

***ACADEMY FOR URBAN LEADERSHIP CHARTER
SCHOOL***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2022

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

***Academy for Urban Leadership Charter School
Board of Trustees
Perth Amboy, NJ***

***Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ
FOR THE FISCAL YEAR ENDED JUNE 30, 2022***

Prepared By

***Academy for Urban Leadership Charter School
Finance Department***

And

Barre & Company, LLC CPA's

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INTRODUCTORY SECTION

Academy for Urban Leadership Charter School
612 Amboy Ave
Perth Amboy, NJ 08861
848-203-3742

March 10, 2023

Ms. Angelica Allen-McMillan, Ed. D.
Acting Commissioner
New Jersey Department of Education
100 Riverview Executive Plaza
CN – 500
Trenton, New Jersey 08625-0500

Dear Ms. Allen-McMillan:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Academy for Urban Leadership Charter School (Charter School) for the fiscal year ended June 30, 2022. This CAFR includes the Charter School's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34.

The Charter School has elected to adopt this new financial reporting model which we believe will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board).

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Charter School. This report will provide the taxpayers of the Academy for Urban Leadership with comprehensive financial data in a format enabling them to gain an understanding of the Charter School's financial affairs.

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

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;

- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;

Charter School Organization

The Board is comprised of eleven voting members who are elected to oversee that the Charter School operates in compliance with statute and administrative code. Voting members of the Board serve as the official governing body of the Charter School charged with policy making, fiscal oversight, and accountability for student academic achievement results of the Charter School. Voting members adopt the annual budget and directly approve all expenditures which serve as the basis for control for the authorization of all expenditures of Charter School tax money which in turn support the school's business to promote academic achievement. Non voting members include the Charter School's Lead Person, School Business Administrator/Board Secretary, and Board Attorney.

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

1. REPORTING ENTITY AND ITS SERVICES:

The Academy for Urban Leadership 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.

The Academy for Urban Leadership Charter School provides a full range of educational services appropriate to Grades 7, 8, 9, 10, 11 and 12. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2021-2022 school year with an enrollment of 486 students. By every indicator, AULCHS is a successful young Charter School with great promise for the future. With a focus on leadership, civics, community service and academics, the Charter School is armed with a strong Board, experienced staff, significant seed funding, a well-developed mission and accompanying core values.

2. MAJOR INITIATIVES: Major initiatives for the 2021- 2022 school year continued to center on activities improving implementation of the Charter School's program and the health and educational challenges brought forth due to the Covid-19 pandemic. The following were areas of focus for operational activities:

Increased district technological capacities in all areas (hardware/software) for remote learning

Upgraded facility ventilation system, air handling and filtration system to Covid safety standards

- Developed/Implemented Reopening Plan inclusive of PPE, Signage, Cleansing supplies/equipment
- Designed/Implemented leadership mentoring and internship program per school Charter – Continued fiscal controls, compliance, and fiscal stability
- Continued search and goal setting for increasing student enrollment
- Continued expansion of staffing to accommodate program growth and student needs – Continued providing professional development to build staff competency – Continued expansion of dual enrollment with Middlesex College for student advancement
- Implementation of Pathway to Leadership program that addressed the Charter and development of a program at the middle grades to support student knowledge of the four academies at the High School.
- Use grant money to support social emotional programming, staffing and school initiatives. – Utilized virtual learning to increase student graduation
- Expand the virtual learning offerings to all students
- Assess seventh and eighth grade students for learning styles and multiple intelligences to provide information to staff for differentiating instruction.
- Perform curriculum audit
- Develop a five-year curriculum plan
- Continue 21st Century Program to promote after school programming

3. INTERNAL ACCOUNTING CONTROLS: The Management of the Charter School is responsible for establishing and maintaining an internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the Charter School is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School's management. As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

5. **CASH MANAGEMENT:** The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to the Basic Financial Statement” Notes 1 and 3. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”).

GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

6. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, directors and officers insurance and workmen’s compensation.

7. **OTHER INFORMATION:**

Independent Audit - State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The Charter School appointed the accounting firm of Galleros Robinson CPAs, LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the New Jersey OMB Circular Letter 15-08.

The auditor’s report on the basic financial statements, combining and individual fund statements, and schedules are included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

Bernadette Pinto
School Business Administrator

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
(COUNTY OF MIDDLESEX, NEW JERSEY)**

ORGANIZATIONAL CHART



**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ**

**ROSTER OF OFFICIALS
JUNE 30, 2022**

MEMBERS OF THE BOARD OF TRUSTEES

Lisette Vilanova, President
Joshua Bishop-Mbachu, Vice President
Jorge Cruz, Corporate Secretary until 4/30/2021
Claudine Bishop, Member
Hector Bonilla, Member
Stephanie Pabon, Member
Michelle Roman, Member
Elba Ceballo, Member
Angelo Abreu, Member
Reyes Ortega, Member
Eloisa Hernandez, Member
Joshua Lisojo, Member beginning 6/9/2021

OTHER OFFICIALS

Dr. Mario Barbieri, Interim Lead Person beginning 12/23/2020
Margaret Morales, Lead Person beginning 7/1/2020 – 9/2/2020
Peter Salek-Nejad, Interim Lead Person beginning 9/2/2020 – 12/22/2020
Gail Long, Business Administrator/Board Secretary
Patricia Bombelyn, Esq., Board Attorney

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ**

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

Perez & Bombelyn, P.C.
Attorneys at Law
402 Livingston Avenue
New Brunswick, New Jersey 08901

Official Depository

Investors Bank
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Short Hills, New Jersey 07078

FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
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Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Academy for Urban Leadership Charter School
Middlesex County
Perth Amboy, NJ

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Academy for Urban Leadership Charter School (Charter School), in the , State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Academy for Urban Leadership Charter School, in the, State of New Jersey, as of June 30, 2022, and the respective changes in the financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

As a result of the adoption of GASB Statement No. 87, leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the School. Our opinion is not modified with respect to this matter.

Prior Period Restatement

In addition, because of the implementation of GASB Statement No. 87, net position and fund balance as of July 1, 2021 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, have been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Academy for Urban Leadership Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Academy for Urban Leadership Charter School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the combining statements and related major fund supporting statements and schedule and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information


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

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

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

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated March 10, 2023 on our consideration of the Academy for Urban Leadership Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey and the Office of School Finance, Department of Education, State of New Jersey in considering the Charter School's internal control over financial reporting and compliance.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
March 10, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

The discussion and analysis of Academy for Urban Leadership Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ❖ General revenues accounted for \$12,573,744 or 96% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$500,705 or 4% of total revenues of \$13,074,449.
- ❖ The Charter School had \$12,292,133 in expenses; only \$500,705 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$12,573,744 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$12,165,463 in revenues and \$10,907,878 in expenditures. The General Fund's fund balance increased \$1,257,585 over 2021. This increase was anticipated by the Board of Trustees.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2022?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

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

most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Enterprise Fund

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

Notes to the Financial Statements

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

The Charter School as a Whole

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

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

The Charter School's combined Net Position were \$3,596,345 for 2022 and \$2,978,928 for 2021.

Governmental Activities

The Charter School's total revenues were \$12,822,326 for 2022 and \$12,510,813 for 2021, this includes \$236,028 for 2022 and \$422,728 for 2021 of state reimbursed TPAF social security contributions.

The total cost of all program and services were \$11,996,013 for 2022 and \$12,145,305 for 2021. Instruction comprises 39% for 2022 and 52% for 2021 of Charter School expenses.

Business-Type Activities

Revenues for the Charter School's business-type activities (Food Service) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenue by -\$16,964 for 2022 and revenue exceeded expenses by \$ 31,737 for 2021.
- ❖ Charges for services represent \$118 for 2022 and \$1,072 for 2021 of revenue. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast were \$220,461 for 2022 and \$148,293 for 2021.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Governmental Activities

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services.

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

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

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

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

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$11,414,488 for 2022 and \$11,066,836 for 2021 and expenditures were \$12,282,767 for 2022 and \$9,923,145 for 2021. The net change in fund balance was most significant in the general fund, an increase of \$1,257,585 in 2022 and an increase of \$3,309,481 in 2021.

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Local Sources	\$ 1,110,619	9.73%	\$ (129,924)	-10.47%
Intermediate Sources	-	0.00%	-	0.00%
State Sources	8,977,158	78.65%	256,272	2.94%
Federal Sources	1,326,711	11.62%	221,304	20.02%
Total	\$ 11,414,488	100.00%	\$ 347,652	

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

The Charter School's Funds (Continued)

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2022, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Instruction	\$ 3,310,409	26.95%	\$ (472,394)	-12.49%
Administration	4,433,571	36.10%	4,433,571	0.00%
Support Services	2,398,097	19.52%	(3,585,177)	-59.92%
Capital Outlay	2,140,690	17.43%	1,983,622	1262.91%
Total	\$ 12,282,767	100.00%	\$ 2,359,622	

General Fund Budgeting Highlights

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

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

Capital Assets (Net of Depreciation) and Debt Administration

The Charter School had \$1,220,002 for 2022 and \$157,068 for 2021 invested in a newly purchased building, building improvements, and equipment.

For the Future

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

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
PERTH AMBOY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Bernadette Pinto, School Business Administrator at Academy for Urban Leadership Charter School, 612 Amboy Ave, Perth Amboy, NJ 08861.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 3,632,269	\$ 4,924	\$ 3,637,193
Internal Balances	7,229	(7,229)	-
Other Receivables	1,521,286	86,833	1,608,119
Other Assets	82,563		82,563
Right of Use Asset, Net of Amortization	1,711,549		1,711,549
Restricted Assets:			
Capital Assets, Net	1,220,002		1,220,002
Total Assets	8,174,898	84,528	8,259,426
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	630,563		630,563
Total Deferred Outflows of Resources	630,563	-	630,563
LIABILITIES:			
Payable to State Government	247,746		247,746
Payable to Federal Government	860		860
Accounts Payable	547,973	47,343	595,316
Unearned Revenue	50,027		50,027
Due Within One Year	219,538		219,538
Due Beyond One Year:			
Other Long Term Liabilities	1,713,146		1,713,146
Net Pension Liability	1,484,216		1,484,216
Total Liabilities	4,263,506	47,343	4,310,849
DEFERRED INFLOWS OF RESOURCES:			
Pensions	982,795		982,795
Total Deferred Inflows of Resources	982,795	-	982,795
NET POSITION:			
Net Investment in Capital Assets	2,484,057		2,484,057
Student Activities	25,602	-	25,602
Other Purposes	96,567	-	96,567
Unassigned	952,934	37,185	990,119
Total Net Position	\$ 3,559,160	\$ 37,185	\$ 3,596,345

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Statement of Activities

For The Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	3,325,687	\$ 1,374,231	\$ -	\$ -	\$ -	\$ (4,699,918)	\$ -	\$ (4,699,918)
Administration	3,366,198	602,876		236,028		(3,733,046)		(3,733,046)
Support Services	2,074,172	663,613	12,648			(2,725,137)		(2,725,137)
Interest on Long Term Debt	131,181					(131,181)		(131,181)
Unallocated Depreciation and Amortization	485,088					(485,088)		(485,088)
Total Governmental Activities	9,382,326	\$ 2,640,720	12,648	236,028	-	(11,774,370)	-	(11,774,370)
BUSINESS-TYPE ACTIVITIES:								
Food Service	269,087		24	252,005		(17,058)		(17,058)
Total Business-Type Activities	269,087		24	252,005	-	(17,058)		(17,058)
Total Primary Government	\$ 9,651,413		\$ 12,672	\$ 488,033	\$ -	\$ (11,774,370)	\$ (17,058)	\$ (11,791,428)
GENERAL REVENUES								
General Purposes						\$ 1,083,431	\$ -	\$ 1,083,431
Federal and State Aid Not Restricted						11,475,679		11,475,679
Investment Earnings						5,265	94	5,359
Miscellaneous Income						9,275		9,275
Transfers								
Total General Revenues						12,573,650	94	12,573,744
Change in Net Position						799,280	(16,964)	782,316
Net Position - Beginning of Year						2,922,175	54,149	2,976,324
Prior Period Adjustments						(162,295)		(162,295)
Net Position, July 1 (Restated)						2,759,880	54,149	2,814,029
Net Position - Ending						\$ 3,559,160	\$ 37,185	\$ 3,596,345

