

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**JUNE 30, 2021**  
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February 24, 2022

Commissioner  
New Jersey Department of Education  
100 Riverview Executive Plaza  
CN 500  
Trenton, NJ 08625

Dear Commissioner:

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

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

- 1) REPORTING ENTITY AND ITS SERVICES** The Achievers Early College Prep Charter School is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the Charter School are included in this report. The Charter School's Board of Trustees, constitutes the Charter School's reporting entity.

2) **ENROLLMENT OUTLOOK:** Achievers Early College Prep Charter School provides a full range of educational services appropriate to Grade 6 through 9<sup>th</sup> grade. These services include regular instruction with a literacy focus, as well as special education and basic skills. AECPCS completed the 2020-2021 school year with an average daily enrollment of 262.7 students.

3) **MAJOR ACCOMPLISHMENTS:**

**Mission Statement:** To provide students in grades 6-12 a unique opportunity to take a two-year course of study in STEM fields following the 10<sup>th</sup> grade, enabling them to redefine the high school experience and graduate with skills, experiences, and content mastery that's significant to them in the market place and the world beyond.

**Vision Statement:** Achievers Early College Prep Charter School is a literacy-focused middle school that's an intervention zone, at its core. Students will read leveled books, and independent picks on their own time, and will be practicing all-school reading, annotating and notetaking strategies in across content areas. Our ELA curriculum is novel-based and we believe we've got rich, well-written and culturally relevant stories to teach reading, thinking, and writing with. We believe in the right intersection of direct teaching and project-based learning, but we believe that we have to help our students build proficiency in skills before we can let the content do the driving. We believe in the strategies exposed in Teach Like and Champion and will be holding a number of them sacrosanct in order to make sure our school is a bastion for learning, academic minutes are preserved, and expectations are high and clear for all.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2021.

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

7) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of report, the school continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General, Special Revenue and Proprietary funds for the fiscal period ended June 30, 2021.

Revenue	Amount	Percent of Total
Local	\$ 343,763	8%
State	3,311,090	78%
Federal Aid	330,510	8%
Misc.	193,569	4%
Proprietary Fund	<u>62,114</u>	<u>2%</u>
Total	<u>\$4,241,046</u>	<u>100%</u>

The following schedule presents a summary of the General, Special Revenue and Proprietary fund expenditures for the fiscal period ended June 30, 2021.

Expenditures	Amount	Percent of Total
Current - General Fund	\$2,601,342	87%
Special Revenue	330,510	11%
Proprietary Fund	<u>57,317</u>	<u>2%</u>
Total	<u>\$2,989,169</u>	<u>100%</u>

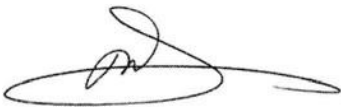
- 8) **CASH MANAGEMENT:** The investment policy of the school is guided in large by the state Statute as detailed in “Notes to the Financial Statements,” Note 2. The school had adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the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

10) **OTHER INFORMATION:**

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

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

Respectfully submitted,



Mr. Michael Falkowski  
School Business Administrator



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**

**ROSTER OF TRUSTEES**

**JUNE 30, 2021**

**BOARD OF TRUSTEES**

**TERM EXPIRES**

Imebet Stewart, President	3/2023
Lawrence Patton	3/2023
Mayokun Oshinm	3/2023
Laretha Odumosu	2/2023
Alescía Dingle	2/2023
William Keeby	2/2023
Derrick Johnson	3/2023

Business Administrator

Michael Falkowski, Non Voting

**CONSULTANTS AND ADVISORS**  
**June 30, 2021**

**AUDIT FIRM**

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

**ATTORNEY**

Busch Law Group, LLC  
450 Main Street  
Metuchen, NJ 08840

**OFFICIAL DEPOSITORY**

PNC Bank  
PO Box 609  
Pittsburgh, Pennsylvania 15230

## **FINANCIAL SECTION**

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CERTIFIED PUBLIC ACCOUNTANT  
62 OLD QUEENS BLVD.  
MANALAPAN, NEW JERSEY 07726-3648

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732 792-0868

### **Independent Auditor's Report**

The Honorable Chairman and  
Members of the Board of Trustees  
Achievers Early College Prep Charter School  
County of Mercer  
Trenton, New Jersey

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Achievers Early College Prep Charter School, County of Mercer, State of New Jersey, as of and for the fiscal year and ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Achievers Early College Prep Charter School basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Achievers Early College Prep Charter School as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

I draw your attention to Note 2 to the financial statements, which discloses adoption of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, which enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. My 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 follows this report, the pension and post-employment benefits schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School basic financial statements, The accompanying supplementary information such as the combining and individual fund financial statements and the schedules of expenditures of federal and state awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey's OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual fund financial statements and the schedules of expenditures of federal and state awards 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 my opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated February 24, 2022 on my consideration of the Achievers Early College Prep Charter School's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Achievers Early College Prep Charter School's internal control over financial reporting and compliance.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
February 24, 2022

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

This section of Achievers Early College Prep Charter School annual financial report presents its discussion and analysis of the Board's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2020-2021 fiscal year include the following:

- Total Net Position School Wide is \$1,466,791.
- The Unassigned Fund balances School Wide at June 30, 2021 is \$1,466,791.

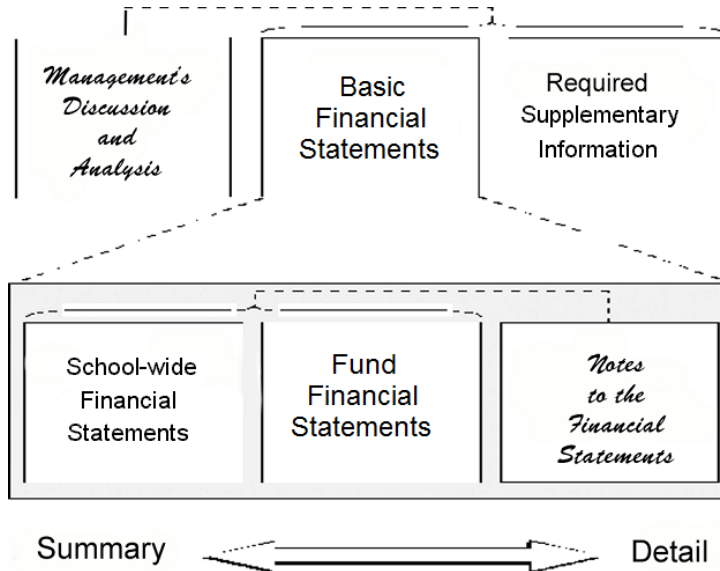
**OVERVIEW OF THE FINANCIAL STATEMENTS**

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



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

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



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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

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

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

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**School-wide Statements**

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

The two school-wide statements report the Achievers Early College Prep Charter School net position and how they have changed. Net position – the difference between the Achievers Early College Prep Charter School assets and liabilities – are one way to measure the Achievers Early College Prep Charter School financial health or position.

In the school-wide financial statements, the Achievers Early College Prep Charter School activities are shown in two categories:

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

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Achievers Early College Prep Charter School funds – focusing on its most significant or “major” funds – not the Achievers Early College Prep Charter School as a whole.

Funds are accounting devices the Achievers Early College Prep Charter School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.

Achievers Early College Prep Charter School uses other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)**

The Achievers Early College Prep Charter School has two kinds of funds:

- **Governmental funds-** Most of the Achievers Early College Prep Charter School basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Achievers Early College Prep Charter School programs. Because this information does not encompass the additional long-term focus of the school-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds-** Services for which the Achievers Early College Prep Charter School charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the school-wide statements.

**FINANCIAL ANALYSIS OF THE ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL AS A WHOLE**

**Net position.** The Achievers Early College Prep Charter School Net Position School Wide is \$1,466,791 as of June 30, 2021. (See Table A-1).

