

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
ACHIEVERS EARLY COLLEGE PREP  
CHARTER SCHOOL  
NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**JUNE 30, 2022**  
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March 8, 2023

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

Dear Commissioner:

The Annual Comprehensive Financial Report of the Achievers Early College Prep Charter School for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the school. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the school. All disclosures necessary to enable the reader to gain an understanding of the school's financial activities have been included.

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

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

2) **ENROLLMENT OUTLOOK:** Achievers Early College Prep Charter School provides a full range of educational services appropriate to Grade 6 through 9<sup>th</sup> grade. These services include regular instruction with a literacy focus, as well as special education and basic skills. AECPCS completed the 2021-2022 school year with an average daily enrollment of 354.1 students. The school received an expansion approval from the NJDOE and will be expanding through 12<sup>th</sup> grade adding a grade level and 90 students each year.

3) **MAJOR ACCOMPLISHMENTS:**

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

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

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

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

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

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

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

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

7) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of report, the school continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General, Special Revenue and Proprietary funds for the fiscal period ended June 30, 2022.

Revenue	Amount	Percent of Total
State / Local Share	\$4,613,235	65%
State Sources	584,061	8%
Federal Aid	1,521,089	22%
Misc.	48,037	1%
Proprietary Fund	<u>317,919</u>	<u>4%</u>
Total	<u>\$7,084,341</u>	<u>100%</u>

The following schedule presents a summary of the General, Special Revenue and Proprietary fund expenditures for the fiscal period ended June 30, 2022.

Expenditures	Amount	Percent of Total
Current - General Fund	\$6,082,004	77%
Special Revenue	1,521,089	20%
Proprietary Fund	<u>265,749</u>	<u>3%</u>
Total	<u>\$7,868,842</u>	<u>100%</u>


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

10) **OTHER INFORMATION:**

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

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

Respectfully submitted,



Kristina Edgar  
School Business Administrator



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**

**ROSTER OF TRUSTEES  
JUNE 30, 2022**

<b><u>BOARD OF TRUSTEES</u></b>	<b><u>TERM EXPIRES</u></b>
Imebet Stewart, President	3/2023
Lawrence Patton	3/2023
Mayokun Oshinm	3/2023
Alescia Dingle	2/2023
William Keeby	2/2023
Derrick Johnson	3/2023
Elizabeth Murphy	8/2023
Kristina Edgar, Business Administration, Non Voting	
Osen Osagie, Head of School, Non Voting	

**CONSULTANTS AND ADVISORS**  
**June 30, 2022**

**AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

PNC Bank  
PO Box 609  
Pittsburgh, Pennsylvania 15230

## **FINANCIAL SECTION**

**GERALD D. LONGO**  
CERTIFIED PUBLIC ACCOUNTANT  
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### **Independent Auditor's Report**

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

#### **Report on the Audit of the Financial Statements**

##### **Opinions**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Achievers Early College Prep Charter School, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Achievers Early College Prep Charter School's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Achievers Early College Prep Charter School as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### **Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. My responsibilities under those standards and Specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Achievers Early College Prep Charter School and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in the Notes to the financial statements, the Achievers Early College Prep Charter School adopted the provisions of Governmental Accounting Standards Board Statement 87, Leases, effective July 1, 2021. My opinions are not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 the Achievers Early College Prep 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**

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Specifications, I:

- 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 the Achievers Early College Prep 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Achievers Early College Prep Charter School's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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; the schedules related to accounting and reporting for Pensions and Post-Retirement Benefits and the other required supplementary information and notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Achievers Early College Prep Charter School's basic financial statements. The accompanying Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules and the schedule of expenditures of federal and state awards 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 my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my 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, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

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

In accordance with Government Auditing Standards, I have also issued my report dated March 8, 2023, on my consideration of the Achievers Early College Prep Charter School's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Achievers Early College Prep Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Achievers Early College Prep Charter School's internal control over financial reporting and compliance.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
March 8, 2023

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



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

This section of Achievers Early College Prep Charter School annual financial report presents its discussion and analysis of the Board's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2021-2022 fiscal year include the following:

