

***CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2021***

***CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL***

***Central Jersey College Prep Charter School  
Board of Trustees  
Somerset, New Jersey***

***Annual Comprehensive Financial Report  
For The Fiscal Year Ended June 30, 2021***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021***

***Prepared by***

***Central Jersey College Prep Charter School  
Finance Department***

***And***

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

## STATE BOARD OF EDUCATION

KATHY A. GOLDENBERG..... Burlington  
President

ARCELIO APONTE..... Middlesex  
Vice President

ANDREW J. MULVIHILL..... Sussex

MARY BETH BERRY..... Hunterdon

ELAINE BOBROVE..... Camden

FATIMAH BURNAM-WATKINS..... Union

RONALD K. BUTCHER..... Gloucester

JACK FORNARO..... Warren

MARY ELIZABETH GAZI..... Somerset

NEDD JAMES JOHNSON, ED.D..... Salem

ERNEST P. LEPORE..... Hudson

JOSEPH RICCA, JR., ED.D..... Morris

SYLVIA SYLVIA-CIOFFI..... Monmouth

**Angelica Allen-McMillan, Ed.D, Acting Commissioner**  
State Board of Education

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
TABLE OF CONTENTS**

**Page**

<b>INTRODUCTORY SECTION .....</b>	<b>1</b>
Letter of Transmittal .....	2
Organizational Chart .....	6
Roster of Officials.....	7
Consultants and Advisors .....	8
<b>FINANCIAL SECTION.....</b>	<b>9</b>
Independent Auditor's Report .....	10
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART I .....</b>	<b>14</b>
Management’s Discussion and Analysis .....	15
<b>BASIC FINANCIAL STATEMENTS.....</b>	<b>21</b>
<b>SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS.....</b>	<b>22</b>
A-1 Statement of Net Position.....	23
A-2 Statement of Activities.....	24
<b>SECTION B – FUND FINANCIAL STATEMENTS .....</b>	<b>25</b>
<b>GOVERNMENTAL FUNDS .....</b>	<b>26</b>
B-1 Balance Sheet.....	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	28
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	29
<b>PROPRIETARY FUNDS.....</b>	<b>30</b>
B-4 Statement of Fund Net Position .....	31
B-5 Statement of Revenues, Expenses, and Changes in Net Position .....	32
B-6 Statement of Cash Flows .....	33
<b>FIDUCIARY FUNDS .....</b>	<b>N/A</b>
B-7 Statement of Fiduciary Net Position .....	N/A
B-8 Statement of Changes in Fiduciary Net Position .....	N/A
<b>NOTES TO THE FINANCIAL STATEMENTS .....</b>	<b>35</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II .....</b>	<b>76</b>

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
TABLE OF CONTENTS**

**Page**

<b>SECTION C – BUDGETARY COMPARISON SCHEDULES .....</b>	<b>77</b>
C-1 Budgetary Comparison Schedule – General Fund.....	78
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	80
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION.....</b>	<b>81</b>
C-3 Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation...	82
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART III .....</b>	<b>83</b>
<b>SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68).....</b>	<b>84</b>
L-1 Schedules of the Charter School’s Proportionate Share of the Net Pension Liability - PERS .....	85
L-2 Schedules of Charter School Contributions - PERS.....	86
L-3 Schedules of the Charter School’s Proportionate Share of the Net Pension Liability - TPAF .....	87
<b>SECTION M - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS.....</b>	<b>88</b>
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios .	89
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III.....</b>	<b>90</b>
<b>OTHER SUPPLEMENTARY INFORMATION .....</b>	<b>93</b>
<b>SECTION E – SPECIAL REVENUE FUND .....</b>	<b>94</b>
E-1 Combining Schedule of Revenues and Expenditures – Budgetary Basis .....	95
<b>SECTION G – PROPRIETARY FUNDS .....</b>	<b>96</b>
<b>SECTION H – FIDUCIARY FUND .....</b>	<b>N/A</b>
H-1 Combining Statement of Fiduciary Net Assets .....	N/A
H-2 Statement of Changes in Fiduciary Net Assets .....	N/A
H-3 Student Activity Fund – Schedule of Receipts and Disbursements....	N/A
H-4 Payroll Agency Fund – Schedule of Receipts and Disbursements....	N/A
<b>STATISTICAL SECTION (UNAUDITED).....</b>	<b>98</b>
<b>INTRODUCTION TO THE STATISTICAL SECTION.....</b>	<b>99</b>

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
TABLE OF CONTENTS**

	<b>Page</b>
<b>FINANCIAL TRENDS .....</b>	<b>100</b>
J-1 Net Position by Component.....	101
J-2 Changes in Net Position.....	102
J-3 Fund Balances-Governmental Funds.....	103
J-4 Changes in Fund Balances, Governmental Funds.....	104
J-5 General Fund Other Local Revenue by Source (NJ).....	105
 <b>OPERATING INFORMATION.....</b>	 <b>106</b>
J-16 Full-time Equivalent Charter School Employees by Function/Program.....	107
J-17 Operating Statistics .....	108
J-18 School Building Information.....	109
J-20 Insurance Schedule (NJ).....	110
J-21 Charter School Performance Framework, Financial Performance, Fiscal Ratios .....	111
 <b>SINGLE AUDIT SECTION.....</b>	 <b>112</b>
K-1 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 .....	113
K-2 Report on Compliance for Each Major Program and Report on Internal Control Over Compliance in Accordance with .....	115
K-3 Schedule of Expenditures of Federal Awards – Schedule A .....	118
K-4 Schedule of Awards of State Financial Assistance – Schedule B .....	119
K-5 Notes to the Schedules of Expenditures of Awards and Financial Assistance.....	120
K-6 Schedule of Findings and Questioned Costs .....	124
o Section I - Summary of Auditor's Results	
o Section II - Financial Statement Findings	
o Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs	
 K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management.....	 126

***INTRODUCTORY SECTION***

***CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
101 METTLERS ROAD  
SOMERSET, NEW JERSEY 08873  
732-302-9991***

February 2, 2022

Honorable President and  
Members of the Board of Trustees  
Central Jersey College Prep Charter School  
County of Somerset  
Somerset, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of Central Jersey College Prep Charter School (Charter School) for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the 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 Single Audit Act Amendments of 1996, and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB's Circular 15-08, *Single*

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

## **Charter School Organization**

An elected five-member Board of Education (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 Chief Education Officer is the chief executive officer of the Charter School, responsible to the Board for total educational and support operations. The Financial Coordinator 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:** Central Jersey College Prep Charter School is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by Statement No. 14, as amended. All funds of the Charter School are included in this report. Central Jersey College Prep Charter School Board of Trustees constitutes the Charter School's reporting entity.

Central Jersey College Prep Charter School provides a full range of services appropriate to Grades Kindergarten through 4 and Grades 6 through 12. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2020-2021 school year with an enrollment of 1216 students. The following details the student enrollment of the Charter School.

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment-ADE</u>	<u>Percent Change - ADE</u>
2020-2021	1216	16.65%
2019-2020	1014	19.51%
2018-2019	816	24.79%
2017-2018	614	22.55%
2016-2017	475	11.74%
2015-2016	420	26.34%

**2. MISSION AND GOALS:** The mission of Central Jersey College Prep Charter School is to provide academic and social challenges and opportunities for students to attain the skills necessary for success in post-secondary education. CJCP serves its mission through rigorous academic programs incorporating individualized instruction, increased integration of technology in instruction, and extracurricular enrichment programs; increased participation of students in college-level courses; preparing students for college entrance exams, and offering college and career counseling. CJCP also implements research-proven and field-tested instructional and organizational strategies including but not limited to low-student teacher ratio, small classroom sizes, supplemental instruction for remediation, and data-driven decision making.

As a result of implementing the programs outlined below, CJCP has been recognized on both local and state levels. CJCP earned the Blue-Ribbon status in 2016 and continues to perform at a high level. In 2021, US News ranked CJCP 33 out of 438 high schools in New Jersey. This ranking is particularly notable because CJCP was the highest-ranked charter school in the state and CJCP's ranking was significantly higher than the rankings of all three sending districts: Franklin High School (177), North Brunswick High School (188), and New Brunswick (315).

As a result of quality education and support offered at CJCP for all students, 100% of CJCP's students not only graduated in four years, but all graduates have received acceptances to 4-year, accredited universities since 2011.

**3. INTERNAL ACCOUNTING CONTROLS:** Management of the Charter School is responsible for establishing and maintaining an internal control 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). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

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

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

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

**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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2021.

**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 2. 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 Board carries various forms of insurance, including but not limited to general liability, directors and officers insurance and workmen’s compensation.

**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, LLC, Certified Public Accountants, was selected by the Board of Trustees. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendment of 1996, and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors’ report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors’ reports, related specifically to the single audit, are included in the single audit section of this report.

**8. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of Central Jersey College Prep Charter School Board of Trustees for their concerns in providing fiscal accountability to the citizens and taxpayers of the participating school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

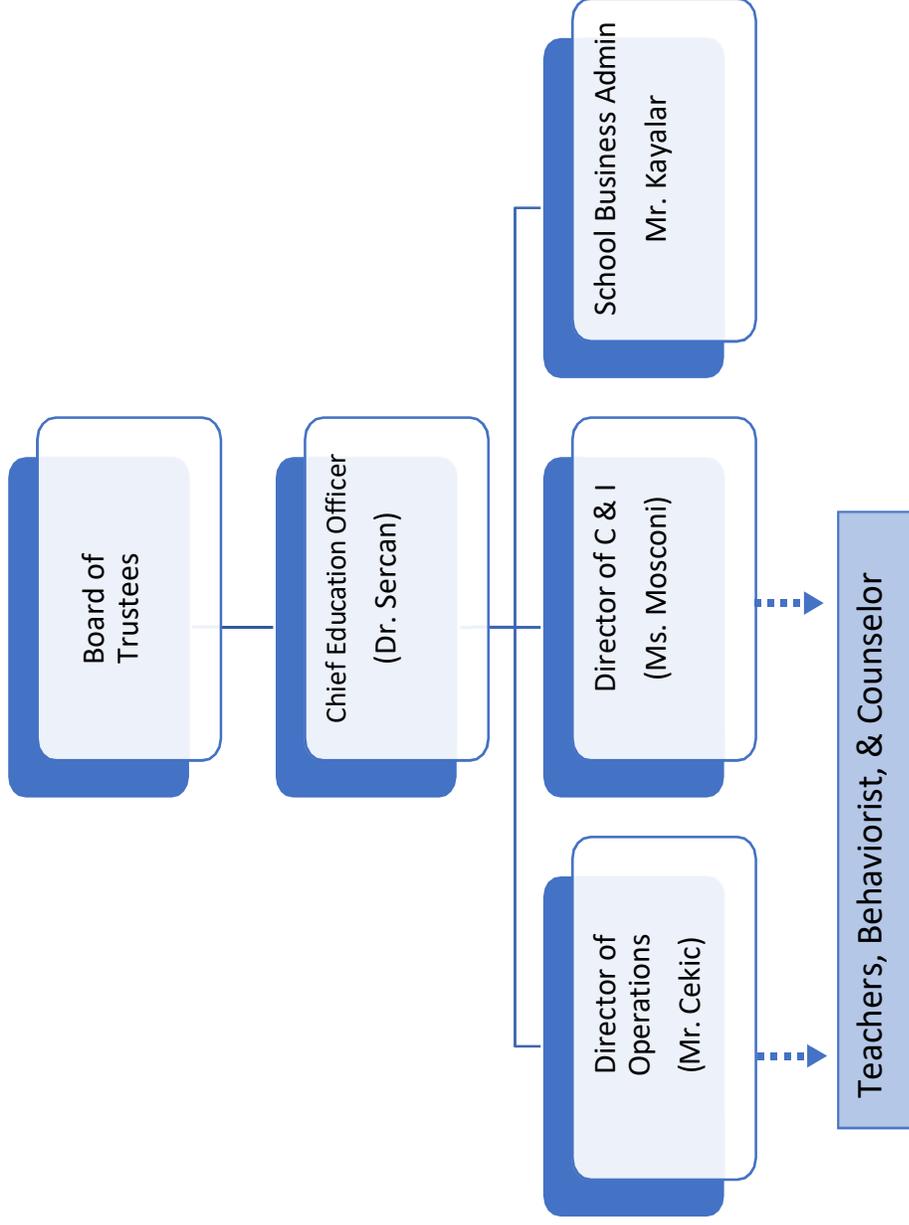


Dr. Namik Sercan  
Chief Education Officer



Fatih Kayalar  
Business Administrator

# CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL ORGANIZATIONAL CHART



**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2021**

**MEMBERS OF THE BOARD OF TRUSTEES**

**POSITION**

Ferhan Tunagur, PhD.