**SECTION B – FUND FINANCIAL STATEMENTS
(NOT APPLICABLE)**

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

GOVERNMENTAL FUNDS

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Special Revenue Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 3,599,521	\$ 32,748	\$ 3,632,269
Receivables:			
Interfund Receivables	385,946	7,090	393,036
Receivables From Other Governments	835,189	639,771	1,474,960
Other Receivables	46,326		46,326
Other Assets	82,563		82,563
Total Current Assets	<u>4,949,545</u>	<u>679,609</u>	<u>5,629,154</u>
Total Assets	<u>\$ 4,949,545</u>	<u>\$ 679,609</u>	<u>\$ 5,629,154</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Current Liabilities:			
Interfund Payables	\$ -	\$ 385,807	\$ 385,807
Payable to State Government	83,529		83,529
Payable to Federal Government		860	860
Accounts Payable	330,660	217,313	547,973
Payroll Deductions and Withholdings	164,217	-	164,217
Unearned Revenue	-	50,027	50,027
Total Current Liabilities	<u>578,406</u>	<u>654,007</u>	<u>1,232,413</u>
Total Liabilities	<u>578,406</u>	<u>654,007</u>	<u>1,232,413</u>
Fund Balances:			
Restricted For:			
Charter School Escrow Reserve	123,600		123,600
Student Activities	-	25,602	25,602
Assigned For:			
Encumbrances	72,987	-	72,987
Unassigned:			
General Fund	<u>4,174,552</u>	<u>-</u>	<u>4,174,552</u>
Total Fund Balances	<u>4,371,139</u>	<u>25,602</u>	<u>4,396,741</u>
Total Liabilities and Fund Balances	<u>\$ 4,949,545</u>	<u>\$ 679,609</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$4,429,524 and the accumulated depreciation is \$3,209,522.	1,220,002
Right of use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,511,737 and the accumulated depreciation is \$800,188.	1,711,549
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds. Long-term debt included as net position from lease liabilities	(1,932,684)
Net pension liability of \$1,484,216, deferred inflows of resources of \$982,795 less deferred outflows of resources of \$630,563 related to pensions are not reported in the governmental funds	<u>(1,836,448)</u>
Net Position of Governmental Activities	<u>\$ 3,559,160</u>

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,083,431	\$ -	\$ 1,083,431
Interest on Investments	5,208	57	5,265
Miscellaneous	5,790	16,133	21,923
Total Local Sources	1,094,429	16,190	1,110,619
Intermediate Sources			
State Sources	8,926,167	50,991	8,977,158
Federal Sources		1,326,711	1,326,711
Total Revenues	10,020,596	1,393,892	11,414,488
EXPENDITURES:			
Current:			
Instruction	2,580,813	737,191	3,318,004
Administration	4,433,571		4,433,571
Support Services	1,798,446	619,089	2,417,535
Capital Outlay	2,095,048	45,642	2,140,690
Total Expenditures	10,907,878	1,401,922	12,309,800
Excess (Deficiency) of Revenues over Expenditures	(887,282)	(8,030)	(895,312)
OTHER FINANCING SOURCES (USES)			
Transfers	2,144,867	-	2,144,867
Total Other Financing Sources (Uses)	2,144,867	-	2,144,867
NET CHANGE IN FUND BALANCES	1,257,585	(8,030)	1,249,555
FUND BALANCES, JULY 1	3,275,849	33,632	3,309,481
PRIOR PERIOD ADJUSTMENTS	(162,295)	-	(162,295)
FUND BALANCE, JULY 1, RESTATED	3,113,554	33,632	3,147,186
FUND BALANCES, JUNE 30	\$ 4,371,139	\$ 25,602	\$ 4,396,741

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

ACADEMY FOR URBAN LEADERSHIP 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, 2022

Total net change in fund balances - governmental fund (from B-2) \$ 1,249,555

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

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

Depreciation Expense	\$ (214,066)	
Amortization Expense	(271,022)	
Capital Outlay	2,140,690	1,655,602

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

New long-term debt issued	(2,144,867)
Principal payment on long-term debt	212,182
Increase in accrued interest payable	

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

(173,192)

Change in net position of governmental activities

\$ 799,280

PROPRIETARY FUNDS

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Proprietary Fund
Statement of Net Position
June 30, 2022

	Business-Type Activities
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 4,924
Receivables From Other Governments	86,833
Total Current Assets	91,757
Total Assets	\$ 91,757
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable	\$ 7,229
Accounts Payable	47,343
Total Current Liabilities	54,572
Total Liabilities	54,572
NET POSITION:	
Unrestricted	37,185
Total Net Position	37,185
Total Liabilities and Net Position	\$ 91,757

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities Enterprise Fund		
	Food Service Program		
	School Nutrition	Fixed Contract Price	Total Enterprise
OPERATING REVENUES:			
Charges for Services:			
Daily Sales Reimbursable Program	\$ 24	-	\$ 24
Interest Income	94		94
Total Operating Revenues	118	-	118
OPERATING EXPENSES:			
Salaries	23,319		23,319
Purchased Prof/Tech Services	7,728		7,728
Supplies and Materials	1,506	-	1,506
Cost of Sales- Reimbursable Programs	236,534	-	236,534
Total Operating Expenses	269,087	-	269,087
OPERATING LOSS	(268,969)	-	(268,969)
NONOPERATING REVENUES:			
State Source:			
State Lunch Program	4,497	-	4,497
Federal Source:			
Federal Breakfast Program	42,230	-	42,230
Federal Lunch Program	173,734	-	173,734
Pandemic EBT Food Benefits	31,544		31,544
Total Nonoperating Revenues	252,005	-	252,005
CHANGE IN NET POSITION	(16,964)	-	(16,964)
TOTAL NET POSITION, JULY 1	54,149	-	54,149
TOTAL NET POSITION, JUNE 30	\$ 37,185	-	\$ 37,185

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
 Proprietary Funds
 Statement of Cash Flows
 For The Fiscal Year Ended June 30, 2022

	Business-Type Activities
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	118
Cash Payments to Suppliers and Employees	(289,549)
Net Cash Used by Operating Activities	(289,431)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received from State and Federal Reimbursements	252,005
Net Cash Provided by Noncapital Financing Activities	252,005
Net Decrease in Cash and Cash Equivalents	(37,426)
Cash and Cash Equivalents, July 1	42,350
Cash and Cash Equivalents, June 30	\$ 4,924
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss Used for Operating Activities	(268,969)
Changes in Assets and Liabilities:	
Increase in Intergovernmental Accounts Receivable	(64,843)
Increase in Interfund Accounts Payable	7,229
Increase in Accounts Payable	37,152
Net Cash Used by Operating Activities	\$ (289,431)

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

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

NOTES TO THE FINANCIAL STATEMENTS

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The financial statements of Academy for Urban Leadership Charter School have been prepared in conformity with generally accepted accounting principles generally (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body responsible for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the Charter School follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the Charter School are described below.

2. Reporting Entity

The Charter School is a non-profit corporation organized under the laws of the State of New Jersey, established in 2002 to operate and maintain a public school under a charter granted by the State of New Jersey. The Charter School consists of seven members and must comply with the Charter School Program Act of 1995 and regulations promulgated thereunder.

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

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

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

3. Basic Financial Statements – Government-Wide Statements

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

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide Statements (Continued)

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

4. Basic Financial Statements – Fund Financial Statements

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

The following fund types are used by the Charter School:

Governmental Fund Types

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

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

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

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

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

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

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

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

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

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

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Charter School enterprise funds are charges for daily sales of food, special functions and miscellaneous receipts. Operating expenses for proprietary funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

Trust Funds – The unemployment compensation fund is used to account for contributions from the Charter School and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. Although there is no formal trust agreement, the State of New Jersey requires charter schools to include the unemployment compensation trust as a private-purpose trust fund. The principal and income deposited into this fund are for the sole benefit of the specific individuals or former employees. The management of the Charter School is not involved in determining the amounts current employees contribute to the fund or amounts paid out by the fund. That determination is made by the State of New Jersey.

Agency Funds (Payroll, Payroll Agency, Student Activity and Athletic Funds): The agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. These are custodial in nature and do not involve measurement of results of operations.

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

5. Measurement Focus and Basis of Accounting

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

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

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

6. Budgets/Budgetary Control

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

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

	2022	2021
Total Revenues & Expenditures (Budgetary Basis)	\$ 1,401,922	\$ 1,117,785
Adjustments:		
Less Encumbrances at June 30, 2022	(27,033)	(9,021)
Plus Encumbrances at June 30, 2021	9,021	9,021
Total Revenues and Expenditures (GAAP Basis)	\$ 1,383,910	\$ 1,117,785

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

7. Encumbrances

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

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

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity)

1. Deposits and Investments

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

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

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

2. Short-term Interfund Receivables/Payables

Short-term interfund receivables/payables represents 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.

3. Inventories

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

4. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at acquisition cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)

Right of use Assets

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

5. Fund Equity

Restricted represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Assigned fund balances represent plans for future use of financial resources.

6. Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022. The Charter School had no prepaid expenses for the fiscal year ended June 30, 2022.

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

7. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Charter School is eligible to realize the revenue.

8. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)

9. Net Position/Fund Balance

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

In the Government-Wide Statements, there are three classes of net position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt also should be included.

Restricted Net Position – reports net position when constraints placed on the residual amount of noncapital assets are either imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – any portion of net position not already classified as either net investment in capital assets or net position-restricted.

10. Fund Balance Reserves

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

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

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is 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. As of June 30, 2022 the Charter School reported no compensated absence liability.

12. Impact of Recently Issued Accounting Principles

During fiscal years 2022 through 2023, the Charter School has adopted the following GASB statements.

The GASB has adopted the following as of June 30, 2022

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

The lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily available. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the School and payment of penalties for termination of a lease when the lease term reflects the lessee exercising a termination option. Each lease payment is allocated between the repayment of the principal portion of lease liability and the interest portion. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is recorded in financing expense. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of income.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles (continued)

- GASB Statement No. 91, Conduit Debt Obligations, effective for the year ending June 30, 2023.
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the year ending June 30, 2023.
- GASB Statement No. 99, Omnibus 2022, effective for the year ending June 30, 2023.
- GASB Statement No. 100, Accounting Changes and Error Corrections, effective for the year ending June 30, 2024.
- GASB Statement No. 101, Compensated Absences, effective for the year ending June 30, 2025.

The Charter School will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material

13 PENSIONS

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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 Governmental Unit Deposit Protection Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks of which the deposits 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.

As of June 30, 2022, cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Special Revenue	Proprietary Fund	Total
Operating Account	\$3,599,521	\$ 32,748	\$ 4,924	\$3,637,193

The Charter School had no investments at June 30, 2022.

The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$3,637,193 and the bank balance was \$4,117,310. All bank balances were covered by federal depository insurance (FDIC) and/or by a collateral pool maintained by the banks as required by GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the Charter School's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Charter School would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by a pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

As of June 30, 2022, none of the cash and cash equivalents for Academy for Urban Leadership Charter School were exposed to custodial credit risk.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES (CONTINUED)

A. Deposits and Investments (Continued)

Deposits (Continued)

The Charter School does not have a policy for the management of custodial credit risk, except as noted above, other than depositing all of its funds in banks covered by GUDPA.

Investments

New Jersey statutes (N.J.S.A.18A:20-37) permit the Charter School to purchase the following types of securities:

- a. When authorized by resolution adopted by a majority vote of all its board members, the Charter School may use moneys which may be in hand for the purchase of the following types of securities, which, if suitable for registry, may be registered in the name of the Charter School;
 - (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
 - (2) Government money market mutual funds;
 - (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest no dependent on any index or other external factor;
 - (4) Bonds or other obligations of the charter school or bonds or other obligations of local unit or units within which the charter school is located;
 - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by charter schools;
 - (6) Local government investment pools;
 - (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or
 - (8) Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES
(CONTINUED)**

Investments (Continued)

Credit Risk: The Charter School does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The Charter School did not have any investments at June 30, 2022.

