__</u> None Reported
Type of auditors’ report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJ Circular Letter 15-08 OMB, as applicable?	_____ Yes <u>__X__</u> No

Identification of major federal programs:

Federal Assistance Listing Numbers

Name of Federal Program or Cluster

EDUCATION STABILIZATION FUND

_____ 84.425D _____	CRRSA Learning Acceleration Grant
_____ 84.425U _____	ARP ESSER NJTSS Mental Support Staffing
_____ 84.425U _____	ARP ESSER Accelerated Learning Coach
_____ 84.425U _____	ARP ESSER Evidence Based Comprehensive Beyond the School Day
_____ 84.425U _____	ARP ESSER Evidence Based Summer Learning and Enrichment
_____ 84.425U _____	ARP ESSER III
_____ 84.425D _____	CRRSA ESSER II

Dollar threshold used to distinguish between Type A and Type B programs: \$	750,000
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Auditee qualified as low-risk auditee?	<u>__X__</u> Yes <u>__</u> No
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UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

State Financial Assistance

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Internal control over major programs:

1) Material weakness(es) identified? ☐ Yes ☒ No

2) Significant deficiencies that are not considered to be material weaknesses? ☐ Yes ☒ 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 NJ Circular Letter 15-08 OMB, as applicable? ☐ Yes ☒ No

Identification of major state programs:

GMIS Number(s)	Name of State Program
	<u>STATE AID-PUBLIC:</u>
<u>24-495-034-5120-078</u>	<u>EQUALIZATION AID</u>
<u>24-495-034-5120-089</u>	<u>SPECIAL EDUCATION CATEGORICAL AID</u>
<u>24-495-034-5120-084</u>	<u>SECURITY AID</u>

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2024

Section II –Schedule of Financial Statement Findings

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

No Current Year Findings

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

***Section III – Federal and State Award
Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material matters of noncompliance, including questioned costs, and significant instances of abuses 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

No Current Year Findings

CURRENT YEAR STATE AWARDS

No Current Year Findings

UNIVERSITY ACADEMY CHARTER HIGH SCHOOL

Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by
Management
For the Fiscal Year Ended June 30, 2024

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (511 (a)(b)) and New Jersey OMB's 15-08, as applicable.

STATUS OF PRIOR YEAR FINDINGS

There are no prior year findings.