President

Jackie Lewis

Vice President/ Trustee

Ozcan Uzun

Trustee

Sevil Eke

Trustee

**OTHER OFFICIALS**

Dr. Namik Sercan

Chief Education Officer

Fatih Kayalar

Business Administrator

Christopher Lessard

Treasurer

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

***Audit Firm***

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

***Attorneys***

Thomas O. Johnston, Esq.  
Johnston Law Firm LLC  
151 Forest Street, Suite A  
Montclair, New Jersey 07042

***Official Depository***

Unity Bank  
120 Cedar Grove Ln,  
Somerset, NJ 08873

***FINANCIAL SECTION***

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

*2204 Morris Avenue, Suite 206*  
*Union, New Jersey 07083*  
*(908) 686-3484*  
*FAX – (908) 686-6055*

**Independent Auditor's Report**

Honorable President  
Members of the Board of Trustees  
Central Jersey College Prep Charter School  
County of Somerset  
Somerset, New Jersey

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Central Jersey College Prep Charter School (Charter School), in the County of Somerset, State of New Jersey, as of and for the fiscal year ended June 30, 2021, 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.

**Management's Responsibility 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 Central Jersey College Prep Charter School, in the County of Somerset, State of New Jersey, as of June 30, 2021, 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.

### ***Emphasis of Matter***

#### *Adoption of New Accounting Principle*

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2021, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

#### *Consistency of Financial Statements*

Because of the implementation of GASB Statement No. 84, several funds of the Charter School that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities and governmental fund types. Our opinion is not modified with respect to this matter.

#### *Prior Period Restatement*

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, have been restated, as discussed in note 1 to the financial statements. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section 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 schedule of expenditures of 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 State of New Jersey 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 are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 accompanying combining statements and related major fund supporting statements and schedules 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.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2022 on our consideration of the Central Jersey College Prep Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *Office of School Finance, Department of Education, State of New Jersey*, 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

February 2, 2022

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

The discussion and analysis of Central Jersey College Prep Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- ❖ General revenues accounted for \$19,472,059 in revenue or 97% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$558,543 or 3% of total revenues of \$20,030,602.
- ❖ The Charter School had \$17,440,000 in expenses; only \$558,543 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$19,472,059 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$17,946,824 in revenues and \$15,118,755 in expenditures. The General Fund's fund balance increased \$2,828,069 over 2020. This increase was anticipated by the Board of Trustees.

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

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

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**Reporting the Charter School as a Whole**

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

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2021?" 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.

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

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

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

**Fund Financial Statements**

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**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.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 35 of this report.

**The Charter School as a Whole**

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

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

The Charter School's combined Net Position was \$4,421,914 for 2021 and its combined Net Position was \$1,871,903 for 2020.

**Governmental Activities**

The Charter School's total revenues were \$19,771,304 for the year ended June 30, 2021 and \$15,804,246 for 2020. This includes \$1,319,423 for 2021 and \$880,732 for 2020 of state reimbursed TPAF social security and pension contributions.

The total cost of all program and services was \$17,160,188 for 2021 and \$14,941,071 for 2020. Instruction comprises 51% for 2021 of Charter School expenses and 50% for 2020.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

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

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

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

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

**Business-Type Activity**

Revenues for the Charter School's business-type activity (food service program and after care) are comprised of charges for services and federal and state reimbursements.

**FOOD SERVICE**

- ❖ Expenses exceeded Revenue by \$22,601 for 2021 and by \$16,231 for 2020.
- ❖ Charges for services represent \$3,454 for 2021 and \$150,020 for 2020 of revenue. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunch, breakfast, and snack programs were \$226,920 for 2021 and \$124,237 for 2020.

**AFTER CARE**

- ❖ Revenues exceeded expenses by \$2,087 for 2021, and expenses exceeded revenues by \$9,427 for 2020.
- ❖ Charges for services represent \$28,842 for 2021 of revenue, and \$46,482 for 2020. This represents amounts paid by patrons for services rendered in the After Care program.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**The Charter School's Funds**

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$18,677,254 for 2021 and \$15,215,779 for 2020; and expenditures were \$15,862,884 for 2021 and \$14,089,982 for 2020. The net change in fund balance for the year was most significant in the general fund, an increase of \$2,828,069 in 2021 after an increase of \$1,125,797 in 2020.

As demonstrated by the various statements and schedules included on the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2021, and the amounts and percentages of increases and decreases in relation to prior year amounts.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2020	Percent of Increase/ (Decrease)
Local Sources	\$ 13,221,009	70.79%	\$ 2,107,497	18.96%
State Sources	4,753,705	25.45%	1,162,995	32.39%
Federal Sources	702,517	3.76%	190,960	37.33%
<b>Total</b>	<b>\$ 18,677,231</b>	<b>100.00%</b>	<b>\$ 3,461,452</b>	

The following schedule represents a summary of the expenditures of the governmental funds for the fiscal year ended June 30, 2021, and the amounts and percentages of increases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2020	Percent of Increase/ (Decrease)
Instruction	\$ 6,598,911	42.38%	\$ 841,412	14.61%
Administration	4,466,944	28.69%	556,542	14.23%
Support Services	4,253,984	27.32%	26,130	0.62%
Capital Outlay	250,021	1.61%	55,794	28.73%
<b>Total</b>	<b>\$ 15,569,860</b>	<b>100.00%</b>	<b>\$ 1,479,878</b>	

Changes in expenditures were the results of varying factors.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(CONTINUED)**

**General Fund Budgeting Highlights**

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

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

**Capital Assets (Net of Depreciation)**

The Charter School had \$\$984,240 invested in site improvements at the end of the fiscal year 2021.

**For the Future**

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

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

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Namik Sercan, Chief Education Officer at Central Jersey College Prep Charter School, 101 Mettlers Road, Somerset, New Jersey 08873. Please visit our website at [www.cjcollegeprep.org](http://www.cjcollegeprep.org).

***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.*

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Statement of Net Position  
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 6,567,475	\$ 74,360	\$ 6,641,835
Internal Balances	53,114	(53,114)	-
Receivables	1,134,227	73,768	1,207,995
Prepaid Expenses	200,000		200,000
Capital Assets, Net	984,240	337	984,577
<b>Total Assets</b>	<b>8,939,056</b>	<b>95,351</b>	<b>9,034,407</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pensions	2,441,139		2,441,139
<b>Total Deferred Outflows of Resources</b>	<b>2,441,139</b>	<b>-</b>	<b>2,441,139</b>
<b>LIABILITIES:</b>			
Interfund Payable			-
Payable to District	5,886		5,886
Accounts Payable	351,389	700	352,089
Loans Payable	1,540,057	-	1,540,057
Unearned Revenue	36,958		36,958
Noncurrent Liabilities:			
Pensions	3,598,985		3,598,985
<b>Total Liabilities</b>	<b>5,533,275</b>	<b>700</b>	<b>5,533,975</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pensions	1,519,657		1,519,657
<b>Total Deferred Inflows of Resources</b>	<b>1,519,657</b>	<b>-</b>	<b>1,519,657</b>
<b>NET POSITION (DEFICIT):</b>			
Net Investment in Capital Assets	829,941	337	830,278
Unrestricted	3,497,322	94,314	3,591,636
<b>Total Net Position (Deficit)</b>	<b>\$ 4,327,263</b>	<b>\$ 94,651</b>	<b>\$ 4,421,914</b>

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Statement of Activities

For The Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>								
Instruction	\$ 6,598,911	\$ 2,217,664	\$ -	\$ 271,414	\$ -	\$ (8,545,161)	\$ -	\$ (8,545,161)
Administration	2,957,627	452,266				(3,409,893)		(3,409,893)
Support Services	4,253,984	584,014	27,913			(4,810,085)		(4,810,085)
Unallocated Depreciation	95,722					(95,722)		(95,722)
<b>Total Governmental Activities</b>	<b>13,906,244</b>	<b>\$ 3,253,944</b>	<b>27,913</b>	<b>271,414</b>	<b>-</b>	<b>(16,860,861)</b>	<b>-</b>	<b>(16,860,861)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Food Service and After Care	279,812		32,296	226,920	-	-	(20,596)	(20,596)
Total Business-Type Activities	279,812		32,296	226,920	-	-	(20,596)	(20,596)
Total Primary Government	\$ 14,186,056		\$ 60,209	\$ 498,334	\$ -	\$ (16,860,861)	\$ (20,596)	\$ (16,881,457)
<b>GENERAL REVENUES</b>								
General Purposes						\$ 13,104,900	\$ -	\$ 13,104,900
Federal and State Aid Not Restricted						6,278,858		6,278,858
Investment Earnings						39,055		39,055
Miscellaneous Income						49,164	82	49,246
Total General Revenues						19,471,977	82	19,472,059
Change in Net Position						2,611,116	(20,514)	2,590,602
Net Position - Beginning						1,756,738	115,165	1,871,903
Prior Period Adjustments						(40,591)		(40,591)
Net Position, July 1 (Restated)						1,716,147	115,165	1,831,312
Net Position - Ending						\$ 4,327,263	\$ 94,651	\$ 4,421,914

**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***

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2021

	General Fund	Special Revenue Fund	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 6,565,280	\$ 2,195	\$ 6,567,475
Receivables:			
Interfund Receivables	526,961		526,961
Receivables From Other Governments	19,267	589,763	609,030
Other Receivables	115,661		115,661
Receivables, Net	409,536		409,536
Other Assets	200,000	-	200,000
Total Current Assets	7,836,705	591,958	8,428,663
Total Assets	\$ 7,836,705	\$ 591,958	\$ 8,428,663
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Current Liabilities:			
Interfund Payables	\$ -	\$ 473,847	\$ 473,847
Payable to District	5,886		5,886
Accounts Payable	144,460	91,120	235,580
Unearned Revenue		36,958	36,958
Unemployment Trust Liability	115,809		115,809
Loans Payable	1,540,057	-	1,540,057
Total Current Liabilities	1,806,212	601,925	2,408,137
Total Liabilities	1,806,212	601,925	2,408,137
Fund Balances:			
Assigned To:			
Encumbrances	83,105		83,105
Unassigned:			
General Fund	6,063,198		6,063,198
Unemployment Compensation	(115,810)		(115,810)
Student Activities		(9,967)	(9,967)
Total Fund Balances	6,030,493	(9,967)	6,020,526
Total Liabilities and Fund Balances	\$ 7,836,705	\$ 591,958	

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

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 \$1,263,614 and the accumulated depreciation is \$279,374.