Interest Rate Risk: The Charter School does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Charter School did not have any investments at June 30, 2022.

Concentration of Credit Risk: The Charter School places no limit on the amount they may invest in any one issuer. The Charter School did not have any investments at June 30, 2022.

Receivables

Receivables at June 30, 2022, consisted of accounts, intergovernmental, grants, and miscellaneous. All receivables are considered collectible in full. Accounts receivable as of the fiscal year end of the Charter School's individual major and fiduciary funds, in the aggregate, are as follows:

	Governmental Funds		Total Governmental Activities	Proprietary Fund	Total Business Type Activities	Total
	General Fund	Special Revenue Fund		Food Service Fund		
State Awards	\$ 835,189	\$ -	\$ 835,189	\$ 1,596	\$ 1,596	\$ 836,785
Federal Awards	-	639,771	639,771	85,237	85,237	725,008
Other	46,326	-	46,326	-	-	46,326
Gross Receivables	881,515	639,771	1,521,286	86,833	86,833	1,608,119
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 881,515	\$ 639,771	\$ 1,521,286	\$ 86,833	\$ 86,833	\$ 1,608,119

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES (CONTINUED)

Receivables (continued)

A. Interfund Receivables and Payables

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

The following interfund balances remained on the fund financial statements at June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 385,946	\$ -
Special Revenue Fund	7,090	385,807
Proprietary Fund		7,229
Total	<u>\$ 393,036</u>	<u>\$ 393,036</u>

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

B. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land and Land Improvements	\$ -	\$ -	\$ -	\$ -
Construction in Progress	803,986	71,701	-	875,687
Total Capital Assets Not Being Depreciated	803,986	71,701	-	875,687
<i>Capital Assets Being Depreciated:</i>				
Building and Building Improvements	\$ 2,937,287	\$ 41,516	\$ -	\$ 2,978,803
Machinery and Equipment	532,737	42,297	-	575,034
Total Capital Assets Being Depreciated	3,470,024	83,813	-	3,553,837
Less Accumulated Depreciation For:				
Leasehold Improvements	-	-	-	-
Building and Building Improvements	2,615,827	138,310	-	2,754,137
Machinery and Equipment	379,629	75,756	-	455,385
Total Accumulated Depreciation	2,995,456	214,066	-	3,209,522
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	474,568	(130,253)	-	344,315
Government Activity Capital Assets, Net	<u>\$ 1,278,554</u>	<u>\$ (58,552)</u>	<u>\$ -</u>	<u>\$ 1,220,002</u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by charter schools in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the Charter School has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES (CONTINUED)

Capital Assets (continued)

Depreciation expense was charged to functions as follows:

Unallocated	214,066
Total	\$ 214,066

NOTE 3: LEASES

RIGHT OF USE LEASE ASSETS

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

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

Leased Assets	Beginning Balance	Additions	Deductions	Ending Balance
Leased Assets Being Amortized				
Leased - Equipment Expense	121,393	14,635	0	136,028
Leased - Real Estate Expense	2,375,708	0	0	2,375,708
Total Leased Assets Being Amortized	2,497,101	14,635	0	2,511,736
Less: Accumulated Amortization				
Leased - Equipment Expense	(54,024)	(33,450)	0	(87,474)
Leased - Real Estate Expense	(475,142)	(237,571)	0	(712,713)
Total Accumulated Amortization	(529,166)	(271,021)	0	(800,186)
Total, Net of Accumulated Amortization	1,967,935	(256,386)	0	1,711,549

NOTE 4: LONG- TERM OBLIGATIONS

A. LEASES

The Charter School is currently leasing its facilities at 612 Amboy Avenue, Perth Amboy, New Jersey for a period of four (4) years from St. Michael's Byzantine Catholic Church commencing July 1, 2010 and expired on June 30, 2015. The lease was extended for five (5) periods of five (5) years each beginning July 1, 2015. Annual rent for the year ended June 30, 2021 amounted to \$216,353.

On August 9, 2017, the school rented additional space from the Hispanic Christian Center Inc. at 293 (parking lot) 295 and 299 Barclay Street, Perth Amboy for the period August 1, 2017 to June 31, 2019 with a two 5-year renewal options. Rent expense for the year ended June 30, 2021 amounted to \$87,394.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4: LONG- TERM OBLIGATIONS

As a result of the lease, the school has recorded a right of use asset with a net book value of \$2,375,708 on June 30, 2022.

There are four equipment agreements executed on between 2019 and 2021, to lease a copy machines and requiring 48 monthly payments. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5%, which is the stated rate in the lease agreement. As a result of the leases, the school has recorded a right of use asset with a net book value of \$136,028 on June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Maturity Analysis	Principal	Interest	Total
07/01/2022 - 06/30/2023	219,539	117,262	336,801
07/01/2023 - 06/30/2024	224,482	102,904	327,387
07/01/2024 - 06/30/2025	229,235	88,233	317,468
07/01/2025 - 06/30/2026	265,206	72,209	337,415
07/01/2026 - 06/30/2027	301,783	53,813	355,596
07/01/2027 - 06/30/2032	692,440	44,144	736,584
Total	1,932,685	478,566	2,411,252
Lease Liability	1,932,685		

C. LONG-TERM LIABILITY ROLLFORWARD SCHEDULE

	Balance July 01, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Lease Liabilities	\$ -	1,713,146	\$ -	\$ 1,713,146	219,538
Sub-total Lease Liability	-	1,713,146	-	1,713,146	219,538
Net Pension Liability	\$ 1,803,912	\$ (319,696)		\$ 1,484,216	-
Total	\$ 1,803,912	\$ 1,393,450	\$ -	\$ 3,197,362	\$ 219,538

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratios of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group as of June 30, 2022 in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The state's pension contributions is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment amounts certified for payments due not be included in their unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$ 146,726 for fiscal year 2022.

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

At June 30, 2022, the Charter School reported a liability of \$ 1,484,216 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 which was rolled forward to June 30, 2022. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021 measurement date, the Charter School's proportion was 0.0125287309%, which was an decrease of -0.02039963% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the Charter School recognized pension expense of \$ 282,540 . At June 30, 2022, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 7,730	\$ 528,391
Difference Between Expected and Actual Experience	\$ -	10,625.00
Changes in Proportion	\$ 599,425	52,798
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ 23,408	390,981
	<u>\$ 630,563</u>	<u>\$ 982,795</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015 amounts, respectively

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (137,235)
2024	\$ (97,986)
2025	\$ (66,810)
2026	\$ (50,221)
2027	\$ 20
	<u>\$ (352,232)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuations as of July 1,2020 This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
through 2026	2.00-6.00% based on years of service
Thereafter	3.00-7.00% based on years of service
Investment Rate of Return	7.00%

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is like 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.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Long Term Expected Rate of Return (Continued)

			Long-Term Expected Real Rate of Return
Asset Class	Target Allocation		
U.S. Equity	27.00%		8.09%
Non-U.S. Developed Markets Equity	13.50%		8.71%
Emerging Markets Equity	5.50%		10.96%
Private Equity	13.00%		11.30%
Real Assets	3.00%		7.40%
Real Estate	8.00%		9.15%
High Yield	2.00%		3.75%
Private Credit	8.00%		7.60%
Investment Grade Credit	8.00%		1.68%
Cash Equivalents	4.00%		0.05%
U.S. Treasuries	5.00%		0.95%
Risk Mitigation Strategies	3.00%		3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

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

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2021			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School proportionate share of the Net Pension Liability	\$ 2,042,747	\$ 1,348,338	\$ 1,039,472

Measurement Date June 30, 2020			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School proportionate share of the Net Pension Liability	\$ 2,288,681	\$ 1,803,912	\$ 1,418,794

Pension Plan Fiduciary Net Position

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

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Benefit Provided

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

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

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows in resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2021 measurement date.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Allocation Methodology (Continued)

Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contributions policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021 measurement date, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

This note discloses the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal years ended 2022, the State of New Jersey contributed \$ 123,405 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$ 1,039,200 .

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

As June 30, 2021, the State's proportionate share of the net pension liability associated with the Charter School was \$ 17,048,125 . The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Special Funding Situation (continued)

The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, Charter School's proportion was 0.0693738212%, which was an increase of 0.0364455% from its proportion measured as of June 30, 2020.

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	17,048,125
Total	<u>\$ 17,048,125</u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the Charter School in the amount of \$ 1,039,200 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 5,289,559,561	\$ 24,224,281,713
Difference Between Expected and Actual Experience	941,265,828	142,774,569
Changes in Proportion and differences between employer contributions and proportionate share of contributions	142,705,445	142,705,445
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	2,854,036,178
	<u>\$ 6,373,530,834</u>	<u>\$ 27,363,797,905</u>

The \$ 6,373,530,834 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Special Funding Situation (continued)

The \$ 27,363,797,905 reported as a deferred inflow of resources resulting from the difference between projected and actual.

Fiscal Year	Total
Ending June 30,	Total
2023	\$ (2,914,282,899)
2024	(3,500,098,875)
2025	(4,665,036,366)
2026	(4,192,375,542)
2027	(2,350,648,872)
Thereafter	(3,367,824,517)
	<u>\$(20,990,267,071)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wages	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Actuarial Assumptions (continued)

Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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 pension investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expecting inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2021 is summarized in the following table:

US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Long Term Expected Rate of Return (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability

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

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2021			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 39,535,040	\$ 17,048,125	\$ 28,273,794

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

Measurement Date June 30, 2020			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.40%)	(5.40%)	(6.40%)
Charter School's proportionate share of the Net Pension Liability	\$ 25,525,127	\$ 21,682,945	\$ 18,579,870

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position – TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

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

For DCRP, the Charter School recognized no pension expense for the fiscal year ended June 30, 2022. There were no employee contributions to DCRP for the fiscal year ended June 30, 2022.

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6: POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6: POST-RETIREMENT BENEFITS

General Information about the OPEB Plan (continued)

Plan Description and Benefits Provided (continued)

Employees covered by benefit terms:

At the OPEB Plan's measurement date June 30, 2021, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted for the following members:

Active plan member											213,901
Inactive plan members or beneficiaries currently receiving benefits											150,427
Inactive plan members entitled to but not yet receiving benefit payments											-
Total											364,328

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%			
		TPAF/ABP	PERS	PFRS
Salary Increases				
Through 2026		1.55% to 4.45%	2.00% to 6.00%	3.25% to 15.25%
		based on service	based on service	based on service
		years	years	years
Rate thereafter		2.75% to 5.65%	3.00% to 7.00%	NOT
		based on service	based on service	APPLICABLE
		years	years	

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

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: POST-RETIREMENT BENEFITS

General Information about the OPEB Plan (continued)

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

The following presents the total nonemployer OPEB liability measured as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2021		
	At 1%	At current	At 1%
	Decrease (1.16%)	discount rate (2.16%)	Increase (3.16%)
Total OPEB Liability	\$ 5,228,900	\$ 4,365,263	\$ 3,685,201

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

The following presents the total nonemployer OPEB liability measured as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2021		
	At 1%		At 1%
	decrease	Trend Rate	Increase
Total OPEB Liability	\$ 3,533,695	\$ 4,365,263	\$ 5,481,998

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

For the fiscal year ended June 30, 2022 the Charter School recognized OPEB revenue and expense of \$ 1,884,148 in the government-wide financial statements for the State's proportionate share of the OPEB Plan's OPEB expenses, associated with the Charter School. This expense and revenue was based on the OPEB Plan's June 30, 2021 measurement date.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (continued)

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

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At the measurement date of June 30, 2021 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 658,044	\$ (1,310,093)
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 740,512	(468,352)
Sub Total	1,398,556	(1,778,445)
Contributions Made in Fiscal Year 2022 after June 30, 2021 Measurement Date	N/A	N/A
Total	1,398,556	(1,778,445)

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

Fiscal Year Ending June 30	
2023	\$ (86,007)
2024	(86,007)
2025	(86,007)
2026	(86,007)
2027	(61,150)
Total Thereafter	25,287
	\$ (379,890)

NOTE 7: 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. The Charter School is a member of the New Jersey School Boards Association Insurance Group, Educational Risk and Insurance Consortium (the Consortium).