Governmental Funds	\$1,452,447
Enterprise Fund	<u>14,344</u>
Total	<u>\$1,466,791</u>

The Statement of Net Position of \$1,466,791 reflects total capital assets of -0- at June 30, 2021 net of assumed depreciation from inception.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

The Achievers Early College Prep Charter School financial position is the product of these factors:

- Special Revenue Fund - Federal Aid were \$330,510
- Special Revenue Fund – Federal Aid Expenditures were \$330,510
- General Fund Revenues were \$3,848,322
- General Fund Expenditures were \$2,601,342

**Table A-1**  
**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Net Position - School Wide**  
**As of June 30, 2021**

	<u>Total</u>
Current and Other Assets	\$1,545,495
Deferred Pension Outflows	0
<b>Total Assets and Deferred Pension Outflows</b>	<b><u>\$1,545,495</u></b>
Current and Other Liabilities	78,704
Net Pension Liability - noncurrent	-
Deferred Pension Inflows	0
<b>Total Liabilities and Deferred Pension InFlows</b>	<b><u>78,704</u></b>
Net Position:	
Invested In Capital Assets, Net of Related Debt	0
Unrestricted	1,466,791
<b>Total Net Position</b>	<b><u>\$1,466,791</u></b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b><u>\$1,545,495</u></b>
Fund Balance - June 30, 2021	\$1,466,791
Invested In Capital Assets	0
Net Position before Pension Adjustment - June 30, 2021	1,466,791
Pension Adjustment	0
Net Position - June 30, 2021	<u>\$1,466,791</u>

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)**

**Table A-2  
ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Changes in Net Position - School Wide  
For the Fiscal Year Ended June 30, 2021**

<b>Revenues</b>	<u>Total</u>	<u>%</u>
Program revenues		
Charges for services		
Operating grants and contributions		
General revenues		
Local Share	\$ 343,763	8%
Federal and State Aid-Unrestricted	3,311,090	78%
Federal Aid-Restricted	330,510	8%
Other	193,569	4%
Proprietary Fund	62,114	2%
<b>Total revenues</b>	<b><u>\$ 4,241,046</u></b>	<b><u>100%</u></b>
<b>Expenses</b>		
Regular Instruction	\$ 1,594,855	41%
General Administrative	868,373	32%
School Administrative	379,159	21%
On-behalf TPAF Social Security / Pension / Medical	40,369	1%
Capital Outlay	49,096	1%
Proprietary Fund	57,317	4%
<b>Total expenses</b>	<b><u>\$ 2,989,169</u></b>	<b><u>100%</u></b>
Increase in Net Position	\$ 1,251,877	
Net Position - Beginning July 1, 2021	214,914	
Decrease in Capital Assets		
Net Position Before Pension Adjustments	<u>\$1,466,791</u>	
Pension Adjustments	0	
Net Position - End of Year June 30, 2021	<b><u><u>\$ 1,466,791</u></u></b>	

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)**

**Table A-3 (See Exhibit A-2)  
ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Total Cost and Net Cost of Services - School Wide  
For the Fiscal Year Ended June 30, 2021**

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>School Wide Activities</b>			
Instruction			
Regular	B-2	\$ 1,594,855	\$ 861,550
<b>Support Services</b>			
General Administrative Services	B-2	868,373	773,450
School Administrative Services	B-2	379,159	509,643
On-behalf TPAF Social Security	B-2	40,369	30,360
Capital Outlay	B-2	49,096	29,665
Proprietary Fund	G-2	57,317	29,665
<b>Total School Wide Activities</b>		<u>\$ 2,989,169</u>	<u>\$ 2,234,333</u>

**FINANCIAL ANALYSIS OF THE ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL FUNDS**

The financial performance of the Achievers Early College Prep Charter School as a whole is reflected in its governmental total activities Exhibit A-2. As the Achievers Early College Prep Charter School completed the year, it reported a combined fund balance of \$1,466,791.

Revenues for the Achievers Early College Prep Charter School General, Special Revenue and Proprietary Funds were \$4,241,046 while total expenses were \$2,989,169.

**GENERAL FUND**

The General Fund includes the primary operations of the Achievers Early College Prep Charter School in providing educational services to students in grades 6, 7 and 8.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

The following schedule presents a summary of School Wide Revenues:

**Table A-4 (See Exhibit B-2)**  
**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Changes in Revenues - School Wide**  
**For the Fiscal Years Ended June 30**

<b>Revenues - School Wide</b>	<b>Year Ended 06/30/2021</b>	<b>Year Ended 06/30/2020</b>	<b>Amount of Increase (Decrease)</b>
<b>Local Sources:</b>			
Local Share	\$ 343,763	\$ 208,811	\$134,952
Other Local Revenue	193,569	32,682	160,887
<b>Total Local Sources</b>	<b>\$ 537,332</b>	<b>\$ 241,493</b>	<b>\$295,839</b>
<b>Intergovernmental</b>			
State Sources	3,311,090	2,150,310	\$ 1,160,780
Federal Sources	330,510	112,126	218,384
Proprietary Fund	62,114	86,365	(24,251)
<b>Total Intergovernmental Sources</b>	<b>\$ 3,703,714</b>	<b>\$ 2,348,801</b>	<b>\$1,379,164</b>
<b>Total Revenue - School Wide</b>	<b>\$ 4,241,046</b>	<b>\$ 2,590,294</b>	<b>\$1,675,003</b>

The following schedule presents a summary of School Wide Expenditures:

**Table A-5 (See Exhibit B-2)**  
**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Changes in Expenditures - School Wide**  
**For the Fiscal Years Ended June 30**

<b>Expenditures - School Wide</b>	<b>Year Ended 06/30/2021</b>	<b>Year Ended 06/30/2020</b>	<b>Amount of Increase (Decrease)</b>
<b>Current:</b>			
Regular Instruction	\$ 1,594,855	\$ 976,525	\$ 618,330
General Administrative Services	868,373	773,450	94,923
School Administration	379,159	509,643	(130,484)
On-behalf TPAF Social Security / Pension / Medical	40,369	30,360	10,009
Capital outlay	49,096	29,665	19,431
Proprietary Fund	57,317	81,906	(24,589)
<b>Total Expenditures - School Wide</b>	<b>\$ 2,989,169</b>	<b>\$ 2,401,549</b>	<b>\$ 612,209</b>



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)**

**UNRESERVED-UNDESIGNATED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES**

The following table shows the school-wide unassigned fund balance.

**Table A-6  
ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Changes in Unassigned Fund Balances - School Wide  
For the Fiscal Years Ended June 30**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Unassigned			
Fund Balance	1,466,791	214,914	26,169
Expenditures	2,989,169	2,401,549	1,373,645
Percentage	49%	9%	2%

The Achievers Early College Prep Charter School values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during school year. The amount of fund balance designated to support the subsequent years budget is \$1,466,791 for the 2021-22 school year.

**CAPITAL ASSETS**

**Table A-7  
ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Changes in Capital Assets - School Wide  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**FACTORS BEARING ON THE SCHOOL'S FUTURE**

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

These and many other factors were considered by the Charter School's administration during the process of developing the fiscal year 2021-22 budget. The primary factors were the Charter School's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs. These indicators were considered when adopting the budget for fiscal year 2021-2022.

**CONTACTING THE ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Achievers Early College Prep Charter School finances and to demonstrate the Achievers Early College Prep Charter School accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Achievers Early College Prep Charter School, 500 Smith Street, Trenton, New Jersey 08611

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the Achievers Early College Prep Charter School operations. These financial statements present the financial position and operating results of all funds as of June 30, 2021.

## **SCHOOL-WIDE FINANCIAL STATEMENTS**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Net Position**  
**As of June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,470,057	\$ 5,217	\$ 1,475,274
Receivables	30,094	9,127	39,221
Security Deposit - Rental	31,000	-	31,000
Total Assets	<u>1,531,151</u>	<u>14,344</u>	<u>1,545,495</u>
<b>Deferred outflows of resources</b>			
Pension deferred outflows (Note - 5)	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,531,151</u>	<u>\$ 14,344</u>	<u>\$ 1,545,495</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 14,019	\$ -	\$ 14,019
Deferred revenue	64,685	-	64,685
PPP SBA Loan Payable (Note 15)	-	-	-
Net pension liability (Note 5)	-	-	-
Total Liabilities	<u>78,704</u>	<u>-</u>	<u>78,704</u>
<b>Deferred inflows of resources</b>			
Pension deferred inflows (Note 5)	-	-	-
<b>NET POSITION</b>			
Unrestricted (Note 14)	1,452,447	14,344	1,466,791
Total net position	<u>\$ 1,452,447</u>	<u>\$ 14,344</u>	<u>\$ 1,466,791</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 1,531,151</u>	<u>\$ 14,344</u>	<u>\$ 1,545,495</u>
Fund Balance June 30, 2021 - B-1 - Governmental	\$1,452,447		
Cost of capital assets net accumulated depreciation	0		
Net position before pension adjustments	<u>1,452,447</u>		
Pension adjustments (Note 5)	0		
Total net position - June 30, 2021 - Governmental	<u>\$1,452,447</u>		

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	\$ (1,594,855)		\$ (297,437)		\$ (1,297,418)		\$ (1,297,418)
Support services:	0						
General administratration	(868,373)		(33,073)		(835,300)		\$ (835,300)
School administrative services/ operations plant	(379,159)				(379,159)		(379,159)
On - behalf TPAF Social Security	(40,369)				(40,369)		(40,369)
Capital Outlay	(49,096)				(49,096)		(49,096)
Total governmental activities	<u>(2,931,852)</u>		<u>(330,510)</u>		<u>(2,601,342)</u>		<u>(2,601,342)</u>
Business-type activities:							
Food Service	(57,317)	(57,317)				(57,317)	(57,317)
Total business-type activities	<u>(57,317)</u>	<u>(57,317)</u>				<u>(57,317)</u>	<u>(57,317)</u>
Total primary government	<u>(2,989,169)</u>	<u>\$ (57,317)</u>	<u>\$ (330,510)</u>		<u>\$ (2,601,342)</u>	<u>\$ (57,317)</u>	<u>\$ (2,658,659)</u>
General revenues:							
Local Share				\$ 343,763	\$	\$ 343,763	
State Share				2,919,854	-	2,919,854	
State and Federal Aid				391,236	61,819	391,236	
Miscellaneous Income (includes PPP Loan forgiveness of \$181,949)				193,569	295	193,569	
Increase in net Capital Outlay				0		0	
Total general revenues, special items,				<u>3,848,422</u>	<u>62,114</u>	<u>3,848,422</u>	
Change in Net Position - Increase				<u>1,247,080</u>	<u>4,797</u>	<u>1,251,877</u>	
Increase (Decrease) in Pension (Note 5)				0		0	
Net Position - July 1, 2020				205,367	9,547	214,914	
Net Position - June 30, 2021				<u>\$ 1,452,447</u>	<u>\$ 14,344</u>	<u>\$ 1,466,791</u>	