984,240

Net pension liability of \$3,598,985, deferred inflows of resources of \$1,519,657 less deferred outflows of resources of \$2,441,139 related to pensions are not reported in the governmental funds

(2,677,503)

Net Position of Governmental Activities

\$ 4,327,263

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Total
<b>REVENUES:</b>			
Local Sources:			
Local Tax Levy	\$ 13,104,900	\$ -	\$ 13,104,900
Interest on Investments	39,055		39,055
Miscellaneous	49,164	27,913	77,077
<b>Total Local Sources</b>	<b>13,193,119</b>	<b>27,913</b>	<b>13,221,032</b>
State Sources	4,753,705		4,753,705
Federal Sources		702,517	702,517
<b>Total Revenues</b>	<b>17,946,824</b>	<b>730,430</b>	<b>18,677,254</b>
<b>EXPENDITURES:</b>			
Current:			
Instruction	6,216,094	382,817	6,598,911
Administration	4,759,968		4,759,968
Support Services	3,961,405	292,579	4,253,984
Capital Outlay	181,288	68,733	250,021
<b>Total Expenditures</b>	<b>15,118,755</b>	<b>744,129</b>	<b>15,862,884</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,828,069</b>	<b>(13,699)</b>	<b>2,814,370</b>
<b>FUND BALANCES, JULY 1</b>	<b>3,246,747</b>		<b>3,246,747</b>
<b>PRIOR PERIOD ADJUSTMENTS</b>	<b>(44,323)</b>	<b>3,732</b>	<b>(40,591)</b>
<b>RESTATED FUND BALANCES, JULY 1</b>	<b>3,202,424</b>	<b>3,732</b>	<b>3,206,156</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 6,030,493</b>	<b>\$ (9,967)</b>	<b>\$ 6,020,526</b>

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 Reconciliation of the Statement of Revenues, Expenditures  
 And Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 For the Fiscal Year Ended June 30, 2021

Total net change in fund balances - governmental fund (from B-2)		\$ 2,814,370
Amounts reported for governmental activities in the statement of activities (A-2) which are different:		
<p>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.</p>		
Depreciation Expense	\$ (95,722)	
Capital Outlay	250,021	154,299
<p>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.</p>		
		(357,553)
Change in net position of governmental activities		\$ 2,611,116

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

***PROPRIETARY FUNDS***

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 Proprietary Fund  
 Statement of Fund Net Position  
 June 30, 2021

	Business-Type Activities		
	Food Service	After Care	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 71,090	\$ 3,270	\$ 74,360
Intergovernmental Accounts Receivable:			
Federal	21,110		21,110
State	1,669		1,669
Other Receivables	50,989		50,989
<b>Total Current Assets</b>	<u>144,858</u>	<u>3,270</u>	<u>148,128</u>
Noncurrent Assets:			
Machinery and Equipment	13,575		13,575
Less Accumulated Depreciation	(13,238)		(13,238)
<b>Total Noncurrent Assets</b>	<u>337</u>	<u>-</u>	<u>337</u>
<b>Total Assets</b>	<u>\$ 145,195</u>	<u>\$ 3,270</u>	<u>\$ 148,465</u>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities:			
Current Liabilities:			
Interfund Accounts Payable	\$ 53,114	\$ -	\$ 53,114
Accounts Payable	700	-	700
<b>Total Liabilities</b>	<u>53,814</u>	<u>-</u>	<u>53,814</u>
Net Position:			
Net Investment in Capital Assets	\$ 337	\$ -	\$ 337
Unrestricted	91,044	3,270	94,314
<b>Total Net Position</b>	<u>91,381</u>	<u>3,270</u>	<u>94,651</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 145,195</u>	<u>\$ 3,270</u>	<u>\$ 148,465</u>

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Proprietary Fund  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities			
	Food Service Program			Total Enterprise
	Food Service	Fixed Contract Price	After Care	
<b>OPERATING REVENUES:</b>				
Charges for Services:	\$ -	\$ -	\$ 28,842	\$ 28,842
Daily Sales - Program (Reimbursable Program) Meals	3,454	-	-	3,454
<b>Total Operating Revenues</b>	<b>3,454</b>	<b>-</b>	<b>28,842</b>	<b>32,296</b>
<b>OPERATING EXPENSES:</b>				
Cost of Sales - Program (Reimbursable Programs) Meals	89,967	-	-	89,967
Cost of Sales - Non-Program (Non-Reimbursable Programs) Meals	170	-	-	170
Salaries	81,029	-	25,589	106,618
Management Fees	25,500	-	-	25,500
Supplies and Materials	32,811	-	1,166	33,977
Depreciation Expense	2,715	-	-	2,715
Miscellaneous Expenses	20,865	-	-	20,865
<b>Total Operating Expenses</b>	<b>253,057</b>	<b>-</b>	<b>26,755</b>	<b>279,812</b>
<b>OPERATING (LOSS)</b>	<b>(249,603)</b>	<b>-</b>	<b>2,087</b>	<b>(247,516)</b>
<b>NONOPERATING REVENUES:</b>				
Miscellaneous Income	82	-	-	82
State Source:				
State School Breakfast/Lunch Program	7,095	-	-	7,095
Federal Source:				
National School Breakfast/Lunch/Snack Program/FFVP	219,825	-	-	219,825
<b>Total Nonoperating Revenues</b>	<b>227,002</b>	<b>-</b>	<b>-</b>	<b>227,002</b>
<b>CHANGE IN NET POSITION</b>	<b>(22,601)</b>	<b>-</b>	<b>2,087</b>	<b>(20,514)</b>
<b>TOTAL NET POSITION, JULY 1</b>	<b>113,982</b>	<b>-</b>	<b>1,183</b>	<b>115,165</b>
<b>TOTAL NET POSITION, JUNE 30</b>	<b>\$ 91,381</b>	<b>\$ -</b>	<b>\$ 3,270</b>	<b>\$ 94,651</b>

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Proprietary Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities		
	Food Service	After Care	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ (8,900)	28,842	\$ 19,942
Cash Payments to Suppliers and Employees	<u>(223,672)</u>	<u>(26,755)</u>	<u>(250,427)</u>
Net Cash Used In Operating Activities	<u>(232,572)</u>	<u>2,087</u>	<u>(230,485)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash Received From State And Federal Reimbursements	<u>226,920</u>		<u>226,920</u>
Net Cash Provided By Noncapital Financing Activities	<u>226,920</u>	<u>-</u>	<u>226,920</u>
Net Increase In Cash And Cash Equivalents	(5,652)	2,087	(3,565)
Cash And Cash Equivalents, Beginning Of Year	<u>76,742</u>	<u>1,183</u>	<u>77,925</u>
Cash And Cash Equivalents, End Of Year	<u>\$ 71,090</u>	<u>\$ 3,270</u>	<u>\$ 74,360</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>			
Operating (Loss) Used for Operating Activities	\$ (249,521)	\$ 2,087	\$ (247,434)
Depreciation	2,715		2,715
Change In Assets And Liabilities:			
(Increase) Decrease In Receivables	(12,436)		(12,436)
Increase (Decrease) In Interfund Payable	<u>25,970</u>	<u>-</u>	<u>25,970</u>
Net Cash Used In Operating Activities	<u>\$ (232,572)</u>	<u>\$ 2,087</u>	<u>\$ (230,485)</u>

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

***FIDUCIARY FUNDS  
(NOT APPLICABLE)***

***NOTES TO THE FINANCIAL STATEMENTS***

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021

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

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

#### **A. Reporting Entity**

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

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

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

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

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

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021

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

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

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

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

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

The Charter School reports the following governmental funds:

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

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

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

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

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

Capital Projects Fund: Not Applicable.

The Charter School reports the following proprietary funds:

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

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, Payroll Agency, and Unemployment Compensation Insurance (Fund 60), previously reported as fiduciary funds, that such activities are more appropriately reported in a general fund (Fund 10).

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

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

Additionally, the charter school previously reported the activity of the Student Activity (Fund 90) as a fiduciary fund. Beginning in fiscal year 2020-2021, such activity are more appropriately reported in a special revenue fund (Fund 20).

**Basis of Accounting**

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

*Charter School-wide and Proprietary:* The financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**C. Budgets/Budgetary Control**

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

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

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

	<u>2021</u>	<u>2020</u>
Total Revenues & Expenditures (Budgetary Basis)	\$ 730,430	\$ 511,557
Adjustments:		
Less Encumbrances at June 30, 2021	-	-
Plus Encumbrances at June 30, 2020	-	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 730,430</u>	<u>\$ 511,557</u>

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

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

**Encumbrances Accounting**

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

Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

**D. Assets, Liabilities, and Equity**

**Interfund Transactions:**

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

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

**Inventories:**

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

**Allowance for Uncollectible Accounts:**

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

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

Capital Assets:

The Charter School has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at acquisition cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The 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 are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

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.

Unearned Revenue:

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

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

The Charter School implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

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

Net Position (continued):

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

Fund Balance Reserves:

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

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

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 are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses:

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

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

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

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.

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.

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, 2021 as well as security deposits for current lease agreements. The Charter School had \$200,000 in security deposits for the fiscal year ended June 30, 2021. In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment.

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021

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

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

##### **Prepaid Expenses (continued)**

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.

#### **E. 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.

#### **F. IMPACT OF RECENTLY ISSUED ACCOUNTING POLICIES**

During fiscal years 2021 through 2022, the Charter School has adopted the following GASB statements.

##### **The GASB has adopted the following as of June 30, 2021**

GASB No. 84, *Fiduciary Activities*, was effective for the fiscal year ending June 30, 2021. 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 established criteria for identifying fiduciary activities of all state and local governments.

##### **Impact of Recently Issued Accounting Principles**

GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021

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

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

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

GASB Statement No. 40 replaces in part, and otherwise modifies the prior GASB Statement No. 3, in addressing the requirements for disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

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

#### **Deposits**

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

Charter Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**Deposits (continued)**

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, 2021, cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Special Revenue	Proprietary Fund	Total
Operating Account	\$ 6,565,280	\$ 2,195	\$ 74,360	\$6,641,835

The carrying amount of the Board's cash and cash equivalents at June 30, 2021 was \$6,641,835 and the bank balance was \$6,960,804. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Risk Category**

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

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

**Risk Category (continued)**

As of June 30, 2021, the Board had funds invested and on deposit in checking accounts. These funds constitute “deposits with financial institutions” as defined by GASB Statement No. 3 and modified by GASB Statement No. 40, and as such, are deposits that are insured or collateralized with securities held by the Board or by its agent in the Board’s name, both at year-end and throughout the year.

**New Jersey Cash Management Fund**

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

As of June 30, 2021, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2021, consisted of accounts, intergovernmental, grants, and miscellaneous.

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

	Governmental Funds			Proprietary Fund		Total
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business Type Activities	
State Awards	\$ 428,803	\$ -	\$ 428,803	\$ 1,669	\$ 1,669	\$ 430,472
Federal Awards	-	589,763	589,763	21,110	21,110	610,873
Other	115,661	-	115,661	50,989	50,989	166,650
Gross Receivables	544,464	589,763	1,134,227	73,768	73,768	1,207,995
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 544,464	\$ 589,763	\$ 1,134,227	\$ 73,768	\$ 73,768	\$ 1,207,995

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

**NOTE 4: INTERFUND TRANSFERS AND BALANCES**

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

The following interfund balances remained on the fund financial statements at June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 526,961	\$ -
Special Revenue Fund		473,847
Proprietary Fund		53,114
Total	\$ 526,961	\$ 526,961

Interfund balances are expected to be liquidated by the end of June 30, 2022.

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Site Improvements	\$ -	\$ -	\$ -	\$ -
Building and Building Improvements	492,792	120,000	-	612,792
Machinery and Equipment	520,801	130,021	-	650,822
Totals at Historical Cost	1,013,593	250,021	-	1,263,614
Less Accumulated Depreciation For:				
Site Improvements	-	-	-	-
Building and Building Improvements	68,356	30,640	-	98,996
Machinery and Equipment	115,296	65,082	-	180,378
Total Accumulated Depreciation	183,652	95,722	-	279,374
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	829,941	154,299	-	984,240
Government Activity Capital Assets, Net	\$ 829,941	\$ 154,299	\$ -	\$ 984,240
<b>Business-Type Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 13,575	\$ -	\$ -	\$ 13,575
Less Accumulated Depreciation	13,238	-	-	13,238
Enterprise Fund Capital Assets, Net	\$ 337	\$ -	\$ -	\$ 337

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Charter Schools in the State of New Jersey is increased to \$2,000. The previous threshold was \$500.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

Applying the higher capitalization threshold retroactively will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives.