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: RISK MANAGEMENT (CONTINUED)

The Consortium is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost workers' compensation, employees' liability, automobile and equipment liability, general liability and boiler and machinery insurance coverage for member school districts in order to keep local property taxes at a minimum.

The Charter School pays an annual assessment to the Consortium and should it be determined that payments received by the Consortium are deficient, additional assessments may be levied. Additionally, the Consortium maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

The Charter School continues to carry commercial insurance coverage for all other risks of loss, including health and accident insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Charter School is billed quarterly for amounts due to the State.

NOTE 8: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,335,653 , \$236,028 , \$312,063 , and \$1,426 , respectively.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: CONTINGENCIES AND LITIGATION

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

On April 24, 2019, Plaintiff filed a lawsuit against the AULCS Board of Trustees, as well as two individual former employees of the school, alleging discrimination and a hostile work environment based on gender and sex under the New Jersey Law Against Discrimination ("NJLAD") as well as other claims. It is believed that the Plaintiff has a low likelihood on succeeding on many of the claims. If Plaintiff succeeds on all the claims the verdict would be approximately be \$1,127,310 exclusive of recovery of attorney fees which could be as much as \$400,000. The School is not aware of any limitations to indemnity coverage and presume that insurance coverage would be available.

The school is in negotiations with the teachers for a contract settlement however as of the date of our report no agreement has been reached.

NOTE 10: CONCENTRATIONS

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

NOTE 11: DETAILED DISCLOSURE REGARDING FUND EQUITY

General Fund

The General Fund balance at June 30, 2022 is \$4,371,139 of which \$4,174,552 and is unassigned and \$72,987 is assigned for encumbrances.

**ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12: IMPLEMENTATION OF NEW ACCOUNTING STANDARD AND RESTATEMENT OF NET POSITION

In June of 2017, the GASB issued Statement no. 87, Leases. GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB Statement No. 87 were effective for reporting periods beginning after June 15, 2021. The School adopted GASB Statement No. 87 effective July 1, 2021. The implementation of GASB Statement No. 87 required retrospective application to prior periods resulting in the restatement of net position and fund balance as of the beginning of the year.

NOTE 13: SUBSEQUENT EVENTS

Subsequent events were evaluated through March 10, 2023, the date the financial statements were available to be issued.

NOTE 14: IMPACT OF COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

Although the Charter School cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material effect on the Charter School's results of future operations, financial position, and liquidity in fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Equalization Aid-Local	\$ 1,359,760	\$ (276,329)	\$ 1,083,431	\$ 1,083,431	\$ -
Total Local Sources	1,359,760	(276,329)	1,083,431	1,083,431	-
Categorical Aid:					
Equalization Aid-State				5,719,645	5,719,645
Special Education	297,421	(113,634)	183,787	183,787	-
Security Aid	244,191	(32,946)	211,245	211,245	-
Non-Public Student Aid	7,036,286	(390,321)	6,645,965	926,320	(5,719,645)
Total Categorical Aid	7,577,898	(536,901)	7,040,997	7,040,997	-
Revenues From Other Sources:					
Reimbursed TPAF Social Security				236,028	236,028
On-Behalf TPAF(Non-Budget)					
Pension Contributions				1,335,653	1,335,653
Post Retirement Medical Contributions				312,063	312,063
Non-Contributory Insurance Contributions				1,426	1,426
Interest Income				5,208	5,208
Miscellaneous Revenue				5,790	5,790
Total Revenues From Other Sources	-	-	-	1,896,168	1,660,140
Total Revenues	8,937,658	(813,230)	8,124,428	10,020,596	1,660,140
EXPENDITURES:					
Instruction:					
Grades 6-8: Salaries of Teachers	544,888	(40,518)	504,370	504,346	24
Grades 9-12: Salaries of Teachers	2,152,352	(511,798)	1,640,554	1,640,554	-
Other Salaries for Instruction	191,272	(95,335)	95,937	94,824	1,113
Purchased Prof/Tech Services	165,000	38,625	203,625	200,868	2,757
Other Purchased Services	135,247	(32,869)	102,378	61,700	40,678
General Supplies	265,870	(182,880)	82,990	62,339	20,651
Textbooks	10,000	(9,000)	1,000	196	804
Miscellaneous	12,385	4,000	16,385	15,986	399
Total Instruction	3,477,014	(829,775)	2,647,239	2,580,813	66,426
Administration:					
Salaries - General Administration	357,388	62,749	420,137	419,190	947
Salaries - Technical	293,370	(985)	292,385	286,006	6,379
Salaries of Secretarial/Clerical Assistants	293,200	(8,687)	284,513	277,530	6,983
Total Benefits Cost	1,356,200	(201,673)	1,154,527	1,069,039	85,488

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from Prior Page)					
Purchases Prof/Tech Services	323,810	148,143	471,953	429,457	42,496
Other Purchased Services	58,901	(13,006)	45,895	19,456	26,439
Communications/Telephone	34,313	(19,589)	14,724	13,977	747
Supplies and Materials	18,700		18,700	10,691	8,009
Miscellaneous Expenses	30,362	(175)	30,187	23,055	7,132
Total Administration	2,766,244	(33,223)	2,733,021	2,548,401	184,620
Support Services:					
Salaries	695,598	69,982	765,580	749,680	15,900
Salaries - Nurse	130,563	1,114	131,677	131,677	-
Salaries - Improvement of Instruction	122,548	77,531	200,079	200,079	-
Purchased Prof/Tech Services	37,000	(9,930)	27,070	6,936	20,134
Cleaning, Repair, and Maintenance Services		52	52	52	-
Rental of Land and Buildings	307,497	1,800	309,297	3,749	305,548
Right to Use Lease Asset				343,363	(343,363)
Other Purchased Services	156,918	(2,268)	154,650	108,322	46,328
Transportation-Other Than To/From School	15,000	35,710	50,710	50,702	8
Insurance for Property, Liability and Fidelity	90,897	7,103	98,000	97,431	569
Supplies and Materials	25,354	2,375	27,729	26,233	1,496
Energy Costs (Heat and Electricity)	84,000	48,652	132,652	79,706	52,946
Miscellaneous Expenses	10,614	(10,186)	428	516	(88)
Total Support Services	1,675,989	221,935	1,897,924	1,798,446	99,478
Capital Outlay:					
Instructional Equipment		16,419	16,419	16,418	1
Non-Instructional Equipment	2,500	19,244	21,744	21,743	1
Building Purchases Other Than Lease Purchases Facilities and Construction				1,982,572	(1,982,572)
		128,126	128,126	74,315	53,811
Total Capital Outlay	2,500	163,789	166,289	2,095,048	(1,928,759)
Reimbursed TPAF Social Security (Non-Budgeted)				236,028	(236,028)
On-Behalf TPAF (Non-Budgeted)					
Pension Contributions				1,335,653	(1,335,653)
Post Retirement Medical Contributions				312,063	(312,063)
Non-Contributory Insurance Contributions				1,426	(1,426)
Total Expenditures	7,921,747	(477,274)	7,444,473	10,907,878	(2,913,888)

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,015,911	(335,956)	679,955	(887,282)	(1,567,237)
Other Financing Sources (Uses)					
Lease Proceeds			-	2,144,867	(2,144,867)
Total Other Financing Sources (Uses)	-	-	-	2,144,867	(2,144,867)
(Continued from Prior Page)					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,015,911	(335,956)	679,955	1,257,585	(3,712,104)
FUND BALANCE, JULY 1	3,274,898	-	3,274,898	3,275,849	(951)
PRIOR PERIOD ADJUSTMENTS				(162,295)	162,295
FUND BALANCE, JULY 1, RESTATED	3,274,898	-	3,274,898	3,113,554	161,344
FUND BALANCE, JUNE 30	<u>\$ 4,290,809</u>	<u>\$ (335,956)</u>	<u>\$ 3,954,853</u>	<u>\$ 4,371,139</u>	<u>\$ (3,550,760)</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures Budgeted Fund Balance	<u>\$ 4,290,809</u>	<u>\$ (335,956)</u>	<u>3,954,853</u>	<u>\$ 4,371,139</u>	<u>\$ 416,286</u>
Total	<u>\$ 4,290,809</u>	<u>\$ (335,956)</u>	<u>\$ 3,954,853</u>	<u>\$ 4,371,139</u>	<u>\$ 416,286</u>

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Federal Sources	\$ 1,797,920	\$ 2,411,217	\$ 4,209,137	\$ 1,326,711	\$ (2,882,426)
State Sources		85,956	85,956	50,991	(34,965)
Local Sources	33,631	13,991	47,622	16,190	(31,432)
Total Revenues	1,831,551	2,511,164	4,342,715	1,393,892	(2,948,823)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	472,024	454,939	926,963	392,460	534,503
Other Salaries for Instruction	24,800	87,066	111,866	99,799	12,067
Purchased Prof/Tech Services	1,990	508,010	510,000		510,000
Other Purchased Services	40,650	21,600	62,250	40,844	21,406
General Supplies	204,801	20,433	225,234	192,769	32,465
Misc.	50,031	373	50,404	11,319	39,085
Total Instruction	794,296	1,092,421	1,886,717	737,191	1,149,526
Support Services:					
Salaries of Supervisors of Instruction	300,020	425,728	725,748	140,448	585,300
Other Salaries	126,748	8,648	135,396	118,164	17,232
Personal Services - Employee Benefits	210,584	125,021	335,605	98,742	236,863
Purchased Prof/Ed Services	90,683	594,067	684,750	78,929	605,821
Other Purchased Professional Services	30,854	4,498	35,352	32,545	2,807
Purchased Technical Services	56,480	(10,000)	46,480	13,557	32,923
Other Purchased Professional Services	62,805	25,434	88,239	52,998	35,241
Supplies and Materials	45,713	73,511	119,224	42,440	76,784
Indirect Costs	25,703	30,512	56,215		56,215
Miscellaneous Expenditures	33,079	(3,792)	29,287	41,266	(11,979)
Total Support Services	982,669	1,273,627	2,256,296	619,089	1,637,207
Capital Outlay:					
Buildings	50,000	12,576	62,576	41,516	21,060
Instructional Equipment	4,586	(460)	4,126	4,126	-
Non-Instructional Equipment		133,000	133,000		133,000
Total Capital Outlay	54,586	145,116	199,702	45,642	154,060
Total Expenditures	1,831,551	2,511,164	4,342,715	1,401,922	2,940,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ (8,030)	\$ 8,030

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Budgetary Comparison Schedule

Budget-To-GAAP Reconciliation

Note to RSI

For the Fiscal Year Ended June 30, 2022

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 10,020,596		[C-2] 1,393,892
 Difference - Budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			<u>(27,033)</u>
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>10,020,596</u>		[B-2] \$ <u>1,366,859</u>
 Uses/Outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 10,907,878		[C-2] 1,401,922
 Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.			<u>(27,033)</u>
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>10,907,878</u>		[B-2] \$ <u>1,374,889</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Charter School's proportion of the net pension liability	0.00146812%	0.00357344%	0.002815781%	0.007015272%	0.007015272%	0.011444883%	0.011061936%	0.012528731%
Charter School's proportionate share of the net pension liability	\$ 274,873	\$ 802,166	\$ 833,954	\$ 1,633,043	\$ 1,633,043	\$ 2,062,194	\$ 1,803,912	\$ 1,484,216
Charter School's covered payroll (plan measurement period)	\$ 194,890	\$ 333,428	\$ 793,855	\$ 1,083,817	\$ 1,083,817	\$ 4,219,562	\$ 1,437,254	\$ 1,045,464
Charter School's proportionate share of the net pension liability as a percentage of its covered payroll	141%	241%	105%	151%	151%	49%	126%	142%
Plan fiduciary net position as a percentage of the total pension liability	40.71%	38.21%	40.14%	48.10%	53.60%	56.27%	58.32%	51.52%