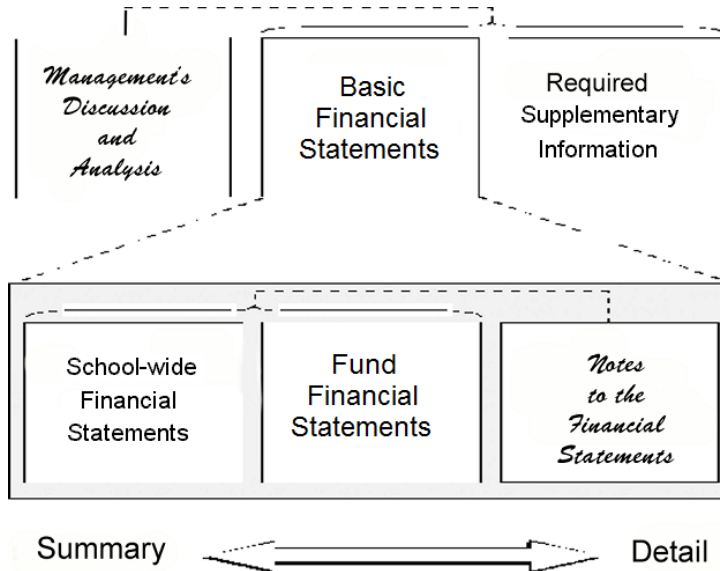
- Total Net Position School Wide is \$427,247.
- The Unassigned Fund balances School Wide at June 30, 2022 is \$682,290.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

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



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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

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

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

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

**School-wide Statements**

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

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

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

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

**Fund Financial Statements**

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

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

- Some funds are required by State law.

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

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

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

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

**Net position.** The Achievers Early College Prep Charter School Net Position School Wide is \$655,746 as of June 30, 2022. (See Table A-1).

Governmental Funds	\$360,733
Proprietary Fund	<u>66,514</u>
Total	<u>\$427,247</u>

The Statement of Net Position of \$427,247 reflects total capital assets of -0- at June 30, 2022 net of assumed depreciation from inception.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

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

- Special Revenue Fund - Federal Aid were \$1,521,089
- Special Revenue Fund – Federal Aid Expenditures were \$1,521,089
- General Fund Revenues were \$5,245,333
- General Fund Expenditures were \$6,082,004

**Table A-1**  
**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Net Position - School Wide**  
**As of June 30, 2022**

	<u>Total</u>
Current and Other Assets	\$803,864
Deferred Pension Outflows	1,728,593
<b>Total Assets and Deferred Pension Outflows</b>	<b><u>\$2,532,457</u></b>
Current and Other Liabilities	121,574
Net Pension Liability - noncurrent	676,110
Deferred Pension Inflows	1,079,027
<b>Total Liabilities and Deferred Pension InFlows</b>	<b><u>1,876,711</u></b>
Net Position:	
Invested In Capital Assets, Net of Related Debt	0
Unrestricted	655,746
<b>Total Net Position</b>	<b><u>\$655,746</u></b>
 <b>Total Liabilities, Deferred Inflows and Net Position</b>	 <b><u>\$2,532,457</u></b>
Fund Balance - June 30, 2022	\$682,290
Amortization expense over principal payments on leases	(\$228,499)
Invested In Capital Assets	0
Net Position before Pension Adjustment - June 30, 2022	<u>453,791</u>
Pension Adjustment (Decrease)	<u>(26,544)</u>
Net Position - June 30, 2022	<u><u>\$427,247</u></u>

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

Table A-2  
**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Changes in Net Position - School Wide**  
**For the Fiscal Year Ended June 30, 2022**

<b>Revenues</b>	<u>Total</u>	<u>%</u>
Program revenues		
Charges for services		
Operating grants and contributions		
General revenues		
Local Share	\$ -	
Federal and State Aid-Unrestricted	5,197,296	73%
Federal Aid-Restricted	1,521,089	21%
Other	48,037	1%
Proprietary Fund	317,919	5%
<b>Total revenues</b>	<u><b>\$ 7,084,341</b></u>	<u>100%</u>
<b>Expenses</b>		
Regular Instruction	\$ 4,106,523	53%
General Administrative	2,499,080	33%
School Administrative	715,042	9%
On-behalf TPAF Social Security / Pension / Medical	282,448	2%
Capital Outlay	0	0%
Proprietary Fund	265,749	3%
<b>Total expenses</b>	<u><b>\$ 7,868,842</b></u>	<u>100%</u>
Increase in Net Position	\$ (784,501)	
Net Position - Beginning July 1, 2021	1,466,791	
Amortization expense over principal payments on leases	(228,499)	
Decrease in Capital Assets	-	
Net Position Before Pension Adjustments	<u>\$453,791</u>	
Pension Adjustments	(26,544)	
Net Position - End of Year June 30, 2022	<u><u><b>\$ 427,247</b></u></u>	