Depreciation expense of \$95,722 was charged to an unallocated function.

**NOTE 6: RENTAL LEASES**

On July 21, 2016, the school entered into a lease agreement with 101 Mettlers Road LLC, to relocate the school to premises located at 101 Mettlers Road, Somerset, New Jersey. There were several conditions to be met relative to this lease, but all such conditions were met as the school began its 2017-2018 school year at said new location. The initial term of the lease was for a 5 year period. There are ongoing negotiations relative to the cancellation of the prior lease at 17 Schoolhouse Road. As a result of all the foregoing, future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	1,200,000
Total minimum lease payments	<u>\$ 1,200,000</u>

On March 7, 2019, the school entered into a lease agreement with Anshe Emeth Memorial Temple to lease the premises located at 222 Livingston Avenue, New Brunswick, New Jersey for a term ending June 30, 2020 and a rent of \$12,000 per month. The lease has since been renewed effective July 1, 2020 to June 30, 2021 at a rent rate of \$14,000 every other month.

Total rent payments for fiscal year 2021 is \$1,785,497.

**NOTE 7: PENSION PLANS**

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

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

**Plan Description**

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

**Benefits Provided**

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021

### NOTE 7: PENSION PLANS (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.

#### 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 ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2019 through June 30, 2020. 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, 2020 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, 2021.

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021

### NOTE 7: PENSION PLANS (CONTINUED)

#### Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The state's pension contribution is based on an actuarially determined amount, which 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 2020, the State's pension contribution was less than the actuarially determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment amounts certified for payments due not be included in their unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Charter School contributions to PERS amounted to \$ 243,086 for fiscal year 2021.

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

At June 30, 2021, the Charter School reported a liability of \$ 3,598,985 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Charter School's proportion was 0.02206966%, which was an increase of 0.01547190% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the Charter School recognized pension expense of \$ 243,086 . At June 30, 2020, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

**NOTE 7: PENSION PLANS (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	\$ 116,755	\$ 1,506,929
Changes in Proportion	\$ 65,532	12,728.00
Difference between Expected and Actual Experience	\$ 2,135,836	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ 123,016	-
	<u>\$ 2,441,139</u>	<u>\$ 1,519,657</u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 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
2022	\$ 342,691
2023	312,430
2024	178,546
2025	72,201
2026	15,616
	<u>\$ 921,482</u>

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuations as of July 1,2020. 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:	
through 2026	2.00-6.00% based on years of service
Thereafter	3.00-7.00% 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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' target asset allocation as of June 30, 2020 are summarized in the following table:

			Long Term
			Expected Real
		Target	Rate of
Asset Class		Allocation	Return
US Equity		27.00%	7.71%
Non-U.S. Developed Markets Equity		13.50%	8.57%
Emerging Market Equity		5.50%	10.23%
Private Equity		13.00%	11.42%
Real Assets		3.00%	9.73%
Real Estate		8.00%	9.56%
High Yield		2.00%	5.95%
Private Credit		8.00%	7.59%
Investment Grade Credit		8.00%	2.67%
Cash Equivalents		4.00%	0.50%
U.S. Treasuries		5.00%	1.94%
Risk Mitigation Strategies		3.00%	3.40%

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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 June 30, 2020 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2020			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School proportionate share of the Net Pension Liability	\$ 4,566,147	\$ 3,598,985	\$ 2,830,636

Measurement Date June 30, 2019			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(5.28%)	(6.28%)	(7.28%)
Charter School's proportionate share of the Net Pension Liability	\$ 3,545,943	\$ 2,787,801	\$ 2,184,695

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

**NOTE 7: PENSION PLANS (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 to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Benefit Provided**

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon 65.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**Benefit Provided (continued)**

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 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, 2020 measurement date.

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 amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020 measurement date, the State's pension contribution was less than the actuarial determined amount.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**Special Funding Situation**

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

This note discloses the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal years ended 2021, the State of New Jersey contributed \$ 85,147 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$ 553,586 .

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the Charter School was \$ 16,086,718 . The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020.

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, 2020, Charter School's proportion was 0.024429783%, which was a decrease of -0.00240711% from its proportion measured as of June 30, 2019.

Charter School's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Charter School		16,086,718
Total	\$	<u>16,086,718</u>

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

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

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

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the Charter School in the amount of \$ 553,586 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

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	\$ 7,815,939,253	\$ 14,241,964,752
Difference Between Expected and Actual Experience	986,767,511	182,357,860
Changes in Proportion and differences between employer contributions and proportionate share of contributions	167,666,229	167,666,229
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	656,175,235	-
	<u>\$ 9,626,548,228</u>	<u>\$ 14,591,988,841</u>

The \$9,626,548,228 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$14,591,988,841 reported as a deferred inflow of resources resulting from the difference between projected and actual.

Fiscal Year Ending June 30,	Total
2022	\$ (262,056,928)
2023	(188,358,995)
2024	(774,174,971)
2025	(1,939,112,462)
2026	(1,466,451,639)
Thereafter	(335,285,618)
	<u>\$ (4,965,440,613)</u>

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	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-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**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, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2020 is summarized in the following table:

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

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

**Long Term Expected Rate of Return (Continued)**

			Long-Term
			Expected Real
		Target	Rate of
Asset Class		Allocation	Return
US Equity		27.00%	7.71%
Non-U.S. Developed Markets Equity		13.50%	8.57%
Emerging Market Equity		5.50%	10.23%
Private Equity		13.00%	11.42%
Real Assets		3.00%	9.73%
Real Estate		8.00%	9.56%
High Yield		2.00%	5.95%
Private Credit		8.00%	7.59%
Investment Grade Credit		8.00%	2.67%
Cash Equivalents		4.00%	0.50%
U.S. Treasuries		5.00%	1.94%
Risk Mitigation Strategies		3.00%	3.40%

**Discount Rate – TPAF**

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**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, 2020 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 June 30, 2020			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.40%)	(5.40%)	(6.40%)
Charter School's proportionate share of the Net Pension Liability	\$ 17,071,334	\$ 16,086,718	\$ 12,426,311

Measurement Date June 30, 2019			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.60%)	(5.60%)	(6.60%)
Charter School's proportionate share of the Net Pension Liability	\$ 15,976,269	\$ 16,086,718	\$ 11,533,581

**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.

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021

### NOTE 7: PENSION PLANS (CONTINUED)

#### Defined Contribution Retirement Program (DCRP) (Continued)

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, 2021. There were no employee contributions to DCRP for the fiscal year ended June 30, 2021.

### NOTE 8: POST-RETIREMENT BENEFITS

#### General Information about the OPEB Plan

##### Plan Description and Benefits Provided

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

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or



**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**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:

Inflation Rate	2.50%			
		<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases				
Through 2026		1.55% to 4.45%	2.00% to 6.00%	3.25% to 15.25%
		based on service	based on service	based on service
		years	years	years
Rate thereafter		1.55% to 4.45%	3.00% to 7.00%	Applied to all
		based on service	based on service	future
		years	years	years

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-2020. 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-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015- June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013- June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

**Discount rate**

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total Non-Employer OPEB Liability:**

The following presents the total nonemployer OPEB liability measured as of June 30, 2020, 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:

					Total OPEB Liability
Balance at June 30, 2020					\$ 2,787,045
Service cost					599,889
Interest on Total OPEB Liability					116,417
Difference between expected and actual experience					2,551,637
Effect of Changes of Assumptions					1,325,842
Contributions - Employee					3,830
Gross Benefits Paid by the State					(126,361)
				Net Changes	4,471,254
Balance at June 30, 2021					\$ 7,258,299

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

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

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

The following presents the total nonemployer OPEB liability measured as of June 30, 2020 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, 2020		
	At 1%	At current	At 1%
	Decrease (1.21%)	discount rate (2.21%)	Increase (3.21%)
Total OPEB Liability	\$ 5,276,857	\$ 7,258,299	\$ 3,823,033

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

The following presents the total nonemployer OPEB liability measured as of June 30, 2020 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, 2020		
	At 1%		At 1%
	decrease	Trend Rate	Increase
Total OPEB Liability	\$ 3,680,306	\$ 4,466,632	\$ 5,507,567

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

For the fiscal year ended June 30, 2021 the Charter School recognized OPEB expense of \$ 1,094,050 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, 2020 measurement date.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

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

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

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At the measurement date of June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 1,101,999	\$ (981,621)
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 1,234,613	(828,213)
Sub Total	2,336,612	(1,809,834)
Contributions Made in Fiscal Year 2021 after June 30, 2020 Measurement Date	N/A	N/A
Total	2,336,612	(1,809,834)

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,	
2022	\$ 4,650
2023	\$ 4,650
2024	\$ 4,650
2025	\$ 4,650
2026	\$ 4,650
Total Thereafter	\$ 503,528
	<u>\$ 526,778</u>

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Notes to the Financial Statements

June 30, 2021

**NOTE 9: RISK MANAGEMENT**

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

**Property and Liability Insurance**

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

**NOTE 10: FUND BALANCE APPROPRIATED**

**General Fund**

Of the \$6,030,493 fund balance total in General Fund at June 30, 2021, \$6,063,198 is unassigned, while \$83,105 is assigned for encumbrances.

**NOTE 11: LOAN PAYABLE**

On June 11, 2020 the charter school (the "Borrower"), was granted a loan (the "Loan") from Unity Bank. in the aggregate amount of \$1,540,057 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated June 11, 2020 issued by the Borrower, matures on June 11, 2025 and bears interest at a rate of 1.00% per annum, with payments of principal, interest, and fees due at the time that the SBA remits the borrower's loan forgiveness amount to the lender (or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period). As of August 10, 2021 the loan was forgiven in full.

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2021

### **NOTE 12: CONTINGENCIES**

In 2016, a former landlord commenced a summary dispossess action against the school whereas the school responded by commencing a declaratory judgment action seeking a determination that the school was relieved of all its obligations under the leases with the landlord due to the conduct of the landlord. Trial commenced in October, 2019. The landlord claim is for unpaid rent of approximately \$2.6 million dollars and other damages to the premises of approximately \$1.5 million dollars, for a total of \$4 million dollars. On August 3, 2020 the judge entered a decision that neither party was entitled to damages. On August 31, 2020 the plaintiff filed an appeal with the Appellate Division of the Superior Court. As of the date of the audit report the matter remains in appeals court. An outcome cannot be predicted as of the date of the audit.

### **NOTE 13: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2021, 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. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$929,633, \$389,790, \$291,333, and \$1,691, respectively.

### **NOTE 14: 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.

### **NOTE 15: RELATED PARTY TRANSACTIONS**

In 2018, the charter school entered into a shared service agreement with Middlesex County Stem Charter School ("Middlesex"), where the charter school provides certain support and administrative staff to Middlesex. The charter school bills Middlesex for these services based on the terms of their agreement. As of June 30, 2020 the charter school has a receivable balance of \$50,989 representing unpaid balances from fiscal year 2021.

In 2019, the charter school entered into a food service agreement with Middlesex where the charter school would provide food services to Middlesex during the 2020 school year. The agreement is in accordance with Department of Agriculture guidelines. There are no charges for this service per the agreement.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

**NOTE 15: RELATED PARTY TRANSACTIONS (CONTINUED)**

There are members of the charter school's Board of Trustees that also serve on the Middlesex Board of Trustees and the same school business administrator is used for both charter schools.