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

## **FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Balance Sheet**  
**Governmental Funds**  
**As of June 30, 2021**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,405,372	\$ 64,685	\$ 1,470,057
Receivables	30,094	-	30,094
Security Deposit - Rental	31,000	-	31,000
Total assets	\$ 1,466,466	\$ 64,685	\$ 1,531,151
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,184	\$ -	\$ 1,184
Due to Districts	12,835		12,835
Deferred Revenue		64,685	64,685
Total liabilities	14,019	64,685	78,704
Fund Balances:			
Unassigned	1,452,447	-	1,452,447
Total Fund balances	1,452,447	-	1,452,447
Total liabilities and fund balances	\$ 1,466,466	\$ 64,685	\$ 1,531,151

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

Total Governmental Fund Balance June 30, 2021	\$ 1,452,447
---	--------------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 2)

Deferred pension liability	0
Net Position before pension adjustments - June 30, 2021	\$ 1,452,447
Pension Deferred - Inflows (Note 5)	
Pension Deferred - Outflows (Note 5)	
Net Position of government activities - June 30, 2021	\$ 1,452,447

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local sources:			
Local Share	\$ 343,763	\$ -	\$ 343,763
State Share	2,919,854		2,919,854
Miscellaneous (Including \$181,949 in in PPP Loan Forgiveness) - (Note 15)	<u>193,569</u>	<u>-</u>	<u>193,569</u>
Total - Local Sources	3,457,186	-	3,457,186
State Sources	391,236	-	391,236
Federal Sources		330,510	330,510
Total Revenues	<u>3,848,422</u>	<u>330,510</u>	<u>\$4,178,932</u>
<b>EXPENDITURES</b>			
Current:			
Regular instruction	\$ 1,297,418	\$ 297,437	\$ 1,594,855
Support services- General Administrative	835,300	33,073	868,373
Support Services- School Admin/ operations plant serv	379,159		379,159
On-behalf TPAF Social Security, Pen and Med	40,369		40,369
Capital outlay	49,096		49,096
Total Expenditures	<u>\$2,601,342</u>	<u>\$330,510</u>	<u>\$ 2,931,852</u>
Excess (Deficiency) of revenues over expenditures	<u>1,247,080</u>		<u>1,247,080</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-		-
Transfers out	-		-
Total other financing sources and uses	<u>-</u>		<u>-</u>
Net change in fund balances - Increase	1,247,080		1,247,080
Fund balance - July 1, 2020	205,367		205,367
Fund balance - June 30, 2021	<u>\$ 1,452,447</u>		<u>\$ 1,452,447</u>

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

**ACHIEVERS EARLY 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**

	<b>General Fund</b>
<b>Total net change in fund balances increase - governmental funds (from B-2)</b>	<b>\$ 1,247,080</b>

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Depreciation expense</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td style="padding-right: 10px;">Capital outlays</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> </table>	Depreciation expense	\$ -	Capital outlays	-
Depreciation expense	\$ -				
Capital outlays	-				
	\$ -				

Pension contributions are reported in governmental funds as expenditures; however, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period	0
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<b>Change in net position of governmental activities (A-2) - Increase</b>	<b><u><u>\$ 1,247,080</u></u></b>
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**The accompanying Notes to the Basic Financial Statements are an integral part of this statement.**

## **PROPRIETARY FUNDS**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Net Position**  
**Proprietary Funds**  
**As of June 30, 2021**

	<b>Proprietary Funds</b> <b>Business-type</b> <b>Activities</b> <b>Enterprise funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$5,217
Receivables	8,918
Other receivables	209
Total current assets	14,344
Total assets	\$ 14,344
<b>LIABILITIES</b>	
Total current liabilities	-
Total liabilities	-
<b>NET POSITION</b>	
Unrestricted	14,344
Total net position	\$ 14,344

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

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

	<b>Proprietary Funds</b>
	<b>Business-type</b>
	<b>Activities</b>
	<b>Enterprise</b>
Operating revenues:	
Charges for services:	
Daily sales - Reimbursable programs and Special Lunch Program	\$ 295
Total operating revenues	295
Operating expenses:	
Supplies, Materials and Other Expenses	(57,317)
Total Operating Expenses	(57,317)
Operating income (loss)	(57,022)
Nonoperating revenues (expenses):	
State sources:	
State School Lunch Program	1,621
Federal sources:	
National School Snack Program	
National School Lunch Program	19,633
National School Snack Program	40,565
Total nonoperating revenues (expenses)	61,819
Income (loss) before contributions & transfers	4,797
Transfers in (out)	
Change in net position - Increase	4,797
Total net position - July 1, 2020	9,547
Total net position - June 30, 2021	\$ 14,344

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

**Proprietary Funds**  
**Business-type**  
**Activities**  
**Enterprise Funds**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Payments to suppliers	(57,317)
Net cash (used for) operating activities	(57,317)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State and Federal Sources	69,231
Net cash (used for) non-capital financing activities	69,231

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net cash (used for) investing activities	
Net increase (decrease) in cash and cash equivalents	11,914
Cash and Cash Equivalents - beginning of year	(6,697)
Cash and Cash Equivalents - end of year	\$ 5,217

**Reconciliation of operating income (loss) to net cash provided  
(used) by operating activities:**

Operating income (loss)	\$ 4,797
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable, net	7,117
Total adjustments	7,117
Net cash provided by operating activities	\$ 11,914

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

## **FIDUCIARY FUNDS**



**EXHIBIT B-7**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Statement of Fiduciary Net Position  
Fiduciary Funds  
As of June 30, 2021**

**NOT APPLICABLE**

**Exhibit B-8**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

## **NOTES TO THE BASIC FINANICAL STATEMENTS**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**1. DESCRIPTION OF THE CHARTER SCHOOL AND REPORTING ENTITY**

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Basis of Presentation**

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The statement of net position and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

**Government-Wide Statements**

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

**Fund Financial Statements**

During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

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

**B. Fund Accounting**

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

**Governmental Funds**

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

**Proprietary Funds**

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

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

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

**Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. As of June 30, 2021, there was no Fiduciary Fund due to the adoption of GASB Statement No. 84, Fiduciary Activities.

**C. Measurement Focus and Basis of Accounting**

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

**Measurement Focus**

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

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

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Accounting**

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

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

**D. Budgets/Budgetary Control**

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

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

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



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**E. Budgets/Budgetary Control**

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

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

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

**F. Encumbrances**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Open encumbrances in the special revenue fund, for which the Charter School has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. There were \$0 of encumbrances at June 30, 2021. 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.

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

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

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

Additionally, the Charter School has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

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

**H. Inventories and Prepaid Expenses**

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**I. Short-Term Interfund Receivables/Payables**

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

**J. Capital Assets**

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

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

There are no Capital Assets at June 30, 2021.

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

<u>Description of Capital Cost</u>	<u>Estimated Lives (Years)</u>
Leasehold improvements	N/A
Furniture and Equipment	N/A

**K. Compensated Absences**

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The Charter School had a compensated absence liability of \$0 at June 30, 2021.

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

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

**M. Net Position/Fund Balance**

**School-Wide Statements**

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

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Balance and Equity**

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

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

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

**N. Unearned/Deferred Revenue**

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

**O. Fund Equity**

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

**P. Use of Estimates**

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. Use of Estimates**

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

**R. On-Behalf Payments**

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

**S. Deferred Outflows/Inflows**

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

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

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

**T. Compensated Absences**

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

As of June 30, 2021, Charter School-wide compensated absences amounted to \$-0-.

**U. Fair Value of Financial Instruments**

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

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

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

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

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

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

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. During fiscal year 2021, the Charter School adopted GASB Statement No. 84, Fiduciary Activities (GASB 84). GASB 84 enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Specifically, GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. 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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**V. Adoption of New Accounting Standard**

exists. As part of the adoption, the Charter School no longer considers activities in the Unemployment Fund Account, Payroll Agency Fund and Student activities as fiduciary activities applicable under GASB 84. As a result, the Charter School no longer presents a Statement of Fiduciary Net Position, and records payroll deductions and withholdings payable, unemployment activities in the General Fund in the Governmental Fund financial statements.

There were no student activities accounts at June 30, 2021.

**W. Accounting Standard Issued but Not Yet Adopted**

**The GASB issued Statement No. 87, *Leases in June 2017*.** This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 20, 2020. Management has not yet determined the impact of this statement on the financial statements.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. As of June 30, 2021, the Charter School's bank balance was insured by the FDIC for \$250,000 and the remaining balance was subject to the terms of GUDPA.

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

As of June 30, 2021, the Charter School had no investments.