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 12,103	\$ 30,722	\$ 25,015	64,989	78,864	111,325	121,012	146,726
Contributions in relation to the contractually required contribution	(12,103)	(30,722)	(25,015)	(64,989)	(78,864)	(111,325)	(121,012)	(146,726)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered payroll (fiscal year)	\$ 194,890	\$ 333,428	\$ 793,855	\$ 1,083,817	\$ 1,169,826	\$ 4,219,562	\$ 4,219,562	\$ 1,045,464
Contributions as a percentage of covered payroll	6.21%	9.21%	3.15%	6.00%	6.74%	2.64%	2.87%	14.03%

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER'S PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable of the Charter School	0.0108171%	0.01173505%	0.02221521%	0.01802438%	0.02309748%	0.02495847%	0.03292839%	0.06937382%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 5,781,411	\$ 7,417,056	\$ 17,475,901	\$ 12,152,689	\$ 14,694,125	\$ 15,317,249	\$ 21,682,945	\$ 17,048,125
Charter School's covered payroll (plan measurement period)	\$ 1,980,905	\$ 1,757,843	\$ 3,157,382	\$ 3,947,450	\$ 4,374,464	\$ 4,219,562	\$ 3,891,268	\$ 3,019,235
Charter School's proportionate share of the net pension liability as a percentage of it's covered payroll	291.86%	421.94%	553.49%	307.86%	335.91%	363.01%	557.22%	564.65%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	22.33%	36.03%	26.95%	24.48%	35.52%

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

Academy for Urban Leadership Charter School
Required Supplementary Information Schedules
Schedule of Changes in the Charter School's Net OPEB Liability and Related Ratios
Last Five Fiscal Years
(Unaudited)

	Measurement Date Ending				
	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total Non-Employer OPEB Liability- States's Proportionate Share of the Total OPEB Liability Associated with the Charter School					
OPEB Liability at Beginning of Measurement Period	\$ 2,282,450	\$ 1,948,054	\$ 3,082,350	\$ 3,082,350	\$ 6,356,254
Service cost	357,407	410,382	1,117,755	640,892	1,216,050
Interest on Total OPEB Liability	93,615	89,512	266,803	128,452	113,240
Effect on Changes of Benefit Terms					(4,646)
Difference between expected and actual experience	(511,579)	680,258	(847,593)	1,450,794	(3,233,636)
Effect of Changes of Assumptions	(223,549)	45,958	94,121	1,161,069	4,307
Contributions - Employee	1,800	2,805	5,744	3,354	2,895
Gross Benefits Paid by the State	(52,090)	(94,619)	(193,776)	(110,657)	(89,201)
Net Change in Total OPEB Liability	(334,396)	1,134,296	443,054	3,273,904	(1,990,991)
OPEB Liability at Beginning of Measurement Period	2,282,450	1,948,054	3,082,350	3,082,350	6,356,254
Total OPEB Liability at End of Measurement Period	\$ 1,948,054	\$ 3,082,350	\$ 3,525,404	\$ 6,356,254	\$ 4,365,263

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

Notes to Schedule:

Changes in benefit terms: The \$63,870,842 decrease in liability from June 20,2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The \$11,385,071,658 decrease in the liability from June 30, 2020 to June 30, 2021 is due to changes in the census claims

Update in census information	\$ (591,982,074)
Premium and Claims Experience	(10,793,089,584)
Total	\$ (11,385,071,658)

Changes in Assumptions:

The \$59,202,105 increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of the following:

Trend Update	\$ 141,651,103
Mortality Projection Scale Update	270,835,004
Discount Rate Change	536,297,378
Salary Scale	(889,581,380)
Total Changes in Assumption	\$ 59,202,105

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2022

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate remained unchanged at 7.00% as of June 30, 2020 and as of June 30, 2021 in accordance with Paragraph 44 of GASB Statement No. 67.

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2022

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.60% as of June 30, 2020 to 7.00% as of June 30, 2021 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

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

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
 Combining Schedule of Revenues and Expenditures
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	Title I Carryover	Title II Part A	Title III Emergency Relief	CARES Emergency Relief	CRRSA Esser II	CRRSA Acceleration Grant	Other Federal Projects	ARP Esser	SDA Maintenance Grant	21st Century Community Carryover	IDEA Part B	Local Grants	Student Activities Fund	Total
Revenues:														
Federal Sources	\$ -	\$ 6,345	\$ 19,768	\$ 7,274	\$ 279,418	\$ 9,044	\$ 46,181	\$ 104,540	\$ 50,891	\$ 146,375	\$ 383,862	\$ 3,485	\$ -	\$ 1,328,711
State Sources	\$ -	\$ 6,345	\$ 19,768	\$ 7,274	\$ 279,418	\$ 9,044	\$ 46,181	\$ 104,540	\$ 50,891	\$ 146,375	\$ 383,862	\$ 3,485	\$ -	\$ 1,328,711
Local Sources	\$ -	\$ 6,345	\$ 19,768	\$ 7,274	\$ 279,418	\$ 9,044	\$ 46,181	\$ 104,540	\$ 50,891	\$ 146,375	\$ 383,862	\$ 3,485	\$ -	\$ 1,328,711
Total Revenues	\$ -	\$ 6,345	\$ 19,768	\$ 7,274	\$ 279,418	\$ 9,044	\$ 46,181	\$ 104,540	\$ 50,891	\$ 146,375	\$ 383,862	\$ 3,485	\$ -	\$ 1,328,711
Expenditures:														
Salaries	\$ -	\$ -	\$ 4,711	\$ -	\$ 18,121	\$ 8,790	\$ 240	\$ -	\$ -	\$ 90,879	\$ 150,243	\$ 20,649	\$ -	\$ 336,460
Salaries of Teachers	\$ -	\$ -	\$ 4,711	\$ -	\$ 18,121	\$ 8,790	\$ 240	\$ -	\$ -	\$ 90,879	\$ 150,243	\$ 20,649	\$ -	\$ 336,460
Other Salaries for Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Supplies	\$ -	\$ -	\$ 10,642	\$ -	\$ 156,628	\$ 254	\$ -	\$ 20,384	\$ -	\$ 894	\$ 22,150	\$ 2,500	\$ -	\$ 192,769
Other Objects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Instruction	\$ -	\$ -	\$ 15,353	\$ -	\$ 174,749	\$ 9,044	\$ 240	\$ 20,384	\$ -	\$ 914,753	\$ 204,193	\$ 23,649	\$ -	\$ 737,191
Support Services:														
Salaries of Supervisors of Instruction	\$ 480	\$ -	\$ -	\$ -	\$ 38,860	\$ -	\$ 23,408	\$ 77,800	\$ -	\$ 23,396	\$ 92,798	\$ 15,201	\$ -	\$ 140,448
Other Salaries	\$ -	\$ -	\$ 360	\$ -	\$ 1,833	\$ -	\$ 256	\$ 5,836	\$ -	\$ 8,604	\$ 16,596	\$ 15,201	\$ -	\$ 118,164
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional Services	\$ -	\$ -	\$ 2,820	\$ -	\$ 27,791	\$ -	\$ 22,275	\$ -	\$ -	\$ 14,800	\$ 32,100	\$ 41,228	\$ -	\$ 89,029
Other Purchased Professional Services	\$ -	\$ -	\$ 2,820	\$ -	\$ 27,791	\$ -	\$ 22,275	\$ -	\$ -	\$ 14,800	\$ 32,100	\$ 41,228	\$ -	\$ 89,029
Other Purchased Prof/tech Services	\$ 480	\$ 5,865	\$ 314	\$ 4,857	\$ 6,895	\$ -	\$ 640	\$ -	\$ 11,232	\$ 87	\$ 4,797	\$ -	\$ -	\$ 72,095
Other Purchased Services	\$ -	\$ -	\$ 821	\$ 2,417	\$ -	\$ -	\$ -	\$ -	\$ 28,650	\$ -	\$ -	\$ -	\$ -	\$ 13,557
Student Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,694	\$ 15,852	\$ 985	\$ 20,735	\$ 23,348
Miscellaneous Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,735
Total Support Services	\$ 480	\$ 6,345	\$ 4,415	\$ 7,274	\$ 75,729	\$ -	\$ 45,941	\$ 84,176	\$ 38,415	\$ 52,781	\$ 177,664	\$ 56,439	\$ 20,735	\$ 619,689
Facilities Acquisition and Construction Services:														
Buildings	\$ -	\$ -	\$ -	\$ -	\$ 28,940	\$ -	\$ -	\$ -	\$ 12,276	\$ 2,121	\$ 2,005	\$ -	\$ -	\$ 41,516
Instructional Equipment	\$ -	\$ -	\$ -	\$ -	\$ 28,940	\$ -	\$ -	\$ -	\$ 12,276	\$ 2,121	\$ 2,005	\$ -	\$ -	\$ 46,642
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ 28,940	\$ -	\$ -	\$ -	\$ 12,276	\$ 2,121	\$ 2,005	\$ -	\$ -	\$ 46,642
Total Expenditures	\$ 237,516	\$ 6,345	\$ 19,768	\$ 7,274	\$ 279,418	\$ 9,044	\$ 46,181	\$ 104,540	\$ 50,891	\$ 146,375	\$ 383,862	\$ 3,485	\$ 20,735	\$ 1,401,922
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,030)

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

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

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

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

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

***SECTION I – LONG-TERM DEBT SCHEDULES (
NOT APPLICABLE)***

**STATISTICAL SECTION
(UNAUDITED)**

Academy for Urban Leadership Charter School has been in operation for ten (10) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for ten (10) years is available and has been presented.

Contents

Financial Trends

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

Revenue Capacity (Not Applicable To Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 2,484,057	\$ 1,278,554	\$ 1,773,897	\$ 1,766,908	\$ 1,611,493	\$ 2,006,119	\$ 2,312,643	\$ 1,424,047	\$ 542,238	\$ 366,212
Restricted	130,199	370,539	336,907	666,006	33,608	33,608	18,805	-	16,725	16,290
Unrestricted	944,904	1,275,686	741,397	1,655,768	2,378,648	1,977,101	1,444,330	2,105,508	2,387,155	1,088,631
Total Governmental Activities Net Assets/ Position	\$ 3,559,160	\$ 2,924,779	\$ 2,515,294	\$ 3,422,676	\$ 3,990,141	\$ 3,983,220	\$ 3,756,973	\$ 3,529,555	\$ 2,929,393	\$ 1,454,843
Business-Type Activities										
Unrestricted	\$ 37,185	\$ 54,149	\$ 22,412	\$ 42,467	\$ 5,572	\$ 61,633	\$ 34,033	\$ 43,750	\$ 13,164	\$ 11,461
Total Business-Type Activities Net Assets/Position	\$ 37,185	\$ 54,149	\$ 22,412	\$ 42,467	\$ 5,572	\$ 61,633	\$ 34,033	\$ 43,750	\$ 13,164	\$ 11,461
Charter School-Wide										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 2,484,057	\$ 1,278,554	\$ 1,773,897	\$ 1,766,908	\$ 1,611,493	\$ 2,006,119	\$ 2,312,643	\$ 1,424,047	\$ 542,238	\$ 366,212
Restricted	130,199	370,539	336,907	666,006	33,608	33,608	18,805	-	16,725	16,290
Unrestricted	982,089	1,329,835	763,809	1,698,235	2,384,889	2,038,734	1,478,363	2,149,258	2,400,319	1,100,092
Total Charter School Net Position	\$ 3,596,345	\$ 2,978,928	\$ 2,537,706	\$ 3,465,143	\$ 3,996,382	\$ 4,044,853	\$ 3,791,006	\$ 3,573,305	\$ 2,942,557	\$ 1,466,304