**NOTE 16: RESTATEMENT OF FIDUCIARY ACTIVITIES**

The charter school previously reported the activity of the Payroll, Payroll Agency, and Unemployment Compensation Insurance (Fund 60) as a fiduciary fund. Beginning in fiscal year 2020-2021, such activities have been more appropriately reported in a general fund (Fund 10). Accordingly, the general fund reports a restated beginning balance as follows:

	NET POSITION	PRIOR PERIOD	RESTATED
	JULY 1, 2020 BALANCE	ADJUSTMENT	JULY 1, 2020 BALANCE
GOVERNMENTAL FUNDS-GENERAL FUND	\$ 3,246,747	\$ (44,323)	\$ 3,202,424

which is equal to the restatement of net current assets and current liabilities previously reported in the agency fund. All remaining assets and liabilities, if any, previously reported in the agency fund are not recognized at the fund level under the modified accrual basis of accounting, and have been reclassified as assets and liabilities of the governmental activities as of July 1, 2020.

Additionally, the charter school previously reported the activity of the Student Activity (Fund 90) as a fiduciary fund. Beginning in fiscal year 2020-2021, such activity have been more appropriately reported in a special revenue fund (Fund 20). Accordingly, the newly established special revenue fund reports a restated beginning balance as follows:

	NET POSITION	PRIOR PERIOD	RESTATED
	JULY 1, 2020 BALANCE	ADJUSTMENT	JULY 1, 2020 BALANCE
GOVERNMENTAL FUNDS-SPECIAL REVENUE FUND	\$ -	\$ 3,732	\$ 3,732

**NOTE 17: SUBSEQUENT EVENTS**

The Central Jersey College Prep Charter School's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of the audit which was February 2, 2022. On August 11, 2021 the PPP Loan was fully forgiven.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Financial Statements  
June 30, 2021

**NOTE 18: IMPACT OF COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its

spread, the School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

Although the School cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material effect on the School’s results of future operations, financial position, and liquidity in fiscal year 2022.

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

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

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

General Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	2021				
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Levy Budget:					
Equalization Aid Local Share-Charter School Aid	\$ 13,373,401	\$ (268,501)	\$ 13,104,900	\$ 13,104,900	\$ -
Total Local Levy Budget	13,373,401	(268,501)	13,104,900	13,104,900	-
Categorical Aid:					
Special Education Categorical Aid	419,098	(147,684)	271,414	271,414	
Demonstrably Effective Program Aid	2,757,841	(118,294)	2,639,547	2,639,547	-
Security Aid			-	230,297	230,297
Total Categorical Aid	3,176,939	(265,978)	2,910,961	3,141,258	230,297
Revenues From Other Sources:					
Interest Income				39,055	39,055
Miscellaneous Revenue				49,164	49,164
Reimbursed Social Security Contributions				389,790	389,790
On-Behalf TPAF(Non-Budget)					
Post Retirement Medical Aid				291,333	291,333
Long-Term Disability Insurance Aid				1,691	1,691
Pension Aid - Normal Cost				929,633	929,633
Total Revenues From Other Sources	-	-	-	1,700,666	769,342
Total Revenues	16,550,340	(534,479)	16,015,861	17,946,824	999,639
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	5,081,417	(17,721)	5,063,696	4,831,646	232,050
Other Salaries for Instruction	1,349,751	(361,470)	988,281	632,129	356,152
Purchased Prof/Tech Services	72,207	-	72,207	70,637	1,570
Other Purchased Services	112,457	58,419	170,876	156,610	14,266
General Supplies	217,626	188,098	405,724	356,697	49,027
Textbooks	322,602	(120,278)	202,324	158,219	44,105
Miscellaneous	60,564	(50,112)	10,452	10,156	296
Total Instruction	7,216,624	(303,064)	6,913,560	6,216,094	697,466
Administration:					
Salaries - General Administration	878,710	(59,668)	819,042	813,199	5,843
Salaries of Secretarial/Clerical Assistants	395,111	(89,113)	305,998	299,886	6,112
Total Benefits Cost	2,354,246	(313,902)	2,040,344	1,755,451	284,893
Purchases Prof/Tech Services	71,000	3,469	74,469	67,948	6,521
Other Purchased Services	17,500	(9,469)	8,031	8,031	-
Communications/Telephone	63,539	68,063	131,602	130,800	802
Supplies and Materials	93,482	(57,999)	35,483	34,818	665
Miscellaneous Expenses	40,000	(16,214)	23,786	37,388	(13,602)
Total Administration	3,913,588	(474,833)	3,438,755	3,147,521	291,234

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

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

General Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	2021				
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from Prior Page)					
Support Services:					
Salaries	\$ 1,480,583	\$ 46,357	\$ 1,526,940	\$ 1,437,332	\$ 89,608
Purchased Prof/Ed Services	113,034	96,410	209,444	172,933	36,511
Purchased Prof/Tech Services	20,500	500	21,000	15,414	5,586
Rental of Land and Buildings	1,824,440	(38,440)	1,786,000	1,785,497	503
Other Purchased Services	274,500	(47,000)	227,500	198,371	29,129
Transportation-Other Than To/From School	-	(15,000)	(15,000)		(15,000)
Insurance for Property, Liability and Fidelity	130,360	(25,892)	104,468	83,996	20,472
Supplies and Materials	191,500	22,600	214,100	106,420	107,680
Energy Costs (Heat and Electricity)	192,000	(63,472)	128,528	127,475	1,053
Miscellaneous Expenses	41,458	5,686	47,144	33,967	13,177
Total Support Services	4,268,375	(18,251)	4,250,124	3,961,405	288,719
Capital Outlay:					
Instructional Equipment	56,589	18,300	74,889	61,288	13,601
Non-Instructional Equipment	2		2		2
Miscellaneous Expenses	115,000	105,000	220,000	120,000	100,000
Total Capital Outlay	171,591	123,300	294,891	181,288	113,603
Reimbursed TPAF Social Security (Non-Budgeted)				389,790	(389,790)
On-Behalf TPAF (Non-Budgeted)					
Post Retirement Medical Benefits				291,333	(291,333)
Long-Term Disability Insurance				1,691	(1,691)
Pension				929,633	(929,633)
Total Expenditures	15,570,178	(672,848)	14,897,330	15,118,755	1,001,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	980,162	138,369	1,118,531	2,828,069	1,709,538
FUND BALANCE, JULY 1	3,246,745	-	3,246,745	3,246,747	2
PRIOR PERIOD ADJUSTMENT				(44,323)	(44,323)
FUND BALANCE, JULY 1- RESTATED	3,246,745	-	3,246,745	3,202,424	(44,321)
FUND BALANCE, JUNE 30	\$ 4,226,907	\$ 138,369	\$ 4,365,276	\$ 6,030,493	\$ 1,665,217
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ 4,226,907	\$ 138,369	\$ 4,365,276	\$ 6,030,493	\$ 1,665,217
Total	\$ 4,226,907	\$ 138,369	\$ 4,365,276	\$ 6,030,493	\$ 1,665,217

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE SOURCES:</b>					
Local	\$ -	\$ -	\$ -	\$ 27,913	\$ 27,913
Federal	802,129	1	802,130	702,517	(99,613)
<b>Total Revenues</b>	<b>802,129</b>	<b>1</b>	<b>802,130</b>	<b>730,430</b>	<b>(71,700)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	8,750		8,750	8,750	-
Purchased Prof/Tech Services	81,362	-	81,362	60,603	20,759
Other Purchased Services	11,000	-	11,000	26,089	(15,089)
General Supplies	362,975		362,975	287,375	75,600
<b>Total Instruction</b>	<b>464,087</b>	<b>-</b>	<b>464,087</b>	<b>382,817</b>	<b>81,270</b>
Support Services:					
Salaries	45,467		45,467	45,467	-
Personal Services - Employee Benefits	21,687		21,687	21,687	-
Purchased Technical Services	100,590		100,590	100,590	-
Travel	500	-	500	-	500
Other Purchased Services	27,100		27,100	8,436	18,664
Supplies and Materials	52,503		52,503	51,092	1,411
Miscellaneous Expenditures	23,695	-	23,695	65,307	(41,612)
<b>Total Support Services</b>	<b>271,542</b>	<b>-</b>	<b>271,542</b>	<b>292,579</b>	<b>(21,037)</b>
Facilities Acquisition and Construction Services:					
Instructional Equipment	58,500	1	58,501	-	58,501
Non-Instructional Equipment	8,000	-	8,000	68,733	(60,733)
<b>Total Facilities Acquisition and Construction Services</b>	<b>66,500</b>	<b>1</b>	<b>66,501</b>	<b>68,733</b>	<b>(2,232)</b>
<b>Total Expenditures</b>	<b>802,129</b>	<b>1</b>	<b>802,130</b>	<b>744,129</b>	<b>58,001</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,699)</b>	<b>\$ (13,699)</b>

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



**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
**REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES**  
**SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST SIX FISCAL YEARS**  
**UNAUDITED**

	Fiscal Year Ending June 30,					
	2016	2017	2018	2019	2020	2021
Charter School's proportion of the net pension liability	0.00808396%	0.00754571%	0.00881139%	0.01359230%	0.01547190%	0.02206966%
Charter School's proportionate share of the net pension liability	\$ 1,545,006	\$ 2,234,823	\$ 2,051,726	\$ 2,676,267	\$ 2,787,801	\$ 3,598,985
Charter School's covered payroll (plan measurement period)	\$ 498,947	\$ 778,576	\$ 1,397,675	\$ 1,076,868	\$ 2,407,012	\$ 2,376,537
Charter School's covered payroll (plan measurement period) as a percentage of it's covered payroll	310%	287%	147%	249%	116%	151%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	45.37%	51.55%	51.55%	53.60%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST SIX FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,					
	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 60,911	\$ 67,035	\$ 81,651	\$ 137,436	\$ 152,702	\$ 243,086
Contributions in relation to the contractually required contribution	(60,911)	(60,911)	(81,651)	(137,436)	(152,702)	(243,086)
Contribution deficiency/(excess)	\$ -	\$ 6,124	\$ -	\$ -	\$ -	\$ -
Charter School's covered payroll (plan measurement period)	\$ 498,947	\$ 778,576	\$ 1,397,675	\$ 1,076,868	\$ 2,407,012	\$ 2,376,537
Contributions as a percentage of covered payroll	12.21%	8.61%	5.84%	12.76%	6.34%	10.23%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHER'S PENSION AND ANNUITY FUND  
 LAST SIX FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,					
	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable of the Charter School	0.014575909%	0.014844933%	0.01740480%	0.02202455%	0.02202267%	0.02442978%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 8,695,268	\$ 11,677,966	\$ 11,734,910	\$ 14,011,546	\$ 13,515,521	\$ 16,086,718
Charter School's covered payroll (plan measurement period)	\$ 2,162,651	\$ 2,324,081	\$ 2,152,311	\$ 2,693,272	\$ 4,739,915	\$ 5,851,986
Charter School's proportionate share of the net pension liability as a percentage of it's covered payroll	402.07%	502.48%	545.22%	520.24%	285.14%	274.89%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	28.71%	18.34%	19.22%	35.07%	32.62%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

**SECTION M - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Central Jersey College Prep Charter School**  
**Required Supplementary Information Schedules**  
**Schedule of Changes in the Charter School's Net OPEB Liability and Related Ratios**  
**Last Five Fiscal Years**  
**(Unaudited)**

	Measurement Date Ending				
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
<b>Total Non-Employer OPEB Liability- States's Proportionate Share of the Total OPEB Liability Associated with the Charter School</b>					
OPEB Liability at Beginning of Measurement Period	\$	3,222,274	\$ 3,345,436	\$ 2,682,621	\$ 2,787,045
Service cost		669,819	556,872	570,845	599,889
Interest on Total OPEB Liability		109,869	138,474	124,318	116,417
Effect on Changes of Benefit Terms					-
Difference between expected and actual experience		NOT AVAILABLE	(981,064)	(549,276)	2,551,637
Effect of Changes of Assumptions		(581,892)	(307,844)	41,555	1,325,842
Contributions - Employee		2,853	2,479	2,536	3,830
Gross Benefits Paid by the State		(77,487)	(71,732)	(85,554)	(126,361)
<b>Net Change in Total OPEB Liability</b>		123,162	(662,815)	104,424	4,471,254
OPEB Liability at Beginning of Measurement Period		3,222,274	3,345,436	2,682,621	2,787,045
<b>Total OPEB Liability at End of Measurement Period</b>		<u>2,787,045</u>	<u>3,345,436</u>	<u>2,682,621</u>	<u>7,258,299</u>

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

**Notes to Schedule:**

Changes in benefit terms: None

*Differences Between Expected and Actual Experiences:* The decrease in the Total OPEB Liability from June 30, 2018 to June 30, 2019 is due to changes in the census claims and premium experiences. The increase in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

*Changes in Assumptions:* The increase in the liability from June 30, 2018 to June 30, 2019 is due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, excise tax, updated mortality improvement assumptions.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III**

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**FOR FISCAL YEAR ENDED JUNE 30, 2021**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020 in accordance with Paragraph 44 of GASB Statement No. 67.