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**4. PENSION PLANS**

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

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

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

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

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

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

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

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**4. PENSION PLANS (continued)**

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

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

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

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

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

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

**Funding Changes** - Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF.

The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2019 for PERS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
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**4. PENSION PLANS (continued)**

**Contribution Requirements**

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

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

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

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

The School's contribution to PERS for the year ended June 30, 2021 was \$-0-.

In accordance with N.J.S.A 18A:66-66 the School recorded as revenue for the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries in the amount of \$40,369. Also the State paid \$-0- into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

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**5. PENSION PLANS – GASB 68 DISCLOSURES**

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

***Summary of Significant Accounting Policies***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the

TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF.

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

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

The employer contributions for the Charter School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Charter School (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the Charter School (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$-0- as measured on June 30, 2020 and \$-0- as measured on June 30, 2019.

For the year ended June 30, 2021, the Charter School recognized pension expense of \$-0- and revenue of \$-0- for support provided by the State. The measurement period for the pension expense and revenue reported in the Charter School's financial statements (A-2) at June 30, 2021 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2019. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2019 and June 30, 2020.

Although the Charter School does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the Charter School. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

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

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**5. PENSION PLANS – GASB 68 DISCLOSURES (continued)**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$9,458,881,999	\$9,932,767,606
Collective deferred inflows of resources	\$14,424,322,612	\$17,539,845,423
Collective net pension liability (Non-employer - State of New Jersey)	\$ 65,848,796,740	\$ 61,519,112,443
State’s portion of the net pension liability that was associated with the Charter School	\$-0-	\$-0-
State’s portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	-0-	-0-

***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 (Price):	2.75%
Inflation (Wage):	3.25%
Salary Increases: 2011-2026	1.55 - 4.55% based on years of service
Salary Increases: Thereafter	2.75 - 5.65% based on years of service
Investment Rate of Return:	7%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Postretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment 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-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, 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% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the

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**5. PENSION PLANS – GASB 68 DISCLOSURES (continued)**

Division of Investments and Division of Pensions and Benefits 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’s target asset allocation as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Risk mitigation strategies	27.00%	7.71%
Cash equivalents	13.50%	8.57%
U.S. Treasuries	5.50%	10.23%
Investment grade credit	13.00%	11.42%
High yield	3.00%	9.73%
Private credit	8.00%	9.56%
Real assets	2.00%	5.95%
Real estate	8.00%	7.59%
US equity	8.00%	2.67%
Non-U.S. developed markets equity	4.00%	0.50%
Emerging markets equity	5.00%	1.94%
Private equity	3.00%	3.40%

***Discount Rate***

The discount rate used to measure the State's 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 Twenty-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 contributions 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 municipal bond rate was applied to project benefit payments after that date in determining the total pension liability.

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**Notes to the Basic Financial Statements**  
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**5. PENSION PLANS – GASB 68 DISCLOSURES (continued)**

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

Since the Charter School’s has no proportionate share of the net pension liability because of the special funding situation, the Charter School would not be sensitive to any changes in the discount rate. Detailed information about the pension plan’s sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/documents/financial/gasb68-tpaf20.pdf>

***Pension Plan Fiduciary Net Position***

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

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

***Summary of Significant Accounting Policies***

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

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

At June 30, 2021, the Charter School reported a liability of \$-0- for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total 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 is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2020. At June 30, 2020, the Charter School’s proportion was 0%.

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**5. PENSION PLANS – GASB 68 DISCLOSURES (continued)**

For the year ended June 30, 2021, the Charter School recognized pension expense of \$-0-. At June 30, 2021, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$-0-	\$-0-
Changes of assumptions	-0-	-0-
Net difference between projected and actual earnings on pension plan investments	-0-	-0-
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	-0-	-0-
Charter School contributions subsequent to the measurement date.	-0-	-0-
Total	\$-0-	\$-0-

The Charter School reported \$-0- as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2021, the plan measurement date was June 30, 2020) will be recognized as a reduction of the net pension liability measured as of June 30, 2021.

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

	<b>Year Ended June 30:</b>
2021	-0-
2022	-0-
2023	-0-
2024	-0-
2025	-0-
Total:	\$-0-



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**5. PENSION PLANS – GASB 68 DISCLOSURES (continued)**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,419,522,616
Collective deferred inflows of resources	\$7,849,949,467	\$7,645,087,574
Collective net pension liability (Non-State-Local Group)	\$16,435,616,426	\$18,143,832,135
Charter School's proportion of net pension liability	-0-	-0-
Charter School's proportion percentage	0%	0%

***Actuarial Assumptions***

The collective 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:

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-2019.

***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 net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using

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**5. PENSION PLANS – GASB 68 DISCLOSURES (continued)**

a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<b>2020</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Charter School’s proportionate share of the net pension liability	\$-0-	\$-0-	\$-0-

***Pension Plan Fiduciary Net Position***

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

***Long-Term Expected Rate of Return***

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on 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 Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2020, are summarized in the following table:

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**5. PENSION PLANS – GASB 68 DISCLOSURES (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Risk mitigation strategies	27.00%	7.71%
Cash equivalents	13.50%	8.57%
U.S. Treasuries	5.50%	10.23%
Investment grade credit	13.00%	11.42%
High yield	3.00%	9.73%
Private credit	8.00%	9.56%
Real assets	2.00%	5.95%
Real estate	8.00%	7.59%
US equity	8.00%	2.67%
Non-U.S. developed markets equity	4.00%	0.50%
Emerging markets equity	5.00%	1.94%
Private equity	3.00%	3.40%

***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 is 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.

**6. POST RETIREMENT MEDICAL BENEFITS**

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

As a result of implementing GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pension (GASB No. 75), the plan is classified as a multiple employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

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**6. POST RETIREMENT MEDICAL BENEFITS (continued)**

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	216,804
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>149 304</u>
Total	<u><u>217,257</u></u>

**Measurement Focus and Basis of Accounting**

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

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**6. POST RETIREMENT MEDICAL BENEFITS (continued)**

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

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a nonemployer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of

GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial

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**6. POST RETIREMENT MEDICAL BENEFITS (continued)**

liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund — Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the charter school for the fiscal years ended June 30, 2021, 2020 and 2019 were \$0, \$0 and \$0, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund - Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the charter school was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund — Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2021, the charter school recognized in the charter school-wide statement of activities (accrual basis) OPEB expense of \$0. This amount has been included in the charter school-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the charter school is \$0. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the charter school at June 30, 2020

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**6. POST RETIREMENT MEDICAL BENEFITS (continued)**

to the total OPEB liability of the State Health Benefit Program Fund — Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the charter school was 0%, which was unchanged from its proportionate share measured as of June 30, 2019 of 0%.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 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	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	Pre-retirement and Post-retirement based on Pub-2010 Healthy
PERS	"General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend 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 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%. The actuarial assumptions used in the

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**For the Fiscal Year Ended June 30, 2021**

**6. POST RETIREMENT MEDICAL BENEFITS (continued)**

June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21 %
2020	June 30, 2019	3.50%

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

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the charter school for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	0
Changes Recognized for the Fiscal Year:	0
Service Cost	0
Interest on the Total OPEB Liability	0
Differences Between Expected and Actual Experience	0
Changes of Assumptions	0
Gross Benefit Payments	0
Contributions from the Member	0
Net Changes	<u>0</u>
Balance, June 30, 2020 Measurement Date	<u>0</u>



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**6. POST RETIREMENT MEDICAL BENEFITS (continued)**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020. The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the charter school at June 30, 2020.

**Sensitivity of OPEB Liability**

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the charter school calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the charter school that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
State's Proportionate Share of the OPEB Liability Attributable to the charter school	\$-0-	\$-0-	\$-0-

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$-0-	\$-0-	\$-0-

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the charter school at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the charter school at June 30, 2020 were not provided by the pension system.

**7. ECONOMIC DEPENDENCY**

The Charter School receives a substantial amount of its support from federal, state governments and private donors. A significant reduction in the level of support, if it were to occur, could have an effect on the Charter School's programs and activities.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**8. CONTINGENT LIABILITIES**

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

If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Charter School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

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

**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 and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (UNAUDITED) of this Annual Comprehensive Financial Report.

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

**10. RECEIVABLES**

Receivables as of 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 and enterprise fund receivables are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise Fund</u>	<u>Total</u>
Receivables:				
Accounts	<u>\$30,094</u>	<u>-0-</u>	<u>\$9,127</u>	<u>\$39,221</u>
Gross Receivables	<u>\$30,094</u>	<u>\$ 0</u>	<u>\$9,127</u>	<u>\$39,221</u>

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**11. CAPITAL ASSETS**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2021.

Not Applicable

**12. RENTAL LEASES**

The lease required monthly payments of \$16,509 for 544 Chestnut Street, Trenton, New Jersey for the period ended June 30, 2021. In addition, the school entered into a lease agreement effective June 2021 for property at 171 Division Street, Trenton, New Jersey for \$3,412 monthly. For the year ended June 30, 2021, annual rent expense amounted to \$191,757. Effective April, 2020 the school entered a new lease agreement with Our Lady of Angels Church. The term lease shall be for five (5) years beginning August 15, 2020 and ending July 15, 2025.