Source: Annual Comprehensive Financial Report

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities:										
Instruction	\$ 4,699,918	\$ 6,323,074	\$ 6,357,483	\$ 5,869,317	\$ 5,470,176	\$ 4,853,474	\$ 3,561,031	\$ 3,149,476	\$ 2,659,103	\$ 2,203,746
Administration	3,969,074	2,131,511	1,270,852	1,625,568	1,607,864	1,810,924	1,272,532	904,298	881,210	1,133,563
Support Services	2,737,785	3,038,309	3,690,066	2,997,050	3,310,705	2,240,211	1,923,959	1,403,253	1,269,078	256,707
Capital Outlay		7,614		116,444	135,212	93,507	206,045		59,474	36,826
Interest on Long Term Debt	131,181									
Unallocated Depreciation and Amortization	486,088	644,797	668,068	620,169	483,559	498,176	28,039	21,046	13,760	
Total Governmental Activities Expenses	12,023,046	12,145,305	11,986,469	11,228,548	11,007,516	9,496,292	6,991,606	5,478,073	4,882,625	3,630,842
Business-Type Activities:										
Food Service	269,087	117,628	298,918	263,837	239,360	168,605	164,617	125,685	134,258	101,921
Total Business-Type Activities Expenses	269,087	117,628	298,918	263,837	239,360	168,605	164,617	125,685	134,258	101,921
Total Charter School Expenses	\$ 12,292,133	\$ 12,262,933	\$ 12,285,387	\$ 11,492,385	\$ 11,246,876	\$ 9,664,897	\$ 7,156,223	\$ 5,603,758	\$ 5,016,883	\$ 3,732,763
Program Revenues										
Governmental Activities:										
Charges for Services	12,648	5,800								
Operating Grants and Contributions	236,028	4,201,861	2,786,200	2,214,339	2,431,773	2,247,435	1,355,982	676,208	498,171	26,675
Total Governmental Activities Expenses	248,676	4,207,661	2,786,200	2,214,339	2,431,773	2,247,435	1,355,982	676,208	498,171	26,675
Business-Type Activities:										
Charges for Services	24		3,065	1,923	15,166	18,816	14,224	23,115	26,220	29,610
Food Service	262,005	148,293	275,798	298,140	167,425	176,682	139,968	132,448	113,187	74,089
Operating Grants and Contributions	252,029	149,365	278,863	300,063	182,399	195,498	154,192	155,563	139,407	103,699
Total Business-Type Activities Expenses	500,705	4,357,026	3,066,063	2,514,402	2,614,364	2,442,933	1,510,174	831,771	637,578	130,374
Total Charter School Program Revenue	\$ (11,774,370)	\$ (7,937,844)	\$ (9,200,269)	\$ (9,014,209)	\$ (8,575,743)	\$ (7,248,857)	\$ (5,635,624)	\$ (4,801,865)	\$ (4,384,454)	\$ (3,604,167)
Net (Expense)/Revenue										
Governmental Activities	(17,058)	31,737	(20,055)	36,226	(56,769)	26,893	(10,425)	29,878	5,149	1,778
Business-Type Activities	(11,791,428)	(7,905,907)	(9,220,324)	(8,977,983)	(8,632,512)	(7,221,964)	(5,646,049)	(4,771,967)	(4,379,305)	(3,602,389)
Total Charter School Net Expense	\$ 1,083,431	\$ 1,138,207	\$ 1,163,604	\$ 1,123,626	\$ 1,034,449	\$ 874,554	\$ 752,864	\$ 733,532	\$ 767,001	\$ 535,045
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Purposes	11,475,679	7,074,987	6,980,494	7,188,775	7,493,461	6,559,742	5,110,178	4,998,493	5,092,003	3,794,925
Grants and contributions	5,265									
Federal and State Aid Not Restricted	9,275	89,958	148,789	134,343	54,754	40,808				19,868
Investment Earnings		8,640,059	8,292,887	8,446,744	8,582,664	7,475,104	5,863,042	5,732,025	5,859,004	4,339,838
Miscellaneous Income										
Total Governmental Activities	12,573,650	15,894,804	15,462,160	15,762,322	16,123,019	14,075,654	11,003,220	10,730,518	10,951,007	8,154,631
Business-Type Activities										
Investment Earnings										
Total Business-Type Activities										
Total Charter School Wide	\$ 12,573,650	\$ 15,894,804	\$ 15,462,160	\$ 15,762,322	\$ 16,123,019	\$ 14,075,654	\$ 11,003,220	\$ 10,730,518	\$ 10,951,007	\$ 8,154,631
Change in Net Position										
Governmental Activities	\$ 799,280	\$ 365,508	\$ (907,382)	\$ (567,465)	\$ 6,921	\$ 226,247	\$ 227,418	\$ 930,160	\$ 1,474,550	\$ 735,671
Business-Type Activities	(16,964)	31,737	(20,055)	36,226	(56,769)	26,893	(10,425)	29,878	5,149	5,331
Total Charter School	\$ 782,316	\$ 397,245	\$ (927,437)	\$ (531,239)	\$ (49,848)	\$ 253,140	\$ 216,993	\$ 960,038	\$ 1,479,699	\$ 741,002

Source: Annual Comprehensive Financial Report

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Assigned	222,189	\$ 336,907	\$ 268,294	\$ 897,033	\$ 577,555	\$ 133,755	\$ 111,115	\$ 767,064	\$ 1,579,040	
Unassigned	4,174,552	2,938,942	1,853,819	1,762,470	2,557,325	2,343,542	1,767,657	1,681,412	808,115	1,088,631
Total General Fund	\$ 4,396,741	\$ 3,275,849	\$ 2,122,113	\$ 2,659,503	\$ 3,134,880	\$ 2,477,297	\$ 1,878,772	\$ 2,448,476	\$ 2,387,155	\$ 1,088,631
All Other Governmental Funds										
Special Revenue Fund	\$ 25,602	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 25,602	\$ 3,275,849	\$ 2,122,113	\$ 2,659,503	\$ 3,134,880	\$ 2,477,297	\$ 1,878,772	\$ 2,448,476	\$ 2,387,155	\$ 1,088,631

Source: Annual Comprehensive Financial Report

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Local Sources:										
Local Tax Levy	\$ 1,083,431	\$ 1,138,207	1,163,604	1,123,626	1,034,449	874,554	752,864	733,532	767,001	535,045
Student Activity Collections	5,265	6,578	-	-	-	-	-	-	-	-
Interest on Investments	21,923	95,758	159,566	146,593	77,004	40,808	18,712	78,645	78,645	19,868
Miscellaneous	8,977,156	7,339,471	7,313,477	7,525,011	7,765,613	6,777,305	5,275,858	5,144,792	5,294,561	3,675,532
State Sources	1,326,711	1,105,407	696,720	393,625	332,757	546,184	506,926	118,098	133,207	136,068
Federal Sources	11,414,488	9,685,421	9,333,367	9,188,855	9,209,823	8,238,851	6,554,360	5,996,422	6,233,414	4,366,513
Total Revenues	3,318,004	3,782,803	4,155,471	4,147,475	3,742,167	3,464,642	2,738,280	2,441,822	2,251,172	1,870,764
Expenditures:										
Instruction	4,433,571	2,297,536	2,108,716	1,983,115	1,794,583	1,891,028	1,430,653	1,195,216	1,090,293	1,454,469
Administration	2,417,535	2,040,139	2,630,906	2,333,248	2,519,193	1,839,967	1,666,771	1,312,854	1,181,607	255,023
Support Services	2,140,690	157,068	675,056	892,028	224,145	227,124	1,122,680	838,910	249,260	380,061
Capital Outlay		264,484	300,608	308,366	272,152	217,563	165,680	146,299	162,588	
TPAF - FICA Reimbursement		1,794	1,867	1,744	1,780	1,689	389,650	164,161	123,761	
TPAF - On-behalf payments		8,543,824	9,872,624	9,665,976	8,554,020	7,642,013	7,513,714	6,099,262	5,058,651	3,960,317
Total Expenditures	(895,312)	1,141,597	(539,257)	(477,121)	655,803	596,838	(959,354)	(102,840)	1,174,763	406,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,144,867	-	-	-	-	-	-	-	-	-
Other Financing Uses:										
Transfers In	2,144,867	-	-	-	-	-	-	-	-	-
Total Other Financing Uses	\$ 1,249,555	\$ 1,141,597	\$ (539,257)	\$ (477,121)	\$ 655,803	\$ 596,838	\$ (959,354)	\$ (102,840)	\$ 1,174,763	\$ 406,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,249,555	1,141,597	(539,257)	(477,121)	655,803	596,838	(959,354)	(102,840)	1,174,763	406,196
Net change in fund balances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt services as a percentage of noncapital expenditures										

Source: Charter School's records

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

General Fund - Other Local Revenue by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

Fiscal Year Ending June 30,	Interest	Miscellaneous Revenue	Total
2022	\$ 5,208	\$ 5,790	\$ 10,998
2021		23,702	23,702
2020	9,020	179,848	188,868
2019		74,548	74,548
2018	-	9,197	9,197
2017	-	4,761	4,761
2016	-	6,726	6,726
2015		5,939	5,939
2014			
2013			

Source: Charter School records

DEMOGRAPHIC AND ECONOMIC INFORMATION

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Demographic and Economic Statistics
Last Nine Fiscal Years

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2022				
2021	**	**	**	**
2020	\$ 51,309	**	**	15.7%
2019	\$ 51,370	\$ 3,259,786,090	\$ 63,457	5.5%
2018	51,658	\$ 3,151,757,896	\$ 61,012	6.4%
2017	51,810	\$ 3,019,953,090	\$ 58,289	7.2%
2016	51,758	\$ 2,932,401,248	\$ 56,656	7.8%
2015	51,706	\$ 2,845,226,062	\$ 55,027	9.3%
2014	51,832	\$ 2,797,062,048	\$ 53,964	10.6%
2013	51,722	\$ 2,714,111,950	\$ 52,475	15.5%

** Data not available

Source:

- ^a US Census Bureau, Population Division
- ^b Personal Income has been estimated based upon the municipal population and per capita personal income presented
- ^c Per capita personal income was computed using Census Bureau midyear population estimates. All dollar estimates are in thousands of current dollars (not adjusted for inflation). Estimates for 2010-2017 reflect county population estimates available as of March 6, 2019.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
 Principal Employers
 This Year and One Year Ago
 (Unaudited)

Employer	2022			Employer	2021		
	Employees	Rank	Percentage of Total Employment		Employees	Rank	Percentage of Total Employment
State of New Jersey	N/A		N/A	State of New Jersey	N/A		N/A
Capital Health Systems (formerly Helene Fuld & Mercer Medical)	N/A		N/A	Capital Health Systems (formerly Helene Fuld & Mercer Medical)	N/A		N/A
Trenton School System	N/A		N/A	Trenton School System	N/A		N/A
City of Trenton	N/A		N/A	City of Trenton	N/A		N/A
County of Mercer	N/A		N/A	County of Mercer	N/A		N/A
St. Francis Medical Center	N/A		N/A	St. Francis Medical Center	N/A		N/A
The Trenton Times	N/A		N/A	The Trenton Times	N/A		N/A
The Hibbert Company	N/A		N/A	The Hibbert Company	N/A		N/A
Mercer Street Friends Center	N/A		N/A	Mercer Street Friends Center	N/A		N/A
Water's Edge Convalescent Center	N/A		N/A	Water's Edge Convalescent Center	N/A		N/A

Source: Charter School's Records

OPERATING INFORMATION

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
 Full-Time Equivalent Charter School Employees by Function
 Last Ten Fiscal Years

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction	34	49	57	59	49	46	35	36	33	32
Administrative	4	6	5	6	5	5	4	2	4	3
Support Services	30	25	32	32	34	19	17	15	10	6
Food Service	4	-	-	-	-	-	-	-	-	-
Total	72	80	94	97	88	70	56	53	47	41

Source: Charter School's personnel records

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL

Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil / Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Grade 7 - 8	Grade 9 - 12	Grade 9 - 12				
2022	416	\$ 8,812,830	\$ 21,185	16.11%	34	8:1	8:1	416	386.26	-14.28%	92.85%	
2021	486	8,866,948	18,245	-7.44%	45	11:1	11:1	485.3	438.4	-20.98%	90.34%	
2020	544	10,880,558	19,711	1.26%	52	11:1	11:1	549.0	526	-5.19%	95.81%	
2019	552	10,394,444	18,831	-3.26%	59	10:1	10:1	554.0	542.92	-2.14%	98.00%	
2018	564	9,127,443	16,183	1.09%	49	10:1	12:1	566.1	554.78	14.71%	98.00%	
2017	493	8,013,680	16,255	25.96%	46	10:1	11:1	493.5	483.63	26.63%	98.00%	
2016	386	7,513,714	19,466	21.59%	35	NA	11:1	389.7	381.91	-0.59%	98.00%	
2015	381	6,099,262	16,009	24.05%	36	NA	11:1	392	384.16	0.00%	98.00%	
2014	392	5,058,651	12,905	7.05%	33	NA	12:1	392	384.16	49.48%	98.00%	
2013	297	3,580,256	12,055	5.32%	32	NA	9:1	297.0	257	51.18%	86.53%	

Source: Charter School's Records

Note: Enrollment based on annual October Charter School count.