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**TEACHER'S PENSION AND ANNUITY FUND**  
**FOR FISCAL YEAR ENDED JUNE 30, 2021**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020 in accordance with Paragraph 44 of GASB Statement No. 67.

***OTHER SUPPLEMENTARY INFORMATION***

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

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

**Central Jersey College Prep Charter School**  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

E-1

	NCLB Title I	NCLB Title III	I.D.E.A. Part B	I.D.E.A. Preschool	NCLB Title II Part A	NCLB Title IV	Elementary and Secondary Emergency Relief Fund	Charter Expansion Grant	CARES Emergency Relief	Corona Relief Fund	Student Activity / Athletics Fund	Grand Total
<b>REVENUE SOURCES:</b>												
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,913	\$ 27,913
Federal	162,167	16,459	184,199	2,565	29,537	10,000	68,733	81,655	96,878	50,324	-	\$ 702,517
<b>Total Revenues</b>	<b>162,167</b>	<b>16,459</b>	<b>184,199</b>	<b>2,565</b>	<b>29,537</b>	<b>10,000</b>	<b>68,733</b>	<b>81,655</b>	<b>96,878</b>	<b>50,324</b>	<b>27,913</b>	<b>730,430</b>
<b>EXPENDITURES:</b>												
Instruction:												
Salaries	-	-	8,750	-	-	-	-	-	-	-	-	8,750
Purchased Prof/Tech Services	6,984	-	-	-	-	1,500	-	-	52,119	-	-	60,603
Other Purchased Services	-	-	-	-	-	-	-	2,000	7,500	33,178	-	42,678
General Supplies	148,983	12,669	10,795	1,065	2,842	8,500	-	68,786	-	17,146	-	270,786
<b>Total Instruction</b>	<b>155,967</b>	<b>12,669</b>	<b>19,545</b>	<b>1,065</b>	<b>2,842</b>	<b>10,000</b>	<b>-</b>	<b>70,786</b>	<b>59,619</b>	<b>50,324</b>	<b>-</b>	<b>382,817</b>
Support Services:												
Salaries	-	-	45,467	-	-	-	-	-	-	-	-	45,467
Personal Services - Employee Benefits	-	-	21,687	-	-	-	-	-	-	-	-	21,687
Purchased Technical Services	-	-	-	1,500	-	-	-	-	-	-	-	1,500
Other Purchased Prof/Tech Services	-	3,290	92,800	-	3,000	-	-	-	-	-	-	99,090
Other Purchased Services	-	-	-	-	-	-	-	8,436	-	-	-	8,436
Supplies and Materials	6,200	500	4,700	-	-	-	-	2,433	37,259	-	41,612	92,704
Miscellaneous Expenditures	-	-	-	-	23,695	-	-	-	-	-	-	23,695
<b>Total Support Services</b>	<b>6,200</b>	<b>3,790</b>	<b>164,654</b>	<b>1,500</b>	<b>26,695</b>	<b>-</b>	<b>-</b>	<b>10,869</b>	<b>37,259</b>	<b>-</b>	<b>41,612</b>	<b>292,579</b>
Facilities Acquisition and Construction Services:												
Non-Instructional Equipment	-	-	-	-	-	-	68,733	-	-	-	-	68,733
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,733</b>
<b>Total Expenditures</b>	<b>162,167</b>	<b>16,459</b>	<b>184,199</b>	<b>2,565</b>	<b>29,537</b>	<b>10,000</b>	<b>68,733</b>	<b>81,655</b>	<b>96,878</b>	<b>50,324</b>	<b>41,612</b>	<b>744,129</b>
<b>Total Outflows</b>	<b>162,167</b>	<b>16,459</b>	<b>184,199</b>	<b>2,565</b>	<b>29,537</b>	<b>10,000</b>	<b>68,733</b>	<b>81,655</b>	<b>96,878</b>	<b>50,324</b>	<b>41,612</b>	<b>744,129</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (13,699)</b>	<b>\$ (13,699)</b>

**SECTION G – PROPRIETARY FUNDS  
DETAIL STATEMENTS**

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

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

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

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

**STATISTICAL SECTION (UNAUDITED)**

***Central Jersey College Prep Charter School has been in operation for ten (10) years. GASB requires that ten years of statistical data be presented. Statistical data for ten (10) years is available and 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 to Charter School)**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

***FINANCIAL TRENDS***

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 Net Position by Component  
*(Accrual Basis of Accounting)*  
 (Unaudited)  
 Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 829,941	\$ 829,941	\$ 772,236	\$ 583,644	\$ 206,745	\$ 225,540	\$ 244,335	\$ 263,130	\$ 281,925	\$ 300,720
Unrestricted (Deficit)	<u>3,497,322</u>	<u>926,797</u>	<u>121,327</u>	<u>(526,391)</u>	<u>(425,869)</u>	<u>(700,334)</u>	<u>(321,158)</u>	<u>1,500,168</u>	<u>1,280,002</u>	<u>1,080,532</u>
<b>Total Governmental Activities Net Position (Deficit)</b>	<b><u>\$ 4,327,263</u></b>	<b><u>\$ 1,756,738</u></b>	<b><u>\$ 893,563</u></b>	<b><u>\$ 106,941</u></b>	<b><u>\$ (219,124)</u></b>	<b><u>\$ (474,307)</u></b>	<b><u>\$ (70,307)</u></b>	<b><u>\$ 1,763,298</u></b>	<b><u>\$ 1,563,851</u></b>	<b><u>\$ 1,397,133</u></b>
<b>Business-Type Activities</b>										
Unrestricted	\$ 94,314	\$ 112,113	89,507	12,472	11,889	5,676	24,128	55,567	52,660	54,364
<b>Total Business-Type Activities Net Position</b>	<b><u>\$ 94,651</u></b>	<b><u>\$ 115,165</u></b>	<b><u>\$ 89,507</u></b>	<b><u>\$ 12,472</u></b>	<b><u>\$ 11,889</u></b>	<b><u>\$ 5,676</u></b>	<b><u>\$ 24,128</u></b>	<b><u>\$ 55,567</u></b>	<b><u>\$ 52,660</u></b>	<b><u>\$ 54,364</u></b>
<b>Charter School-wide</b>										
Net Investment in Capital Assets	\$ 830,278	\$ 832,993	\$ 772,236	\$ 583,644	\$ 206,745	\$ 225,540	\$ 244,335	\$ 263,130	\$ 281,925	\$ 300,720
Unrestricted	<u>3,591,636</u>	<u>1,038,910</u>	<u>210,834</u>	<u>(513,919)</u>	<u>(413,980)</u>	<u>(694,658)</u>	<u>(297,030)</u>	<u>1,555,735</u>	<u>1,332,662</u>	<u>1,134,896</u>
<b>Total Charter School Net Position</b>	<b><u>\$ 4,421,914</u></b>	<b><u>\$ 1,871,903</u></b>	<b><u>\$ 983,070</u></b>	<b><u>\$ 119,413</u></b>	<b><u>\$ (207,235)</u></b>	<b><u>\$ (468,631)</u></b>	<b><u>\$ (46,179)</u></b>	<b><u>\$ 1,818,865</u></b>	<b><u>\$ 1,636,511</u></b>	<b><u>\$ 1,451,497</u></b>

Source: Annual Comprehensive Financial Report

## CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Changes in Net Position  
(Accrual Basis of Accounting)  
(Unaudited)  
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$ 8,816,575	\$ 7,453,620	\$ 5,761,242	\$ 4,542,236	\$ 3,814,734	\$ 3,544,643	\$ 2,719,283	\$ 2,468,847	\$ 2,424,995	\$ 2,213,633
Administration	3,409,893	2,631,273	1,984,409	1,864,376	908,900	722,939	579,386	516,587	522,230	408,978
Support Services	4,837,998	4,735,077	3,482,867	2,691,227	2,091,218	2,022,891	1,678,080	1,355,425	1,328,992	1,349,441
Capital Outlay	-	44,381	317,383	293,026	10,123	139,804	138,994	-	6,003	-
Unallocated Depreciation	95,722	76,720	63,277	2,350	18,795	18,795	18,795	18,795	18,795	18,795
Total Governmental Activities Expenses	<u>17,160,188</u>	<u>14,941,071</u>	<u>11,609,178</u>	<u>9,393,215</u>	<u>6,843,770</u>	<u>6,449,072</u>	<u>5,134,538</u>	<u>4,359,654</u>	<u>4,301,015</u>	<u>3,990,847</u>
Business-Type Activities:										
Food Service	279,812	295,081	223,149	201,877	176,409	194,976	201,691	177,057	173,851	177,325
Total Business-Type Activities Expenses	<u>279,812</u>	<u>295,081</u>	<u>223,149</u>	<u>201,877</u>	<u>176,409</u>	<u>194,976</u>	<u>201,691</u>	<u>177,057</u>	<u>173,851</u>	<u>177,325</u>
Total Charter School Expenses	<u>\$ 17,440,000</u>	<u>\$ 15,236,152</u>	<u>\$ 11,832,327</u>	<u>\$ 9,595,092</u>	<u>\$ 7,020,179</u>	<u>\$ 6,644,048</u>	<u>\$ 5,336,229</u>	<u>\$ 4,536,711</u>	<u>\$ 4,474,866</u>	<u>\$ 4,168,172</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 27,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	271,414	236,744	197,126	124,977	135,640	112,680	80,548	85,046	94,358	84,934
Total Governmental Activities Program Revenues	<u>299,327</u>	<u>236,744</u>	<u>197,126</u>	<u>124,977</u>	<u>135,640</u>	<u>112,680</u>	<u>80,548</u>	<u>85,046</u>	<u>94,358</u>	<u>84,934</u>
Business-Type Activities:										
Charges for Services	32,296	195,935	190,722	127,930	144,865	111,720	89,100	97,048	99,384	92,479
Operating Grants and Contributions	226,920	124,237	109,182	74,527	74,387	84,881	85,014	88,410	89,441	100,837
Total Business-Type Activities Program Revenues	<u>259,216</u>	<u>320,172</u>	<u>299,904</u>	<u>202,457</u>	<u>219,252</u>	<u>196,601</u>	<u>174,114</u>	<u>185,458</u>	<u>188,825</u>	<u>193,316</u>
	<u>\$ 558,543</u>	<u>\$ 556,916</u>	<u>\$ 497,030</u>	<u>\$ 327,434</u>	<u>\$ 354,892</u>	<u>\$ 309,281</u>	<u>\$ 254,662</u>	<u>\$ 270,504</u>	<u>\$ 283,183</u>	<u>\$ 278,250</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (16,860,861)	\$ (14,704,327)	\$ (11,412,052)	\$ (9,268,238)	\$ (6,708,130)	\$ (6,336,392)	\$ (5,053,990)	\$ (4,274,608)	\$ (4,206,657)	\$ (3,905,913)
Business-Type Activities	(20,596)	25,091	76,755	580	42,843	1,625	(27,577)	8,401	14,374	15,991
Total Charter School-wide Net Expense	<u>\$ (16,881,457)</u>	<u>\$ (14,679,236)</u>	<u>\$ (11,335,297)</u>	<u>\$ (9,267,658)</u>	<u>\$ (6,665,287)</u>	<u>\$ (6,334,767)</u>	<u>\$ (5,081,567)</u>	<u>\$ (4,266,207)</u>	<u>\$ (4,191,683)</u>	<u>\$ (3,889,922)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
General Purposes	\$ 13,104,900	\$ 11,012,584	\$ 8,492,440	\$ 5,713,942	\$ 4,561,287	\$ 3,712,643	\$ 2,657,105	\$ 2,464,865	\$ 2,214,337	\$ 2,031,345
Federal and State Aid Not Restricted	6,278,858	4,453,990	3,689,815	3,877,370	2,300,574	2,413,535	2,133,691	1,985,360	2,142,522	2,542,537
Investment Earnings	39,055	21,072	11,984	499	-	-	-	1	6	-
Miscellaneous Income	49,164	79,856	4,435	2,492	158	39,625	26,136	3,829	14,586	1,652
Total Governmental Activities	<u>19,471,977</u>	<u>15,567,502</u>	<u>12,198,674</u>	<u>9,594,303</u>	<u>6,862,019</u>	<u>6,165,803</u>	<u>4,816,932</u>	<u>4,454,055</u>	<u>4,371,451</u>	<u>4,575,534</u>
Business-Type Activities:										
Miscellaneous Income	82	567	277	-	5,572	-	-	-	1,415	-
Total Business-Type Activities	<u>82</u>	<u>567</u>	<u>277</u>	<u>-</u>	<u>5,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,415</u>	<u>-</u>
Total Charter School-wide	<u>\$ 19,472,059</u>	<u>\$ 15,568,069</u>	<u>\$ 12,198,951</u>	<u>\$ 9,594,303</u>	<u>\$ 6,867,591</u>	<u>\$ 6,165,803</u>	<u>\$ 4,816,932</u>	<u>\$ 4,454,055</u>	<u>\$ 4,372,866</u>	<u>\$ 4,575,534</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 2,611,116	\$ 863,175	\$ 786,622	\$ 326,065	\$ 153,889	\$ (170,589)	\$ (237,058)	\$ 179,447	\$ 164,794	\$ 669,621
Business-Type Activities	(20,514)	25,658	77,032	580	48,415	1,625	(27,577)	8,401	16,389	15,991
Total Charter School	<u>\$ 2,590,602</u>	<u>\$ 888,833</u>	<u>\$ 863,654</u>	<u>\$ 326,645</u>	<u>\$ 202,304</u>	<u>\$ (168,964)</u>	<u>\$ (264,635)</u>	<u>\$ 187,848</u>	<u>\$ 181,183</u>	<u>\$ 685,612</u>