Future minimum rental commitments under all leases are as follows:

<b>Year Ended</b>	
<b>June 30:</b>	<b>Amount</b>
2022	292,301
2023	259,485
2024	268,552
2025	<u>277,627</u>
Total:	<u><u>\$1,097,965</u></u>

**13. SUBSEQUENT EVENTS**

The Charter School has evaluated subsequent events occurring after the financial statement date through February 24, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Charter School has determined that the following subsequent events needed to be disclosed.

Subsequent to the date of these Financial Statements the COVID-19 Corona Virus has continued to spread across the State of New Jersey and the Nation as a whole. The impact of this virus on the Charter School's operations in Fiscal Year 2021 cannot be reasonably estimated at this time but may negatively affect revenues.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**14. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the Government-wide statement of net position.

One element of that reconciliation explains that long-term liabilities, including deferred pension liability are not due and payable in the current period and therefore are not reported in the funds. The reconciliation is as follows:

Fund balance per A-2 as of June 30, 2021	\$1,452,447
Cost of capital assets net accumulated depreciation	-
Pension deferred outflows	-
Pension deferred inflows	-
Deferred pension liability as of June 30, 2021	-
Net position (per A-1) as of June 30, 2021	\$1,452,447

**15. PPA-SBA LOAN PAYABLE**

The Company received a loan from Kabbage, Inc. in the amount of \$181,949 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. No determination has been made as to whether the Company will be eligible for forgiveness, in whole or in part. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 6 months from the date of the note. The loan may be repaid at any time with no prepayment penalty. The Charter School applied for and has been notified that \$181,949 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in miscellaneous revenue in the accompanying statement of income.

**16. SUBSEQUENT EVENTS**

The Charter School has evaluated subsequent events occurring after the financial statement date through February 24, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Charter School has determined that the following subsequent events needed to be disclosed:

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**16. SUBSEQUENT EVENTS (continued)**

During fiscal year 2021, COVID-19 continued to be recognized as a global pandemic. Federal, state and local governments in the United States have imposed restrictions on travel and business operations. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Charter School's operations and financial position. As a result, the adverse impact COVID-19 will have on the Charter School's businesses, operating results, cash flows, and financial condition is uncertain. It is management's opinion that the adverse impact would not be material.

**17. OPERATING LEASES**

The school leases various office and instructional equipment under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$27,984. The future minimum lease payments for these operating leases are summarized below.

<b>Fiscal Year Ending</b>	<b>Governmental Activities</b>
2022	\$45,266

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Share	\$ -	\$ -	\$ -	\$ 343,763	\$ (343,763)
State Share	3,167,661	95,956	3,263,617	2,919,854	343,763
PPP Loan Forgiveness				181,949	(181,949)
Miscellaneous	-	-		11,620	(11,620)
<b>Total - Local Sources</b>	<u>3,167,661</u>	<u>95,956</u>	<u>3,263,617</u>	<u>3,457,186</u>	<u>(193,569)</u>
Special Education	198,515	(51,444)	147,071	147,071	-
Security Aid	116,235	20,886	137,121	137,121	-
Adjustment Aid	198,261	(65,398)	132,863	66,675	66,188
TPAF Pension (On-Behalf - Non-Budgeted)				-	-
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-		-	-	-
TPAF . LTD (On-Behalf - Non-Budgeted)				-	-
TPAF Social Security (Reimbursed - Non-Budgeted)	-			40,369	(40,369)
<b>Total State Sources</b>	<u>513,011</u>	<u>(95,956)</u>	<u>284,192</u>	<u>391,236</u>	<u>25,819</u>
<b>Total Revenues</b>	<u>3,680,672</u>	<u>-</u>	<u>3,680,672</u>	<u>3,848,422</u>	<u>(167,750)</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Teachers Salary	1,198,000	(221,387)	976,613	557,319	\$ 419,294
Other Salaries	661,000	(121,898)	539,102	306,183	232,919
Prof/Tech Services	61,000	262,145	323,145	307,512	15,633
Other Purchased Services (400-500 series)	5,000	6,928	11,928	5,188	6,740
General Supplies	77,000	(7,823)	69,177	68,653	524
Textbooks	20,250	30,939	51,189	51,054	135
Other Objects	5,000	-	5,000	1,509	3,491
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>2,027,250</u>	<u>(51,096)</u>	<u>1,976,154</u>	<u>1,297,418</u>	<u>678,736</u>



ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Support Services - General Administrative</b>					
Salaries of Administrative Salaries	285,000	-	285,000	271,718	13,282
Salaries of Secretarial and Clerical Assistants	70,000	76,393	146,393	143,194	3,199
Cost of Benefits	443,449	(138,478)	304,971	132,595	172,376
Consultants	39,500	500	40,000	12,347	27,653
Other Purchased Services (400-500 series)	169,750	76,410	246,160	220,980	25,180
Communications/Telephone	3,400	23,925	27,325	19,729	7,596
Supplies and Materials	5,500	18,642	24,142	20,894	3,248
Other Objects	12,900	11,843	24,743	13,843	10,900
	<u>1,029,499</u>	<u>69,235</u>	<u>1,098,734</u>	<u>835,300</u>	<u>263,434</u>
<b>Support Services - School Admin/Operation Plant Services</b>					
Salaries	35,000	-	35,000	14,617	20,383
Purchased Professional and Technical Services	80,500	14,458	94,958	94,958	-
Other Purchased Services	25,000	(15,000)	10,000	735	9,265
Rental of Land and Building- other than Lease Purchase Agreements	231,119	-	231,119	191,757	39,362
Insurance	63,604	(3,093)	60,511	37,570	22,941
General Supplies	20,000	-	20,000	3,162	16,838
Transportation- Trips	12,000	-	12,000	602	11,398
Energy (Energy and Electricity)	55,000	(17,398)	37,602	32,602	5,000
Other Objects	5,000	-	5,000	3,156	1,844
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>527,223</u>	<u>(21,033)</u>	<u>506,190</u>	<u>379,159</u>	<u>127,031</u>
<b>Food Service</b>					
Other Purchased Services	-	-	-	-	-
<b>Total Food Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
On-behalf TPAF Pension Contributions (non-budgeted)				-	-
On-behalf TPAF Medical Contributions (non-budgeted)				-	-
On-behalf - LTD Contribution (non-budgeted)				-	-
Reimbursed TPAF Social Security Contributions (non-budgeted)				40,369	(40,369)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,369</u>	<u>(40,369)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>1,556,722</u>	<u>48,202</u>	<u>1,604,924</u>	<u>1,254,828</u>	<u>350,096</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>3,583,972</u>	<u>(2,894)</u>	<u>3,581,078</u>	<u>2,552,246</u>	<u>1,028,832</u>

ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Instructional Equipment	15,000	-	15,000	702	14,298
Non-Instructional Equipment	6,700	2,894	9,594	9,594	-
Building Improvements	75,000	-	75,000	38,800	36,200
<b>Total Equipment</b>	<u>96,700</u>	<u>2,894</u>	<u>99,594</u>	<u>49,096</u>	<u>50,498</u>
<b>TOTAL EXPENDITURES- GENERAL FUND</b>	3,680,672	-	3,680,672	2,601,342	1,079,330
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-	1,247,080	(1,247,080)
<b>Other Financing Sources:</b>					
<b>Operating Transfer In:</b>	-	-	-	-	-
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	-	-		1,247,080	-
<b>Fund Balance, July 1, 2020</b>	-	-	205,367	205,367	(1,247,080)
<b>Fund Balance, June 30, 2021</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,081</u>	<u>\$ 1,452,447</u>	<u>(1,247,080)</u>

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2021**

Exhibit C-2  
Page 1

	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources	\$ -		\$ -	\$ -	
State Sources	-		-	-	
Federal Sources	330,510		330,510	330,510	
<b>Total Revenues</b>	<u>330,510</u>		<u>330,510</u>	<u>330,510</u>	
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	140,000		140,000	140,000	
Other Salaries for Instruction					
Purchased Professional and Technical Services	70,986		70,986	70,986	
Other Purchased Services (400-500 series)					
Textbooks					
General Supplies	44,262		44,262	44,262	
Rent	-		-	-	
Personal Services- Employee Benefits	42,189		42,189	42,189	
Instructional Equipment	-		-	-	
Equipment- Non instructional	-		-	-	
Miscellaneous Expense					
<b>Total Instruction</b>	<u>297,437</u>	<u>-</u>	<u>297,437</u>	<u>297,437</u>	
<b>Support Services</b>					
Salaries of Supervisor of Instruction	-		-	-	
Salaries of Program Directors					
Salaries of Other Professional Staff	-		-	-	
Salaries of Secretaries & Clerical Assistants					
Other Salaries					
Personal Services - Employee Benefits	-		-	-	
Purchased Professional - Educational Services	5,148		5,148	5,148	
Other Purchased Professional Services	-		-	-	
Supplies	15,260		15,260	15,260	
Communication					
Scholarships					
Tuition					
Travel					
Other purchased Services (400-500 series)	-		-	-	
Building Improvements					
<b>Total Support Services</b>	<u>20,408</u>		<u>20,408</u>	<u>20,408</u>	