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

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

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

SCHEDULE OF YOUR CURRENT INSURANCE

Page 1 of 5

Prepared For:

Academy for Urban Leadership Charter School
612 Amboy Avenue
Perth Amboy, NJ 08861

A SERVICE OF
ARTHUR J. GALLAGHER
RISK MANAGEMENT SERVICES, INC.
707 STATE ROAD, SUITE 101
PRINCETON, NEW JERSEY 08540
PHONE: 609 924-5000

DATE PREPARED: 12/14/2021

COVERAGE	AMOUNTS/LIMITS	TERM	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
<u>PACKAGE POLICY</u>		1 YR	7/1/2022	American Southern Home Ins. Co. (Wright Specialty Insurance)	7NA6CP0000586-00	\$65,596	Direct Billed by Wright Specialty Installments (9 Pay)
<u>Property LOCATIONS:</u>						\$391.00	NJ Guarantee Surcharge
Blanket Limit - Agreed Amount	\$10,522,967						Deductible: \$1,000 except for Windstorm or Hail \$5,000
* Refer to policy for full list of limits/sublimits and deductibles							
Loc#1) 612 Amboy Avenue							
Building I&B	\$1,639,091						
Building	\$4,610,800						
Business Personal Property	\$1,092,727						
Loc#2) 401 Hall Avenue							
Building	\$690,749						
Business Personal Property	\$546,364						
Building I&B	\$1,639,091						
Loc#3) 293-299 Barclay Street							
Business Personal Property	\$546,364						See PE PR 602 07 20 Honor Roll Elite Property Enhancement Endt for additional coverages
Building I&B	\$927,000						
Loss of Income	\$300,000						
Extra Expense	\$300,000						
Equipment Breakdown	\$11,692,186						
<u>Commercial Crime</u>							
Employee Theft	\$250,000						Deductible \$1,000
Forgery or Alteration	\$250,000						
Computer & Funds Transfer Fraud	\$250,000						
Money Orders or Fraudulent Imperso	\$250,000						
Deductible	\$500						

We present this schedule so you may get an overall picture of your insurance protection. If you have policies from other insurance offices we suggest you add them to this list to present the complete picture.

Please examine this schedule with particular reference to the amount or limits of your insurance. Today's property values and liability judgements are higher and insurance should be adjusted to cover.

SCHEDULE OF YOUR CURRENT INSURANCE

Page 2 of 5

Prepared For:

Academy for Urban Leadership Charter School
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 Perth Amboy, NJ 08861

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 PHONE: 609 924-5000

DATE PREPARED: 12/14/2021

COVERAGE	AMOUNTS/LIMITS	TERM	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
<u>Inland Marine</u> Scheduled Equipment EDP Equipment (including Software) Portable Computers Deductible	\$400,000 \$100,000 \$1,000						
<u>Commercial General Liability</u> Each Occurrence Damage to Premises Rented to You Medical Expense per Person Personal & Advertising Injury General Aggregate Products-Completed Ops Aggregate	\$1,000,000 \$1,000,000 \$10,000 \$1,000,000 \$3,000,000 \$3,000,000						Based on total enrollment 468 (High School and Grades 7 & 8) See PE GL 620 07 20 Honor Roll Elite General Liability Enhancement Endt for additional coverages
<u>Employee Benefits Liability</u> Employee Benefits Programs	\$1,000,000 \$2,000,000						Retroactive Date: 7/15/2016
<u>Abuse or Molestation Liability Coverage</u> Abuse or Molestation Liability Special Supplementary Payment Abuse or Molestation Alleged Participant Coverage	\$1,000,000 \$3,000,000 \$10,000 \$500,000 \$1,000,000	each act aggregate each act aggregate					

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PHONE: 609 924-5000

DATE PREPARED: 12/14/2021

COVERAGE	AMOUNTS/LIMITS	TERM	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
<u>Crisis Management and Public Relations Expense</u>							
Aggregate Limit	\$300,000						
Crisis Management Expense	\$300,000	Each Crisis Event					
Public Relations Expense:							
Resulting from A Crisis Event	\$50,000	Each Crisis Event					
Resulting from an Adverse Event	\$25,000	Each Adverse Event					
Adverse Event Deductible	\$2,500	Each Adverse Event					
<u>Educators Legal Liability</u>							
Coverage A	\$1,000,000	Each Wrongful Act or Offense					
	\$3,000,000	Aggregate					
Coverage B	\$100,000	Each Action					
	\$300,000	Aggregate					
Deductible - Cov. A Wrongful Acts	\$5,000	Each Wrongful Act					
Deductible - Cov. A Employment Practice Offense	\$5,000	Each Employment Practice Offense					
Practice Offense							
Deductible - Cov. B Injunctive or Declaratory Relief	\$5,000	Each Action					
Retroactive Date	7/15/2011						
<u>BUSINESS AUTO</u>							
Hired & Non-Owned Auto Liability	\$1,000,000	1 YR	7/1/2022	American Family Home Ins. Co. (Wright Specialty Insurance)	7NA5CA0000503-00	\$887	Direct Billed by Wright Specialty Installments (9 Pay) NJ Guarantee Surcharge

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SCHEDULE OF YOUR CURRENT INSURANCE

Page 4 of 5

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 PHONE: 609 924-5000

DATE PREPARED: 12/14/2021

COVERAGE	AMOUNTS/LIMITS	TERM	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
<u>EXCESS LIABILITY</u>		1 YR	7/1/2022	American Family Home Ins. Co.	7NA5FF0000492-00	\$17,824	Direct Billed by Wright Specialty Installments (9 Pay)
Each Occurrence Limit	\$10,000,000			(Wright Specialty Insurance)		\$107.00	NJ Guarantee Surcharge
Aggregate Limit	\$10,000,000						
<u>CYBER LIABILITY</u>		1 YR	7/1/2022	CFC Underwriting Limited (Lloyd's) thru Wright	ESK0332227506	\$4,225	Direct Billed by Wright Specialty Annual Prepaid
Limit	Varies					\$211.25	Surplus Lines Tax
Deductible	Varies						
* Refer to policy for full list of limits/sublimits and retentions							
16							
<u>WORKERS' COMPENSATION</u>		1 YR	7/1/2022	NJSIG	W1020AM	\$65,540.63	Direct Billed by NJSIG 12 Equal Installments
Part A - Workers' Compensation	Statutory						May be subject to audit
Part B - Employer's Liability							Professional Payroll \$4,570,397
Bodily Injury by Accident	\$3,000,000	each accident					Non-Professional Payroll \$481,615
Bodily Injury by Disease	\$3,000,000	each employee					Experience Mod: 0.9486
Bodily Injury by Disease	\$3,000,000	aggregate limit					ERIC North Discount: 0.5520
<u>SUPPLEMENTAL INDEMNITY</u>		1 YR	7/1/2022	Federal Ins. Co. (Chubb) thru NJSIG	6477-5774 (9907-15-88)	\$2,339.23	Direct Billed by NJSIG Annual Prepaid
Maximum Weekly Benefit	\$2,500						
Maximum Benefit Period	52 Weeks						
Elimination Period	7 Days						
Aggregate Limit Per Accident	\$100,000						

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SCHEDULE OF YOUR CURRENT INSURANCE

Page 5 of 5

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PHONE: 609 924-5000

DATE PREPARED: 12/14/2021

COVERAGE	AMOUNTS/LIMITS	TERM	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
<u>CAP EXCESS LIABILITY</u>		1 YR	7/1/2022	Fireman's Fund Ins. Co. (Allianz)	USL007293212	\$3,628	Billed by AJG Annual Prepaid Shared Limit (13 Named Insureds)
Each Occurrence	\$25,000,000						
Aggregate	\$25,000,000						
<u>STUDENT ACCIDENT</u>		1 YR	7/1/2022	Zurich American Ins. Co. (Bollinger)	MCB0284759	\$3,989	Billed by AJG Annual Prepaid Full Excess
All Students (Interscholastic Athletics included except Football)							
Accident Medical Max. Benefit	\$1,000,000						
Benefit Period	5 Years						
Non-Employee Volunteers							
Accident Medical Max. Benefit	\$50,000						
Benefit Period	1 Year						
Non-Enrolled Campers							
Accident Medical Max. Benefit	\$50,000						
Benefit Period	1 Year						
<u>PUBLIC OFFICIAL BONDS</u>							
School Business Administrator	\$184,000	1 YR	6/15/2022	Selective	B1231774	\$515	Billed by AJG Annual Prepaid G. Long
Treasurer	\$184,000	1 YR	7/1/2022	Selective	B 1191729	\$557	P. De Blasio

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New Jersey Performance Framework Financial Ratios
Academy for Urban Leadership Charter School
Audited Performance Indicators

1-21

	2020 Audit	2021 Audit	2022 Audit	Source
Cash	\$ 1,115,411	\$ 2,788,264	\$ 3,637,193	Audit: Exhibit A-1
Current Assets (include c	4,282,276	3,780,788	5,327,875	Audit: Exhibit A-1
Current Liabilities	363,854	417,158	893,949	Audit: Exhibit A-1
Total Expenses	12,285,387	12,262,966	12,265,100	Audit: Exhibit A-2
Change in Net Position	(927,437)	397,245	782,316	Audit: Exhibit A-2
Final Average Daily Enr	549,000	485,000	416,000	DOE Final Enrollment Report
March 30 Budgeted Enr	600	525	416	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	688,068	644,797	485,088	Auditor/Workpapers
Interest Expense	-	-	-	Auditor/Workpapers
Principal Payments- Non	-	-	-	Auditor/Workpapers
Principal Payments- Earl	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators	2020	2021	2022	3 YR CUM	Calculation****	Target****
Near Term Indicators						
Ia. Current Ratio (working c	11.8	9.1	6.0		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
Ib. Unrestricted days cash o	33	83	108		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
Ic. Enrollment Variance	92%	92%	100%	95%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
Id.** Default on loans or delin	NO	NO	NO		Auditor	not in default
Sustainability Indicators						
2a**** 3 Year Cumulative Cash	(1,672,853)	1,672,853	848,929	848,929	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage R	N/A	N/A	N/A		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

Footnotes:

Debt Service Coverage Ratio 2020: The school paid its loan early with a payoff of \$2,548,019 in FY 2020. In order to provide a more accurate debt service coverage ratio the principal paydown per the loan amortization table was used instead of the total principal payments. These were separated above.

* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? No
 *** 2020 = 2020 Cash - 2019 Cash; 2019 = 2019 Cash-2018 Cash; 2018 = 2018 Cash-2017 Cash
 **** Refer to NJ Performance Framework

Meets Standard
 Does Not Meet Standard
 Falls Far Below Standard

SINGLE AUDIT SECTION

BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
Academy for Urban Leadership Charter School
County of Middlesex
Perth Amboy, NJ

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of Academy for Urban Leadership Charter School (Charter School), in the , State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated March 10, 2023 which contains an emphasis of matter paragraph describing the adoption of a new accounting principle, consistency of financial statements, and prior period adjustment

Internal Control over Financial Reporting

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify significant deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as item #2022-001 and #2022-002.