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

**Table A-3 (See Exhibit A-2)  
ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Total Cost and Net Cost of Services - School Wide  
For the Fiscal Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>School Wide Activities</b>			
Instruction			
Regular	B-2	\$ 4,106,523	\$ 2,927,440
<b>Support Services</b>			
General Administrative Services	B-2	2,499,080	2,157,074
School Administrative Services	B-2	715,042	715,042
On-behalf TPAF Social Security	B-2	282,448	282,448
Capital Outlay	B-2	-	-
Proprietary Fund	G-2	265,749	265,749
<b>Total School Wide Activities</b>		<u>\$ 7,868,842</u>	<u>\$ 6,347,753</u>

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

The financial performance of the Achievers Early College Prep Charter School as a whole is reflected in its governmental total activities Exhibit A-2. As the Achievers Early College Prep Charter School completed the year, it reported a combined fund balance of \$682,290.

Revenues for the Achievers Early College Prep Charter School General, Special Revenue and Proprietary Funds were \$7,084,341 while total expenses were \$7,868,842.

**GENERAL FUND**

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



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

The following schedule presents a summary of School Wide Revenues:

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

<b>Revenues - School Wide</b>	<b>Year Ended 06/30/2022</b>	<b>Year Ended 06/30/2021</b>	<b>Amount of Increase (Decrease)</b>
<b>Local Sources:</b>			
Local Share	\$ -	\$ 343,763	(\$343,763)
Other Local Revenue	48,037	193,569	(145,532)
<b>Total Local Sources</b>	<b>\$ 48,037</b>	<b>\$ 537,332</b>	<b>(\$489,295)</b>
<b>Intergovernmental</b>			
State Sources	5,197,296	3,311,090	\$ 1,886,206
Federal Sources	1,521,089	330,510	1,190,579
Proprietary Fund	317,919	62,114	255,805
<b>Total Intergovernmental Sources</b>	<b>\$ 7,036,304</b>	<b>\$ 3,703,714</b>	<b>\$3,076,785</b>
<b>Total Revenue - School Wide</b>	<b>\$ 7,084,341</b>	<b>\$ 4,241,046</b>	<b>\$2,587,490</b>

The following schedule presents a summary of School Wide Expenditures:

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

<b>Expenditures - School Wide</b>	<b>Year Ended 06/30/2022</b>	<b>Year Ended 06/30/2021</b>	<b>Amount of Increase (Decrease)</b>
<b>Current:</b>			
Regular Instruction	\$ 4,106,523	\$ 1,594,855	\$ 2,511,668
General Administrative Services	2,499,080	868,373	1,630,707
School Administration	715,042	379,159	335,883
On-behalf TPAF Social Security / Pension / Medical	282,448	40,369	242,079
Capital outlay	-	49,096	(49,096)
Proprietary Fund	265,749	57,317	208,432
<b>Total Expenditures - School Wide</b>	<b>\$ 7,868,842</b>	<b>\$ 2,989,169</b>	<b>\$ 4,671,241</b>

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Unassigned				
Fund Balance	682,290	1,466,791	214,914	26,169
Expenditures	7,868,842	2,989,169	2,401,549	1,373,645
Percentage	9%	49%	9%	2%

The Achievers Early College Prep Charter School values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during school year. The amount of fund balance designated to support the subsequent years budget is \$682,290 for the 2022-23 school year.

**CAPITAL ASSETS**

**Table A-7  
ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Changes in Capital Assets - School Wide  
For the Fiscal Year Ended June 30, 2022**

Right to-use- lease assets:	
Premises	\$1,487,318
Total	<u>\$1,487,318</u>
Less: Accumulated Amortization	<u>(371,830)</u>
Right to use assets, net	<u><u>\$1,115,488</u></u>

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

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

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

These and many other factors were considered by the Charter School's administration during the process of developing the fiscal year 2022-23 budget. The primary factors were the Charter School's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs. These indicators were considered when adopting the budget for fiscal year 2022-2023.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Achievers Early College Prep Charter School finances and to demonstrate the Achievers Early College Prep Charter School accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Achievers Early College Prep Charter School, 544 Chestnut Ave, Trenton, New Jersey 08611

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the Achievers Early College Prep Charter School operations. These financial statements present the financial position and operating results of all funds as of June 30, 2022.