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Buildings Improvements					
Instructional Equipment					
Noninstructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Transfer to Charter School</b>					
Total Expenditures	330,510		330,510	330,510	
<b>Other Financing Sources (Uses)</b>					
Transfer in from General Fund					
Transfer Out to Whole School Reform (General Fund)					
<b>Total Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>					
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to RSI**  
**For the Fiscal Year Ended June 30, 2021**

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

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS  
FOR THE FISCAL YEARS ENDED JUNE 30\*  
(Unaudited)  
Public Employees' Retirement System (PERS)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Charter School Proportion of the net pension liability (asset)	N/A	N/A	N/A
Charter School Proportionate share of the net pension liability (asset)	N/A	N/A	N/A
Charter School Covered employee payroll	N/A	N/A	N/A
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A

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



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
 SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS  
 FOR THE FISCAL YEARS ENDED JUNE 30\*  
 (Unaudited)  
 Public Employees' Retirement System (PERS)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution			
Contributions in relation to the contractually required contribution	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A
Charter School Covered employee payroll	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
 SCHEDULE OF THE CHARTER SCHOOL PROPORTIONATE SHARE  
 OF NET PENSION LIABILITY - TPAF  
 FOR THE FISCAL YEARS ENDED JUNE 30  
 (Unaudited)  
 Teachers' Pension and Annuity Fund (TPAF)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Charter School Proportion of the net pension liability (asset)**	N/A	N/A	N/A
Charter School Proportionate share of the net pension liability (asset)**	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the Charter School	N/A	N/A	N/A
Total	N/A	N/A	N/A
 Charter School Covered employee payroll			
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability			

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PENSION SCHEDULES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)**

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

*Changes of benefit terms.* 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.

*Changes of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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

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

*Changes of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY  
(UNAUDITED)  
Postemployment Health Benefit Plan**

Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>	N/A	N/A	N/A
Service Cost	N/A	N/A	N/A
Interest on Total OPEB Liability	N/A	N/A	N/A
Changes of Assumptions	N/A	N/A	N/A
Gross Benefit Payments	N/A	N/A	N/A
Contribution from the Member	N/A	N/A	N/A
<b>Net Change in Total OPEB Liability</b>	N/A	N/A	N/A
<b>Total OPEB Liability - Beginning</b>	N/A	N/A	N/A
<b>Total OPEB Liability - Ending</b>	N/A	N/A	N/A
Charter School Proportionate Share of OPEB Liability	N/A	N/A	N/A
State's Proportionate Share of OPEB Liability	N/A	N/A	N/A
Total OPEB Liability - Ending	N/A	N/A	N/A

Charter School Covered-Employee Payroll

Proportionate Share of the Total OPEB Liability as a  
Percentage of its Covered-Employee Payroll

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

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

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

## **SPECIAL REVENUE FUND**

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures- Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2021**

	TOTAL	Title I/ Part A	IDEA Basic	Cares Act ED Stabilization Fund	Coronavirus Relief Fund
<b>REVENUES</b>					
Intergovernmental					
State					
Federal	\$330,510	\$182,189	\$47,738	\$78,246	\$22,337
Other Sources					
Miscellaneous					
Total Revenues	<u>330,510</u>	<u>182,189</u>	<u>47,738</u>	<u>78,246</u>	<u>22,337</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	140,000	140,000			
Other Purchased Services					
Purchased Prof. and Tech.and Edu Services	70,986		47,738	23,248	
General Supplies	44,262			34,590	9,672
Recruitment					
Personal Services - Employee Benefits	42,189	42,189			
Rent	0				
Textbooks					
Instruction supplies	0				
Instructional Equipment	0				
Equipment Non- Instructional	0				
Miscellaneous Expense					
Total Instruction	<u>297,437</u>	<u>182,189</u>	<u>47,738</u>	<u>57,838</u>	<u>9,672</u>
Support Services					
Salaries of Supervisors of Instruction	0				
Salaries of Program Directors					
Salaries of Other Prof. Staff					
Salaries of Secretarial and Clerical Ass't					
Personal Services - Employee Benefits					
Supplies and Materials	27,925			15,260	12,665
Communication					
Purchased Professional/Educational Services	5,148			5,148	
Class- room Improvements					
Building Improvements					
Non instructional Equipment					
Total Support Services	<u>33,073</u>	<u>0</u>	<u>0</u>	<u>20,408</u>	<u>12,665</u>
<b>TOTAL EXPENDITURES</b>	<u>\$330,510</u>	<u>\$182,189</u>	<u>\$47,738</u>	<u>\$78,246</u>	<u>\$22,337</u>

## **PROPRIETARY FUNDS**

## **ENTERPRISE FUND**

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

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



Exhibit G-1

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Net Position**  
**Proprietary Fund**  
**As of June 30, 2021**

	<b>Proprietary Fund Business-Type Activities Enterprise</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$5,217
Intergovernmental Receivable	
Federal	8,918
State	209
Total Current Assets	14,344
Total Assets	\$14,344
 <b>LIABILITIES</b>	 
Net Position	
Unrestricted	14,344
Total Net Position	14,344
Total Liabilities and Net Position	\$14,344

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

	<b>Proprietary Fund Business-Type Activities Enterprise</b>
<b>OPERATING REVENUES</b>	
Local Sources	
Daily Sales - Reimbursable Programs	\$295
Self Pay Revenue	
Total Operating Revenues	295
 <b>OPERATING EXPENSES</b>	
Supplies, Materials & Other	(\$57,317)
Total Operating Expenses	(57,317)
Income (Loss) From Operations	(57,022)
 Nonoperating Revenues	
State Sources	
State Sources	1,621
Federal Sources	
National Snack	
School Breakfast Program	19,633
National School Lunch Program	40,565
Total Nonoperating Revenues	61,819
Change in Net Position	4,797
 Total Net Position - July 1, 2020	9,547
 Total Net Position - June 30, 2021	\$14,344

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Proprietary Fund Business-Type Activities</b>
Cash flows from operating activities	\$295
Cash Payments supplies, material and other	(57,317)
Net Cash (Used) by Operating Activities	(57,022)
 Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	68,936
Net Cash Provided by Noncapital Financing Activities	68,936
 Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	-
Net Increase in Cash and Cash Equivalents	11,914
Cash and Cash Equivalents, Beginning of Year	(6,697)
Cash and Cash Equivalents, End of Year	\$5,217
 Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating Income	\$4,797
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	-
(Increase) Decrease in Accounts Receivable	7,117
Change in Assets and Liabilities	0
Total Adjustment	7,117
 Net Cash Provided by Operating Activities	\$11,914

**FIDUCIARY FUNDS  
(NOT APPLICABLE)**

**Exhibit H-1**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Nonexpendable Trust Fund  
Combining Statement of Agency Fund Net Position  
Fiduciary Funds  
As of June 30, 2021**

**NOT APPLICABLE**

**Exhibit H-2**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Nonexpendable Trust Fund  
Combining Statement of Agency Fund Net Position  
Fiduciary Funds  
As of June 30, 2021**

**NOT APPLICABLE**

**Exhibit H-3**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit H-4**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**



**Exhibit H-5**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Unemployment Compensation Insurance Trust Fund  
Statement of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

## STATISTICAL SECTION

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

### **Contents**

### **Exhibits**

#### **Financial Trends**

J- 1 to J-5

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

#### **Revenue Capacity**

J-6 to J-9

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

#### **Debt Capacity**

J-10 to J-13

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

#### **Demographic and Economic Information**

J-14 and J-15

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

#### **Operating Information**

J-16 to J-20

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

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

## **FINANCIAL TRENDS**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
NET POSITION BY COMPONENT  
FOR THE FISCAL YEARS ENDED JUNE 30  
ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental activities			
Invested in capital assets, net	\$ -	\$ -	\$ -
Unrestricted	1,452,447	205,367	21,081
Total governmental activities net position	<u>\$ 1,452,447</u>	<u>\$ 205,367</u>	<u>\$ 21,081</u>
Business-type activities			
Invested in capital assets, net			
Unrestricted	14,344	9,547	5,088
Total business-type activities net position	<u>\$ 14,344</u>	<u>\$ 9,547</u>	<u>\$ 5,088</u>
School-wide			
Invested in capital assets, net	-	-	-
Unrestricted	1,466,791	215,914	26,169
Total school net position	<u>\$ 1,466,791</u>	<u>\$ 215,914</u>	<u>\$ 26,169</u>