Compliance and Other Matters

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

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
March 10, 2023

BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

The Honorable President and
Members of the Board of Trustees
Academy for Urban Leadership Charter School

Perth Amboy, NJ

Report on Compliance for Each Major State and Federal Program

Opinion on Each Major State and Federal Program

We have audited the Academy for Urban Leadership Charter School’s compliance with the types of compliance requirements described in the [U.S. Office of Management and Budget (OMB) Compliance Supplement and] the New Jersey Circular 15-08- OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2022. The Academy for Urban Leadership Charter School’s major state programs are identified in the Summary of Auditor’s Results Section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy for Urban Leadership Charter School, in the , State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state and Federal programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major State and Federal Program

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

those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Academy for Urban Leadership Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our

audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state and Federal program. Our audit does not provide a legal determination of Academy for Urban Leadership Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Report on Internal Control Over Compliance


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

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

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

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
March 10, 2023

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title	Federal Award Number	Additional Award Identification	Fiscal Year	Grant to State Project Number	Project or Award Amount	Period of Award	Grant Period	From	To	Balance at June 30, 2021	Comptroller (If Allowance)	Cash Received	Budgetary Expenditures	Pass Through to Subrecipients	Adjustments	Repayment of Prior Year Balances	Accounts Receivable	Balance at June 30, 2022
U.S. Department of Education																		
Pass-through State Department of Education																		
Special Education Fund:																		
Title I Part A																		
Title I Part A Carryover	84-010A	N/A																
Title II Part A	84-365	N/A																
Title II Part A Carryover	84-367																	
Title III	84-365A																	
Title III Part A Carryover	84-365B																	
Title IV State & Drug Free Carryover	84-184																	
Total No Child Left Behind																		
Special Education Cluster (IDEA):																		
ID.E.A. Part B Basic	84-027	84-027A																
ID.E.A. Part B Basic Carryover	84-027	84-027A																
ID.E.A. Prerequisite Carryover	84-173	N/A																
Total Special Education Cluster (IDEA)																		
Other Special Revenue Funds:																		
COVID-19: Elementary and Secondary School Emergency Relief Fund	84-425	COVID-19, 84-425D																
COVID-19: Elementary and Secondary School Emergency Relief Fund	84-425	COVID-19, 84-425D																
COVID-19: CARES Emergency Relief	84-425	COVID-19, 84-425D																
CRSA Learning Acceleration Grant	84-425	COVID-19, 84-425D																
ARP ESSER	84-425	COVID-19, 84-425U																
ARP ESSER Evidence Based Summer Learning and Enrichment	84-425	COVID-19, 84-425U																
CRSA-ESSER II Funding	84-287	N/A																
21st Century Community Learning Centers	84-287	N/A																
21st Century Community Learning Centers (carryforward)	84-287	N/A																
Total Other Special Revenue Funds																		
Total Special Revenue Fund																		
Direct from U.S. Environmental Protection Agency																		
Technology Grants (PAPEIS Grant)	66-051	COVID-19																
Technology Repairs Grant	N/A	COVID-19																
U.S. Department of Agriculture																		
Pass-through State Department of Agriculture																		
COVID-19: School Breakfast Program	10-553	COVID-19																
COVID-19: School Breakfast Program	10-553	COVID-19																
COVID-19: National School Lunch Program	10-555	COVID-19																
COVID-19: National School Lunch Program	10-555	COVID-19																
Total Child Nutrition Cluster																		
Total Enterprise Fund																		
Total Federal Financial Awards																		

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Balance	Balance at June 30, 2022		MEMO
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor					Unearned Revenue/Interfund Payable	Due to Grantor	
State Department of Education													
General Fund:													
State Aid-Public Cluster													
Education, All - State Share	22-495-034-5120-078	\$ 5,719,645	7/1/21	6/30/22	\$ -	\$ -	\$ -	\$ 4,071,117	\$ (5,719,645)	\$ -	\$ (748,528)	\$ -	\$ 5,719,645
Education Aid	21-495-034-5120-071	6,071,612	7/1/20	6/30/21	(529,450)	21,226	508,224	183,787	(183,787)	-	-	-	183,787
Special Education, Categorical Aid	22-495-034-5120-089	183,787	7/1/21	6/30/22	-	-	183,787	-	-	-	-	-	183,787
Special Education Aid	21-495-034-5120-089	-	7/1/20	6/30/21	-	-	-	-	-	-	-	-	-
Security Aid	22-495-034-5120-084	211,245	7/1/21	6/30/22	-	-	211,245	-	(211,245)	-	-	-	211,245
Security Aid	21-495-034-5120-084	-	7/1/20	6/30/21	-	-	-	-	-	-	-	-	-
Adjustment Aid	22-495-034-5120-085	926,320	7/1/21	6/30/22	-	-	926,320	-	(926,320)	-	-	-	926,320
Adjustment Aid	21-495-034-5120-085	-	7/1/20	6/30/21	-	-	-	-	-	-	-	-	-
Total State Aid-Public					(529,450)	21,226	6,800,693	6,800,693	(7,040,997)	-	(748,528)	-	7,040,997
On Behalf:													
TPAF Post-Retirement Medical	22-495-034-5094-001		7/1/21	6/30/22			312,063	(312,063)					312,063
TPAF Post-Retirement Medical	21-495-034-5094-001		7/1/20	6/30/21			1,335,653	(1,335,653)					1,335,653
TPAF Pension Contributions	22-495-034-5094-002		7/1/21	6/30/22			1,426	(1,426)					1,426
TPAF Non-Contributory Insurance	22-495-034-5094-004		7/1/21	6/30/22			149,367	(236,028)			(86,661)		236,028
Reimbursed TPAF - Social Security Contributions	22-495-034-5094-003	236,028	7/1/21	6/30/22	(26,260)	-	175,627	(236,028)			(86,661)		236,028
Reimbursed TPAF - Social Security Contributions	21-495-034-5094-003	410,493	7/1/20	6/30/21	(26,260)	-	175,627	(236,028)			(86,661)		236,028
Total Reimbursed TPAF-Social Security Cluster					(52,520)	-	149,367	(236,028)			(86,661)		236,028
Total General Fund					(555,710)	21,226	8,625,462	(8,926,167)			(635,189)		8,926,167
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program (State Share)	22-100-010-3350-023	4,497	7/1/21	6/30/22	(651)	-	2,901	(4,497)			(1,596)		4,497
National School Lunch Program (State Share)	21-100-010-3350-023	7,269	7/1/20	6/30/21	(651)	-	581	(4,497)			(1,596)		4,497
Total Enterprise Fund					(551)	-	3,482	(4,497)			(1,596)		4,497
Total State Financial Assistance Subject to Major Program Determination for State Single Audit													
State Financial Assistance Not Subject to Major Program Determination:													
General Funds (Non-Cash Assistance)													
TPAF Post-Retirement Medical	22-495-034-5094-001	312,063	7/1/21	6/30/22					(312,063)				312,063
TPAF Pension Contributions	22-495-034-5094-002	1,335,653	7/1/21	6/30/22					(1,335,653)				1,335,653
TPAF Non-Contributory Insurance	22-495-034-5094-004	1,426	7/1/21	6/30/22					(1,426)				1,426
Total General Funds (Non-Cash Assistance)									(1,549,142)				1,549,142
Total State Financial Assistance													
							\$ -	\$ (7,281,522)					\$ 8,930,664

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Federal Awards and State Financial Assistance
June 30, 2022

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2022

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	Federal	State	Total
General Fund	\$ -	\$ 8,926,167	\$ 8,926,167
Special Revenue Fund	1,326,711	(19,003)	1,307,708
Food Service Fund	215,964	4,497	220,461
Total Awards & Financial Assistance	<u>\$ 1,542,675</u>	<u>\$ 8,911,661</u>	<u>\$ 10,454,336</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. FEDERAL AND STATE LOANS OUTSTANDING

Academy for Urban Leadership Charter School has no loan balances outstanding at June 30, 2022.

NOTE 6. OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long-Term Disability Insurance represents the amount paid by the state on behalf of the charter school for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2022

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

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the charter school.

Program	Total	2021
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 237,515	\$ 726,754
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	7,779	
Title II, Part D: <i>Enhancing Education Through Technology</i>		
Title III: <i>English Language Acquisition</i>	19,768	1,987
Title IV, Part A: <i>Safe and Drug-Free Schools and Communities</i>		5,780
Title V, Part A: <i>Innovative Programs</i>		
	<hr/>	<hr/>
Total	<u>\$ 265,062</u>	<u>\$ 734,521</u>

NOTE 9. DE MINIMIS INDIRECT COST RATE

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

NOTE 10. MAJOR PROGRAMS

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

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No
None Reported

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No
None Reported

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

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

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
_____ 84.287 _____	_____ 21 ST Century Community Learning Centers _____

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

Auditee qualified as low-risk auditee? _____ Yes X No

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section I – Summary of Auditor’s Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? Yes No

Internal control over major programs:

1) Material weakness(es) identified? Yes No

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

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

Any audit findings disclosed that are required to be reported in accordance with NJ Circular Letter 15-08-OMB, as applicable? Yes No

Identification of major state programs:

GMIS Number(s)	Name of State Program
<u>22-495-034-5120-078</u>	<u>STATE AID – PUBLIC</u>
<u>22-495-034-5120-089</u>	<u>Equalization Aid</u>
<u>22-495-034-5120-085</u>	<u>Special Education Aid</u>
<u>22-495-034-5120-084</u>	<u>Adjustment Aid</u>
<u>22-495-034-5120-084</u>	<u>Security Aid</u>

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section II – Schedule of Financial Statement Findings

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

Item #2022-001 – Current Board Secretary Reports Are Not Prepared for Each Board Meeting

Criteria: Each board meeting must comprise certain documents which includes a current Board Secretary's Report.

Condition: An examination of board minutes for the months of July 2021 to June 2022 indicated that monthly Board Secretary Reports were not available for the board to examine and discuss in accordance with New Jersey Administrative Code Section 6A:23A-16.10.

Cause: The Board Secretary prepared Board Secretary Reports on a quarterly basis only.

Effect: The Board was unable to discuss and evaluate the current financial data typically included in a board secretary report, such as budget vs actual revenue and expenditures, which are critical components to managing the financial position of the charter school.

Questioned Costs: None

Recommendations: The Board Secretary Report should be provided to the Board at every Board meeting and noted in the Board minutes as discussed and approved.

Views of the responsible officials and planned corrective actions: Management and the Board agree with the finding and will implement better internal controls in this area as described in the recommendation.

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section II – Schedule of Financial Statement Findings

ITEM #2022-002- Certain Board Meeting Minutes Could Not Be Located

Criteria: The entity has controls in place to ensure that books and records are safeguarded

Condition: Several executive session board minutes could not be located.

Cause: The minutes were not maintained in a safe and secure environment.

Effect: Discussions from these meetings, which include personnel, legal and contractual matters, are not available which could result in the absence of documented board discussion and approval for critical matters.

Questioned Costs: None

Recommendation: It is recommended that school review its controls over safeguarding records and documents to ensure that all school documents are maintained in a safe and secure environment and that these records and documents are easily accessed when required.

View of the Responsible Officials and Planned Corrective Actions: Management agreed to improve controls associated with the safeguarding of company books and records.

***Part III – Schedule of Federal and State Award
Findings and Questioned Costs As Prepared By Management***

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

CURRENT YEAR FEDERAL AWARDS

No Current Year Findings

CURRENT YEAR STATE AWARDS

No Current Year Findings

ACADEMY FOR URBAN LEADERSHIP CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings and Questioned Costs as prepared by
Management
For the Fiscal Year Ended June 30, 2022

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 Government Auditing Standards, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

Prior Year Finding

Finding 2021-001 Time and Activity Reports

The finding has been addressed and corrective action has been implemented in fiscal year 2022.