Source: Annual Comprehensive Financial Report

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 Fund Balances - Governmental Funds  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)  
 Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 83,105	\$ 2,800	\$ -	\$ 49,688	\$ -	\$ 487	\$ 6,516	\$ -	\$ 21,924	\$ 15,881
Unassigned	5,947,388	3,243,947	2,120,950	1,281,902	1,302,794	1,129,623	1,275,389	1,500,168	1,280,002	1,080,532
<b>Total General Fund</b>	<b>\$ 6,030,493</b>	<b>\$ 3,246,747</b>	<b>\$ 2,120,950</b>	<b>\$ 1,331,590</b>	<b>\$ 1,302,794</b>	<b>\$ 1,130,110</b>	<b>\$ 1,281,905</b>	<b>\$ 1,500,168</b>	<b>\$ 1,301,926</b>	<b>\$ 1,096,413</b>
All Other Governmental Funds										
Unassigned										
Special Revenue Fund	\$ (9,967)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total All Other Governmental Funds</b>	<b>\$ (9,967)</b>	<b>\$ -</b>								

Source: Annual Comprehensive Financial Report

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 Changes in Fund Balances - Governmental Funds  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)  
 Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Local Sources:										
Local Tax Levy	\$ 13,104,900	\$ 11,012,584	\$ 8,492,440	\$ 5,713,942	\$ 4,561,287	\$ 3,712,643	\$ 2,657,105	\$ 2,464,865	\$ 2,214,337	\$ 2,031,345
Interest In Investments	39,055	21,072	11,984	499	-	-	-	-	-	-
Miscellaneous	77,077	79,856	4,435	2,492	158	39,625	26,136	3,829	14,586	1,652
State Sources	4,753,705	3,590,710	3,042,316	3,073,831	2,196,908	2,169,098	1,941,079	1,952,417	2,111,538	2,446,623
Federal Sources	702,517	511,557	270,163	163,448	239,306	357,117	273,160	117,989	125,342	180,848
Total Revenues	<u>18,677,254</u>	<u>15,215,779</u>	<u>11,821,338</u>	<u>8,954,212</u>	<u>6,997,659</u>	<u>6,278,483</u>	<u>4,897,480</u>	<u>4,539,100</u>	<u>4,465,803</u>	<u>4,660,468</u>
<b>Expenditures:</b>										
Instruction	6,598,911	5,757,499	4,324,177	3,354,131	2,938,763	2,762,578	2,184,859	1,956,757	1,913,104	1,750,001
Administration	4,759,968	3,910,402	2,962,689	2,483,459	2,033,006	1,729,285	1,310,078	1,169,486	1,194,634	1,026,478
Support Services	4,253,984	4,227,854	3,102,983	2,364,442	1,843,083	1,798,610	1,481,812	1,214,616	1,168,479	1,195,573
Capital Outlay	250,021	194,227	642,129	723,385	10,123	139,804	138,994	-	6,003	-
Total Expenditures	<u>15,862,884</u>	<u>14,089,982</u>	<u>11,031,978</u>	<u>8,925,417</u>	<u>6,824,975</u>	<u>6,430,277</u>	<u>5,115,743</u>	<u>4,340,859</u>	<u>4,282,220</u>	<u>3,972,052</u>
Net Change in Fund Balance	<u>\$ 2,814,370</u>	<u>\$ 1,125,797</u>	<u>\$ 789,360</u>	<u>\$ 28,795</u>	<u>\$ 172,684</u>	<u>\$ (151,794)</u>	<u>\$ (218,263)</u>	<u>\$ 198,241</u>	<u>\$ 183,583</u>	<u>\$ 688,416</u>

Source: Annual Comprehensive Financial Report

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 General Fund - Other Local Revenue by Source  
*(Modified Accrual Basis of Accounting)*  
 (Unaudited)  
 Last Ten Fiscal Years

Fiscal Year Ending June 30,	Donations	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2021	\$ 1,519	\$ 22,497	\$ 25,148	\$ 49,164
2020	13,886	3,814	62,156	79,856
2019	7,012		(2,577)	4,435
2018	1,120	-	1,372	2,492
2017	-	-	158	158
2016	-	-	39,625	39,625
2015	-	-	26,136	26,136
2014	-	1,186	2,643	3,829
2013	-	-	10,836	10,836
2012	-	1,491	161	1,652

**Source: Charter School records**

***OPERATING INFORMATION***

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 Full-Time Equivalent Charter School Employees by Function  
 (Unaudited)  
*Last Ten Fiscal Years*

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	108	101	83	50	41	38	37	36	37	34
Administrative	5	5	5	4	4	3	3	3	3	5
Support Services	40	37	30	18	17	11	11	11	10	10
<b>Total</b>	<b>153</b>	<b>143</b>	<b>118</b>	<b>72</b>	<b>62</b>	<b>52</b>	<b>51</b>	<b>50</b>	<b>50</b>	<b>49</b>

**Source: Charter School Personnel Records**

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Operating Statistics  
(Unaudited)

Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2021	1214	\$ 15,612,863	\$ 12,861	12.36%	108	10:1	1216.28	1184.52	16.65%	97.39%
2020	1042	13,895,755	13,336	35.84%	101	10:1	1013.8	990.25	19.51%	97.68%
2019	828	10,229,845	12,355	14.61%	83	10:1	816	786	24.79%	96.32%
2018	616	8,925,417	14,489	28.35%	50	18:1	614	597	22.55%	97.28%
2017	483	6,953,846	16,596	2.04%	41	18:1	475	438	11.74%	92.15%
2016	419	6,814,852	22,055	8.34%	38	18:1	420	410	26.34%	97.74%
2015	309	6,290,473	20,829	26.40%	37	N/A	309	304	2.27%	98.38%
2014	302	4,976,749	16,106	14.65%	36	N/A	302	298	-2.32%	98.68%
2013	309	4,340,859	14,048	9.29%	37	N/A	309	303	0.00%	98.06%
2012	309	3,972,052	-	0.00%	29	N/A	309	303	0.00%	98.06%

**Sources: Charter School records**

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

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 School Building Information  
 (Unaudited)  
 Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Charter School Building</b>										
<u>Elementary</u>										
Name of School (Year)										
Square Feet	118,512	82,750	60,000	60,000	55,000	45,000	45,000	45,000	45,000	45,000
Capacity (students)	1320	1320	816	650	480	432	336	336	336	336
Enrollment	1214	1042	828	616	478	419	309	302	309	309
Number of Schools at June 30, 2021										
Elementary = 1	552	516	411	263	N/A	N/A	N/A	N/A	N/A	N/A
Middle School = 1	448	340	224	167	N/A	N/A	N/A	N/A	N/A	N/A
High School = 1	214	186	193	186	N/A	N/A	N/A	N/A	N/A	N/A

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

Insurance Schedule  
June 30, 2021

<u>COVERAGE</u>	<u>LIMITS</u>	<u>DEDUCTIBLES</u>
<b>NJSIG</b>		
<u>Commercial Package</u>		
Property Blanket Building & Contents	\$500,000,000	1,000
Occurrence Limit	\$11,000,000	None
Automobile Limit	\$11,000,000	None
Employee Benefit Liability	\$11,000,000	1,000
Environmental Impairment/Pollution Liability - Zurich Pool Aggregate	\$1,000,000 occ. \$11,000,000	25,000
<u>Workers' Compensation</u>		
Statutory Benefits	Included	
Employer's Liability	\$2,000,000	
Supplemental Indemnity Coverage	Included	7 Day Waiting Period
<u>School Leaders Errors &amp; Omissions</u>		
Coverage A Limit Each Loss	\$11,000,000	10,000
Coverage B Limit Each Loss	\$100,000	10,000
Coverage C Limit Each Loss	\$300,000	10,000
<u>Crime Coverage</u>		
Blanket Public Employee Dishonesty	\$250,000	1,000
Computer Fraud	\$250,000	1,000
Forgery	\$250,000	1,000
Theft/Disappearance/Destruction		
Inside	\$25,000	500
Outside	\$25,000	500
<u>Public Official Bonds</u>		
Treasurer	\$200,000	1,000
Board Secretary	\$180,000	1,000

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
 New Jersey Performance Framework Financial Ratios  
 Audited Performance Indicators  
 Last Three Fiscal Years

	2019 Audit	2020 Audit	2021 Audit	Source
Cash	1,480,059	3,808,663	6,641,835	Audit: Exhibit A-1
Current Assets (include cash)	2,663,651	4,988,192	8,049,830	Audit: Exhibit A-1
Current Liabilities	478,961	1,629,332	1,934,990	Audit: Exhibit A-1
Total Expenses	11,832,327	15,236,152	17,440,000	Audit: Exhibit A-2
Change in Net Position	863,657	888,833	2,590,602	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	816	1,014.00	1,216.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	828	1,042	1,214	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	63,277	76,720	95,722	Auditor/Workpapers
Interest Expense	-	-	-	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators	2019	2020	2021	3 YR CUM	Calculation***	Target***
<b>Near Term Indicators</b>						
1a. Current Ratio (working capital ratio)	5.60	3.06	4.16		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	46	91	139		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	99%	97%	100%	99%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.** Default on loans or delinquent in debt payments	NO	NO	NO		Auditor	not in default
<b>Sustainability Indicators</b>						
2a*** 3 Year Cumulative Cash Flow	645,868	2,328,604	2,833,172	5,807,644	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  
 \*\*\* 2021 =2021 Cash; 2020 =2020 Cash -2019 Cash; 2019 =2019 Cash -2018 Cash  
 \*\*\*\* Refer to NJ Performance Framework

Meets Standard  
 Does Not Meet Standard  
 Falls Far Below Standard

***SINGLE AUDIT SECTION***

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

*2204 Morris Avenue, Suite 206*

*Union, New Jersey 07083*

*(908) 686-3484*

*FAX – (908) 686-6055*

K-1  
Page 1

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

Honorable President and  
Members of the Board of Trustees  
Central Jersey College Prep Charter School  
County of Somerset  
Somerset, 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 Central Jersey College Prep Charter School (Charter School), in the County of Somerset, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School’s basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 2, 2022, which contains an emphasis of matter paragraph describing the adoption of a new accounting principle, consistency of financial statements, and prior period adjustment.