**Source: School Financial Statements**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Expenses</b>			
Governmental activities			
Instruction			
Regular	\$ 1,595,855	\$ 976,525	\$ 604,448
Support Services:			
General administration	868,373	773,450	591,896
School Administrative Services	379,159	509,643	109,614
On-behalf TPAF Social Security / Pension / Medical	40,369	30,360	18,389
Capital outlay	49,096	29,665	-
Unallocated depreciation	-	-	-
Total governmental activities expenses	<u>\$ 2,932,852</u>	<u>\$ 2,319,643</u>	<u>\$ 1,324,347</u>
Business-type activities:			
Food service	57,317	81,906	49,298
Total business-type activities expense	<u>57,317</u>	<u>81,906</u>	<u>49,298</u>
Total school expenses	<u>\$ 2,990,169</u>	<u>\$ 2,401,549</u>	<u>\$ 1,373,645</u>
<b>Program Revenues</b>			
Governmental activities:			
Operating grants and contributions	330,510	114,975	324,110
Total governmental activities program revenues	<u>\$ 330,510</u>	<u>\$ 114,975</u>	<u>\$ 324,110</u>
Business-type activities:			
Charges for services			
Proprietary Fund	62,114	86,365	54,386
Total business type activities program revenues	<u>62,114</u>	<u>86,365</u>	<u>54,386</u>
Total school program revenues	<u>\$ 392,624</u>	<u>\$ 201,340</u>	<u>\$ 378,496</u>
<b>Net (Expense)/Revenue</b>			
Governmental activities	(\$2,601,342)	(\$2,204,668)	(\$1,000,237)
Business-type activities	4,797	4,459	5,088
Total school-wide net expense	<u>(\$2,596,545)</u>	<u>(\$2,200,209)</u>	<u>(\$3,334,720)</u>
Governmental activities:			
Local Share	\$ 343,763	\$ 208,811	\$ 100,551
State Share	2,919,854	1,877,589	809,421
State and Federal Aid aid	391,236	272,721	110,536
Miscellaneous income	11,620	29,833	810
In PPP Loan Forgiveness	181,949	-	-
Total activities	<u>\$ 3,848,422</u>	<u>\$ 2,388,954</u>	<u>\$ 1,021,318</u>
Business-type activities:			
Transfers	0	0	0
Total business-type activities	<u>0</u>	<u>0</u>	<u>0</u>
Total school-wide	<u>\$ 3,848,422</u>	<u>\$ 2,388,954</u>	<u>\$ 1,021,318</u>
<b>Change in Net Position</b>			
Governmental activities	\$ 1,247,080	\$ 184,286	\$ 21,081
Business-type activities	4,797	4,459	5,088
Total school	<u>\$ 1,251,877</u>	<u>\$ 188,745</u>	<u>\$ 26,169</u>

Source: School Financial Statements

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEARS ENDED JUNE 30  
 MODIFIED ACCRUAL BASIS OF ACCOUNTING  
 (UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund			
Unassigned	\$1,452,447	\$205,367	\$21,081
Total General Fund	\$1,452,447	\$205,367	\$21,081
All Other Governmental Funds			
Unassigned, reported			
Total all other governmental funds			

**Source: School Financial Statements**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHOOL WIDE REVENUES AND EXPENDITURES  
FOR THE FISCAL YEARS ENDED JUNE 30  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>			
Local tax Levy	\$343,763	\$208,811	\$100,551
State Aid	2,919,854	1,877,589	809,421
State sources	391,236	272,721	110,536
Food Service	62,114	86,365	54,386
Miscellaneous revenue	193,569	32,682	266,912
Federal sources	330,510	112,126	58,008
Total revenue	<u>4,241,046</u>	<u>2,590,294</u>	<u>1,399,814</u>
<b>Expenditures</b>			
Instruction			
Regular Instruction	1,297,418	861,550	409,728
Support Services:			
General administration	835,300	773,450	462,506
School administrative services/Plant	379,159	509,643	109,614
TPAF Social Security / Pension / Medical	40,369	30,360	18,389
Capital Outlay	49,096	29,665	0
Food Service	57,317	81,906	49,298
Special Revenue	330,510	114,975	324,110
Total expenditures	<u>2,989,169</u>	<u>2,401,549</u>	<u>1,373,645</u>
Excess (Deficiency) of revenues over (under) expenditures			
<b>Other Financing sources (uses)</b>			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>\$ 1,251,877</u>	<u>\$ 188,745</u>	<u>\$ 26,169</u>

**Source: School Financial Statements**

## **REVENUE CAPACITY**



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**General Fund - Other Local Revenue By Source**  
**For the Fiscal Years Ended June 30**  
**(Unaudited)**

	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>PPP Loan Forgiveness</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Other Local</u>	<u>Totals</u>
2019						810	810
2020						29,833	29,833
2021			181,949			11,620	193,569

Source: School Financial Statements

**Exhibit J-6**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Assessed Value and Actual Value of Taxable Property  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-7**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Direct and Overlapping Property Tax Rates  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-8**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Principal Property Taxpayers  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

## **DEBT CAPACITY**

**Exhibit J-9**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Property Tax Levies and Collections  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-10**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Ratios of Outstanding Debt by Type  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-11**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Ratios of Net General Bonded Debt Outstanding  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**



**Exhibit J-12**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Direct and Overlapping Governmental Activities Debt  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Legal Debt Margin Information  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Demographic and Economic Statistics  
For the Fiscal Years Ended June 30, 2021**

**NOT APPLICABLE**

**OPERATING INFORMATION  
(UNAUDITED)**

**Exhibit J-15**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Principal Employers  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Full-time Equivalent School Employees by Function/Program  
For the Fiscal Years Ended June 30  
(UNAUDITED)**

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Instruction			
Regular	13	12	6
Special education	4		
Other special education			
Vocational			
Other instruction	1	2	
Nonpublic school programs			
Adult/continuing education programs			
Support Services:			
Student & instruction related services			3
General administration	2	2	4
School administrative services	2	2	
Other administrative services	3	1	
Central services	1	1	
Administrative Information Technology			
Plant operations and maintenance			
Pupil transportation			
Other support services	1	2	
Special Schools			
Food Service			
Child Care			
Total	<u>27</u>	<u>22</u>	<u>13</u>

**Source:** School Personnel Records

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Operating Statistics**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)
						Elementary and Middle School	Senior High School		
2019	72	1,373,645	19,078	N/A	6	12:1	N/A	72	94.0%
2020	168	2,401,549	14,312	(-24%)	12	14:1	N/A	167.8	93.8%
2021	262	2,989,169	11,409	(-20.3%)	17	15:1	N/A	262.7	93.69%

Sources: School records



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**School Building Information**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

<b><u>School Building</u></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Main Campus			
Square Feet	40,000	16,464	16,464
Capacity (students)	400	180	180
Enrollment	262	168	72
Number of Schools at June 30			
MS / High School	1	1	1

**Source:** Lease

**Exhibit J-19**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
General Fund - Schedule of Required Maintenance  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
INSURANCE SCHEDULE  
JUNE 30, 2021  
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
<b>Commercial Package</b>		
Property - Blanket Building and Contents	\$ 500,000,000	\$ 1,000
Accounts Receivable	\$ 250,000	\$ 1,000
Automobile Physical Damage	None	None
Electronic Data Processing Equipment	\$ 200,000	\$ 1,000
<b>Comprehensive General Liability</b>		
Occurrence Limit	\$ 11,000,000	None
Automobile Liability	\$ 11,000,000	None
Employee Benefit Liability	\$ 11,000,000	\$ 1,000
<b>Workers' Compensation</b>		
Statutory Benefits	Included	
Employer's Liability	\$ 2,000,000	
Supplemental Indemnity Coverage	Included	7 Day Waiting Period
<b>School Leaders Errors &amp; Omissions</b>		
Limit Each Loss	\$ 11,000,000	\$ 5,000
<b>Crime</b>		
Blanket Employee Dishonesty	\$ 100,000	\$ 500
Computer Fraud	\$ 100,000	\$ 500
Forgery	\$ 100,000	\$ 500
Theft/Disappearance/Destruction:		
Inside	\$ 50,000	\$ 500
Outside	\$ 50,000	\$ 500
<b>Public Official Bonds</b>		
Board Secretary	\$ 160,000	\$ 1,000

**Source: Charter School Records**

**CHARTER SCHOOL PERFORMANCE  
FRAMEWORK FINANCIAL INDICATORS**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
FINANCIAL PERFORMANCE - FINANCIAL RATIOS  
FOR THE FISCAL YEARS ENDED JUNE 30  
(UNAUDITED)**

**Charter School Performance Framework Financial Indicators  
Near Term Indicators**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cash and Cash Equivalents	1,475,274	489,561	21,910
Current Assets	1,545,495	533,959	169,975
Capital Assets-Net	0	0	0
<b>Total Assets</b>	<b>1,545,495</b>	<b>533,959</b>	<b>169,975</b>
Current Liabilities	78,704	319,045	143,806
Long Term Liabilities			
<b>Total Liabilities</b>	<b>78,704</b>	<b>319,045</b>	<b>143,806</b>
Net Position	1,466,791	214,914	26,169
Total Revenue	4,241,046	2,590,294	1,399,814
Total Expenses	(2,989,169)	(2,401,549)	(1,373,645)
Change in Net Position	1,251,877	188,745	26,169
Depreciation	0	0	0
Principal Payments	0	0	0
Interest payments	0	0	0
Final average daily enrollment	262	168	70
March 30th budgeted Enrollment	262	168	70
<b>Near term indicators</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
CURRENT RATIO	19.5	1.67	1.18
Unrestricted days cash	180.15	74.41	5.9
Enrollment variance	0%	0%	0%
Default	N/A	N/A	N/A
Total margin	29%	7%	2%
Debt to Asset	N/A	N/A	N/A
Cash flow	985,713	467,651	21,910
Debt Service Coverage ratio	N/A	N/A	N/A

**SINGLE AUDIT SECTION K**

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**EXHIBIT K-1**

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

The Honorable Chairman and  
Members of the Board of Trustees  
Achievers Early College Prep Charter School  
County of Mercer  
Trenton, New Jersey

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Achievers Early College Prep Charter School ("the Charter School"), in the County of Mercer, State of New Jersey, as of and for the fiscal year ending June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued my report thereon, dated February 24, 2022.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
February 24, 2022



**GERALD D. LONGO**  
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**EXHIBIT K-2**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF NEW JERSEY CIRCULAR LETTER  
15-08-OMB**

The Honorable Chairman and  
Members of the Board of Trustees  
Achievers Early College Prep Charter School  
County of Mercer  
Trenton, New Jersey

**Compliance**

I have audited the Achievers Early College Prep Charter School, in the County of Mercer, State of New Jersey's ("the Charter School") with the types of compliance requirements described in the State of New Jersey Department of Treasury Circular 15-08-OMB Compliance Supplement that could have a direct and material effect on each of the Charter School's major state programs for the fiscal year ended June 30, 2021. The Charter School's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditors' Responsibility**

My responsibility is to express an opinion on compliance for each of the Charter School's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of New Jersey Department of Treasury Circular 15-08-OMB *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

Those standards, and State of New Jersey Circular 15- 08-OMB, and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey* require that I 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 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 I considered necessary in the circumstances.

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

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

In my opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2021.

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

Management of the 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 my audit of compliance, I 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 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 state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I 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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Licensed Public School Accountant No. 20CS00206400

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

Gerald D. Longo  
Certified Public Accountant  
February 24, 2022

ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2021

Federal/Grantor Program Title	Federal CFDA Number	Federal Award Identification Number	Grant Period	Award Amount	Balance July 1, 2020	Prior Carry-over	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjust	Deferred Revenue/ (Accounts Receivable) June 30, 2021	Due to Grantor at June 30, 2021
<b>Enterprise Fund:</b>												
U.S. Department of Agriculture												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Agriculture												
National School Breakfast	10.553	201NJ304N1099	07/01/19-06/30/20	23,211	\$ (5,520)		\$ 5,520	\$0			\$0	
National Lunch	10.555	201NJ304N1099	07/01/19-06/30/20	61,805	(10,558)		10,558	0			0	
National School Breakfast	10.553	211NJ304N1099	07/01/20-06/30/21	19,633	-		18,309	19,633			(1,324)	
National Lunch	10.555	211NJ304N1099	07/01/20-06/30/21	40,565	0		32,970	40,565			(7,595)	
Total Enterprise Fund/US Dept. of Agriculture, Pass Through Programs					<u>\$ (16,078)</u>		<u>\$ 67,357</u>	<u>\$ 60,198</u>			<u>\$ (8,919)</u>	
US DEPARTMENT OF TREASURY												
SPECIAL REVENUE FUND												
Corona Relief Fund	21.019	SLT0228	07/01/20-12/31/20	22,337	\$ -		\$ 22,337	\$ 22,337			\$0	
Total US Department of Treasury					<u>0</u>		<u>22,337</u>	<u>22,337</u>			<u>0</u>	
<b>Special Revenue Fund:</b>												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Education												
Title I PART A	84.010	S010A200030	07/01/20-09/30/21	182,189	0		182,189	182,189			\$0	
IDEA BASIC PART B	84.027A	H027A200100	07/01/20-09/30/21	47,738	0		47,738	47,738			\$0	
Total Pass Through Programs - NJ DOE					<u>0</u>		<u>229,927</u>	<u>229,927</u>			<u>0</u>	
Education Stabilization Fund												
Cares Act	84.425D	S425D200027	03/13/20-09/30/22	78,246	0		78,246	78,246			0	
Total Education Stabilization Fund					<u>0</u>		<u>78,246</u>	<u>78,246</u>			<u>0</u>	
Total Special Revenue					<u>0</u>		<u>330,510</u>	<u>330,510</u>			<u>0</u>	
Total Expenditures of Federal Awards					<u>(\$16,078)</u>	<u>\$0</u>	<u>\$397,867</u>	<u>\$390,708</u>			<u>(\$8,919)</u>	

See accompanying notes to Schedules of Expenditures of Federal and State award programs.

ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Schedule of Expenditures of State Awards  
For the Fiscal Year Ended June 30, 2021

<u>State Grantor Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance July 1, 2020</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Refund of Prior Years' Balances</u>	<u>Adjustments</u>	<u>Deferred Revenue/ (Accounts Receivable) 2021</u>	<u>Due to Grantor at June 30, 2021</u>
<b>STATE DEPT. OF EDUCATION</b>										
<b>GENERAL FUND:</b>										
TPAF Social Security	21-495-034-5094-003	07/01/20-06/30/21	\$40,369		\$40,369	\$40,369				
Equalization School Aid - Local	21-495-034-5120-078	07/01/20-06/30/21	343,763		343,763	343,763				
Equalization School Aid - State	21-495-034-5120-078	07/01/20-06/30/21	2,919,854		2,919,854	2,919,854				
Security Aid	21-495-034-5120-084	07/01/20-06/30/21	137,121		137,121	137,121				
Special Education	21-495-034-5120-089	07/01/20-06/30/21	147,071		147,071	147,071				
Adjustment Aid	21-495-034-5120-085	07/01/20-06/30/21	66,675		66,675	66,675				
On behalf TPAF Post Retirement Medical Cont.	21-495-034-5094-001	07/01/20-06/30/21								
On behalf TPAF Pension/Lt	21-495-034-5094-002	07/01/20-06/30/21								
On behalf TPAF LT DIS	21-495-034-5094-004	07/01/20-06/30/21								
Total General Fund/Total State Dept. of Education						<u>3,654,853</u>	<u>3,654,853</u>			
<b>NJ STATE DEPT. OF AGRICULTURE - DIRECT PROGRAMS</b>										
<b>ENTERPRISE FUND:</b>										
State School Lunch	21-100-010-3350-023	07/01/20-06/30/21	1,621	(167)	1,579	1,621			(\$209)	\$ -
Total State Financial Assistance						<u>(167)</u>	<u>\$3,656,432</u>	<u>\$3,656,474</u>	<u>(\$209)</u>	<u>\$ -</u>

See accompanying notes to Schedules of Expenditures of Federal and State award programs.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

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

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

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ -0-	\$ 3,654,853	\$ 3,654,853
Special Revenue Fund	330,510	-0-	330,510
Enterprise Fund	<u>60,198</u>	<u>1,621</u>	<u>61,819</u>
Total Awards and Financial Assistance	<u>\$ 390,708</u>	<u>\$ 3,656,474</u>	<u>\$ 4,047,182</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER INFORMATION**

The TPAF Social Security Contributions of \$40,369 represents the amount reimbursed by the state for the employer's share of social security for TPAF members for the year ended June 30, 2021.

The amount reported as TPAF Pension System Contributions in the amount of \$0 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$0 and long term disability contributions of \$0 represents the amount paid by the State on behalf of the Charter School for the fiscal year ended June 30, 2021.

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

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

**NOTE 7. DE MINIMIS INDIRECT COST RATE**

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PART 1 – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statement Section**

Type of auditor’s report issued:	Unmodified	
	<u>YES</u>	<u>NO</u>
Internal control over financial reporting:		
Material weakness(es) identified:		X
Significant deficiencies identified not considered to be material weakness(es)?	X	None Reported
Noncompliance material to financial statements noted?		X

**Federal Awards**

N/A

Internal control over compliance:
Material weakness(es) identified?
Significant deficiencies identified not considered to be material weakness(es)?

Type of auditor’s report on compliance for major programs:  
Any audit findings disclosed that are required to be Reported in accordance with 2CFR 200.156(A)?

Identification of major programs:

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

None	None
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Dollar threshold used to distinguish between type A and type B programs (.520)

Auditee qualified as low risk auditee:



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PART 1 – SUMMARY OF AUDITOR’S RESULTS (Continued)**

<b>State Awards</b>	<b><u>YES</u></b>	<b><u>NO</u></b>	
Dollar threshold used to distinguish between type A and type B programs (.520)	\$750,000		
Auditee qualified as low risk auditee:	<b>X</b>		
Type of auditor’s report issued:	Unmodified		
Internal control over major programs:			
Material weakness(es) identified:		<b>X</b>	
Significant deficiencies identified not considered to be material weakness(es)?		<b>X</b>	None Reported
Type of auditor’s report on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be Reported in accordance with NJOMB Circular Letter 15-08?		<b>X</b>	
Identification of major programs:			
<u><b>CDFA Number(s)</b></u>			<u><b>Name of State Cluster</b></u>
21-495-034-5120-078			Equalization Aid
21-495-034-5120-089			Special Education Aid
21-495-034-5120-084			Security Aid
21-495-034-5120-085			Adjustment Aid

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PART II – SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

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

No financial statement findings noted that are required to be reported under Government Auditing Standards.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

No federal and state award findings and questioned costs noted that are required to be reported in accordance of U.S. Uniform Guidance or with NJOMB Circular 15-08.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SUMMARY OF 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*, U.S. Uniform Guidance (section .315(a)(b)) and New Jersey OMB's Circular 15-08.

In accordance with government auditing standards, my procedures included a review of all prior year recommendations. There were no prior year findings.