**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 over financial reporting.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

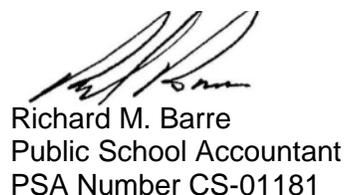
### **Compliance and Other Matters**

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

### **Purpose of This Report**

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

February 2, 2022

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

*2204 Morris Avenue, Suite 206*  
*Union, New Jersey 07083*  
*(908) 686-3484*  
*FAX – (908) 686-6055*

K-2  
Page 1

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL AND STATE PROGRAM AND 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  
Central Jersey College Prep Charter School  
County of Somerset  
Somerset, New Jersey

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

We have audited the Central Jersey College Prep Charter School's (Charter School) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* and New Jersey Compliance Manual "State 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, 2021. The Charter School's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

The Charter School's management is responsible for compliance with Federal and State Statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Charter School's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of 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 State of New Jersey's 15-08 OMB, *Single Audit Policy for Recipients of State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred.

An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Charter School's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Central Jersey College Prep Charter School, in the County of Somerset, 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 federal and state programs for the fiscal year ended June 30, 2021.

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

Management of Central Jersey College Prep Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter School's 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Purpose of This Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of the Uniform Guidance and New Jersey Circular 15-08 OMB. 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

February 2, 2022

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2021

Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	From	To	Balance at June 30, 2020	Carryover/ (W/allow) Amount	Cash Received	Budgetary Expenditures	Pass Through To Subrecipients	Adjustments	Repayment Of Prior Years' Balances	Balance at June 30, 2021									
														Accounts Receivable	Due to Grantor								
<b>U.S. Department of Education</b>																							
<b>Passed-through State Department of Education</b>																							
Special Revenue Fund:																							
2019 Nutrition Cluster:																							
84.010A	N/A	S0010A210030	NCLB - 6018 - 21	\$ 162,167	7/1/20	6/30/21	\$ -	\$ -	\$ -	\$ (162,167)	\$ -	\$ -	\$ -	\$ -	\$ -								
84.010A	N/A	S365A210030	NCLB - 6018 - 20	90,293	9/1/19	8/31/20	(90,293)	-	90,293	(16,459)	-	-	-	(16,459)	-								
84.365A	84.365A	S365A210030	NCLB - 6018 - 20	-	7/1/20	6/30/21	(15,105)	-	-	(29,537)	-	-	-	(29,537)	-								
84.365	84.365A	S367A210029	NCLB - 6018 - 21	15,105	9/1/19	8/31/20	(21,569)	-	21,569	(10,000)	-	-	-	(10,000)	-								
84.367	84.367A	S367A210029	NCLB - 6018 - 21	29,537	7/1/20	6/30/21	(21,569)	-	21,569	(10,000)	-	-	-	(10,000)	-								
84.367	84.367A	S367A210029	NCLB - 6018 - 21	10,000	7/1/19	6/30/20	(10,000)	-	10,000	(19,000)	-	-	-	(19,000)	-								
84.185	84.185A	S294A210031	NCLB - 6018 - 21	81,185	9/1/20	8/31/21	(23,967)	-	62,430	(239,616)	-	-	-	(237,369)	-								
84.262A	N/A	U262A210015	18E06075	81,185	7/1/20	6/30/21	(23,967)	-	174,292	(239,616)	-	-	-	(237,369)	-								
Total No Child Left Behind Cluster																							
<b>Individuals with Disabilities Cluster:</b>																							
Special Education Cluster (IDEA):																							
84.027	84.027A	H027A210031	IDEA - 6018 - 21	184,199	7/1/20	6/30/21	(143,373)	-	143,373	(184,199)	-	-	-	(184,199)	-								
84.027	84.027A	H027A210031	IDEA - 6018 - 20	143,373	9/1/19	8/31/20	(143,373)	-	-	(2,565)	-	-	-	(2,565)	-								
84.173	N/A	H027A210031	IDEA - 6018 - 21	2,565	9/1/20	8/31/21	(3,119)	-	-	(188,764)	-	-	-	(188,764)	-								
84.173	N/A	H027A210031	IDEA - 6018 - 20	2,119	9/1/19	8/31/20	(145,482)	-	143,373	(188,764)	-	-	-	(188,764)	-								
Total Special Education (IDEA) Cluster																							
Other Special Revenue Funds:																							
84.425	COVID-19, 84.425D	S425D200027	N/A	68,733	3/1/20	9/30/22	-	-	-	(68,733)	-	-	-	(68,733)	-								
84.425	COVID-19, 84.425D	S425D200027	N/A	96,878	3/1/20	9/30/22	-	-	-	(96,878)	-	-	-	(96,878)	-								
Total Other Special Revenue Funds																							
<b>U.S. Department of Treasury</b>																							
<b>Passed-through State Department of Education</b>																							
21.019	COVID-19	COVID-19	N/A	50,324	8/1/20	10/1/20	-	-	-	(50,324)	-	-	-	(50,324)	-								
Total Department of Treasury Funds																							
Total Enterprise Fund																							
<b>U.S. Department of Agriculture</b>																							
<b>Passed-through State Department of Agriculture</b>																							
Enterprise Fund:																							
2019 Nutrition Cluster:																							
10.550	N/A	211NJ304N1089	N/A	-	7/1/20	6/30/21	-	-	-	-	-	-	-	-	-								
10.550	N/A	211NJ304N1089	N/A	-	7/1/19	6/30/20	-	-	-	-	-	-	-	-	-								
10.553	COVID-19	211NJ304N1089	N/A	76,421	7/1/20	6/30/21	(7,689)	-	62,270	(76,421)	-	-	-	(14,151)	-								
10.553	COVID-19	211NJ304N1089	N/A	17,063	7/1/19	6/30/20	-	-	7,689	(143,404)	-	-	-	(143,404)	-								
10.555	COVID-19	211NJ304N1089	N/A	143,404	7/1/20	6/30/21	(1,337)	-	136,445	(6,959)	-	-	-	(6,959)	-								
10.555	COVID-19	201NJ304N1089	N/A	103,044	7/1/19	6/30/20	-	-	1,337	(219,659)	-	-	-	(217,109)	-								
Total Child Nutrition Cluster																							
Total Enterprise Fund																							
Sub-Total Federal Financial Awards																							
														\$	(281,485)	\$	525,406	\$	(922,342)	\$	(610,873)	\$	-

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years Balance	Balance at June 30, 2021		MEMO	
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor					Unearned Revenue/Interfund Payable	Due to Grantor		Cumulative Total Expenditures
<b>State Department of Education</b>														
General Fund:														
State Aid-Public Cluster														
Education Aid														
Special Education														
Security Aid														
Total State Aid-Public														
On-Behalf:														
TPAF Post-Retirement Medical Benefits														
TPAF Pension														
Long Term Disability Insurance														
Reimbursed TPAF - Social Security														
Reimbursed TPAF - Social Security														
Total General Fund														
<b>State Department of Agriculture</b>														
Enterprise Fund:														
National School Lunch Program (State Share)														
Total Enterprise Fund														
Total State Financial Assistance														
<b>State Financial Assistance Not Subject to Major Program Determination:</b>														
General Fund:														
TPAF Post-Retirement Medical Benefits														
TPAF Pension														
Long Term Disability Insurance														
Total State Financial Assistance Subject to Single Audit														

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Schedules of Expenditures  
Of Awards and Financial Assistance  
June 30, 2021

---

**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, Central Jersey College Prep Charter School. The Board of Trustees is defined in Note 1 to the board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the 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 bases of accounting are described in Note 1 to the board's basic financial statements. The information in these schedules 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 these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

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

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Schedules of Expenditures  
Of Awards and Financial Assistance  
June 30, 2021

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

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

	Federal	State	Total
General Fund	\$ -	\$ 4,753,705	\$ 4,753,705
Special Revenue Fund	702,517	-	702,517
Food Service Fund	219,825	7,095	226,920
Total Awards & Financial Assistance	\$ 922,342	\$ 4,760,800	\$ 5,683,142

**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 LOAN OUTSTANDING**

Central Jersey College Prep Charter School has no loan balances outstanding at June 30, 2021.

**NOTE 6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2021. 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, 2021.

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

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Notes to the Schedules of Expenditures  
Of Awards and Financial Assistance  
June 30, 2021

---

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for 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 following funds by program are included in schoolwide programs in the charter school.

Program	Total
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 162,167
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	<u>29,537</u>
Total	<u>\$ 208,163</u>

**NOTE 9. 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.

**NOTE 10. MAJOR PROGRAMS**

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

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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

**Financial Statements**

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes   X   No

**Federal Awards**

**N/A**

Internal control over major programs:

- 1) Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Uniform Guidance? \_\_\_\_\_ Yes   X   No

Identification of major federal programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

EDUCATION STABILIZATION FUND:  
\_\_\_\_\_ 84.425D \_\_\_\_\_

ELEMENTARY AND SECONDARY  
EMERGENCY RELIEF FUND (ESSER)

\_\_\_\_\_ 84.425D \_\_\_\_\_

CARES EMERGENCY RELIEF

CHILD NUTRITION CLUSTER:  
\_\_\_\_\_ 10.553 \_\_\_\_\_

NATIONAL SCHOOL LUNCH PROGRAM

\_\_\_\_\_ 10.555 \_\_\_\_\_

SCHOOL BREAKFAST PROGRAM

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

**State Awards**

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 identified 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 NJOMB Circular Letter 15-08 as applicable?

Yes  No

Identification of major state programs:

GMIS Number(s)	Name of State Program or Cluster
	<u>Total State Aid – Public Cluster</u>
<u>21-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>21-495-034-5120-084</u>	<u>Security Aid</u>
<u>21-495-034-5120-089</u>	<u>Special Education Categorical</u>

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Summary Schedule of Prior Year Audit Findings  
And Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2021

---

***Section II –Financial Statement Findings***

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

No Current Year Findings

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

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

**CURRENT YEAR FEDERAL AWARDS**

No Current Year Findings

**CURRENT YEAR STATE AWARDS**

No Current Year Findings

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by  
Management  
For the Fiscal Year Ended June 30, 2021

---

**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (511 (a)(b)) and NJOMB's 15-08, as applicable.

**STATUS OF PRIOR YEAR FINDINGS**

No Prior Year Findings