**SCHOOL-WIDE FINANCIAL STATEMENTS**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Net Position**  
**As of June 30, 2022**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 271,851	\$ 4,813	\$ 276,664
Receivables	434,499	61,701	496,200
Security Deposit - Rental	31,000	-	31,000
Right-to-use lease assets-net	1,115,488		1,115,488
Total Assets	<u>1,852,838</u>	<u>66,514</u>	<u>1,919,352</u>
Deferred outflows of resources			
Pension deferred outflows (Note - 5)	1,728,593		1,728,593
Total assets and deferred outflows of resources	<u>\$ 3,581,431</u>	<u>\$ 66,514</u>	<u>\$ 3,647,945</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 21,574	\$ -	\$ 21,574
Deferred revenue	100,000		100,000
Net pension liability (Note 5)	1,079,027		1,079,027
Lease liabilities	1,343,987		1,343,987
Total Liabilities	<u>2,544,588</u>	<u>-</u>	<u>2,544,588</u>
<b>Deferred inflows of resources</b>			
Pension deferred inflows (Note 5)	676,110	-	676,110
<b>NET POSITION</b>			
Unrestricted (Note 14)	360,733	66,514	427,247
Total net position	<u>\$ 360,733</u>	<u>\$ 66,514</u>	<u>\$ 427,247</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 3,581,431</u>	<u>\$ 66,514</u>	<u>\$ 3,647,945</u>
Fund Balance June 30, 2022 - B-1 - Governmental	\$615,776		
Right-to-use lease assets-net of accumulated depreciation	\$1,115,488		
Principal balance of lease liabilities	(\$1,343,987)		
Cost of capital assets net accumulated depreciation	0		
Net position before pension adjustments	<u>387,277</u>		
Pension adjustments (Note 5)	(26,544)		
Total net position - June 30, 2022 - Governmental	<u>\$360,733</u>		

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	\$ (4,106,523)		\$ (1,179,083)		\$ (2,927,440)	\$ (2,927,440)
Support services:						
General administratiron	(2,499,080)		(342,006)		(2,157,074)	\$ (2,157,074)
School administrative services/ operations plant	(715,042)				(715,042)	(715,042)
On - behalf TPAF Social Security	(282,448)				(282,448)	(282,448)
Capital Outlay	-					-
Total governmental activities	<u>(7,603,093)</u>		<u>(1,521,089)</u>		<u>(6,082,004)</u>	<u>(6,082,004)</u>
Business-type activities:						
Food Service	(265,749)	(265,749)				(265,749)
Total business-type activities	<u>(265,749)</u>	<u>(265,749)</u>				<u>(265,749)</u>
Total primary government	<u>(7,868,842)</u>	<u>\$ (265,749)</u>	<u>\$ (1,521,089)</u>		<u>\$ (6,082,004)</u>	<u>\$ (6,347,753)</u>
General revenues:						
State / Local Share				4,613,235	-	4,613,235
State and Federal Aid				584,061	314,282	898,343
Miscellaneous Income				48,037	3,637	51,674
Increase in net Capital Outlay				0		0
Total general revenues, special items,				<u>5,245,333</u>	<u>317,919</u>	<u>5,563,252</u>
Change in Net Position - Increase (Decrease)				<u>(836,671)</u>	<u>52,170</u>	<u>(784,501)</u>
Amortization expense over principal payments on leases				(228,499)		
Increase (Decrease) in Pension (Note 5)				(26,544)		(26,544)
Net Position - July 1, 2021				1,452,447	14,344	1,466,791
Net Position - June 30, 2022				<u>\$ 360,733</u>	<u>\$ 66,514</u>	<u>\$ 427,247</u>

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

## **FUND FINANCIAL STATEMENTS**



**GOVERNMENTAL FUNDS**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Balance Sheet**  
**Governmental Funds**  
**As of June 30, 2022**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 271,851	\$ -	\$ 271,851
Receivables	87,022	347,477	434,499
Interfund	347,477	(347,477)	
Security Deposit - Rental	31,000	-	31,000
Total assets	<u>\$ 737,350</u>	<u>\$ -</u>	<u>\$ 737,350</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 21,574	\$ -	\$ 21,574
Deferred Revenue	100,000	-	100,000
Total liabilities	<u>121,574</u>	<u>-</u>	<u>121,574</u>
Fund Balances:			
Unassigned	615,776	-	615,776
Total Fund balances	<u>615,776</u>	<u>-</u>	<u>615,776</u>
Total liabilities and fund balances	<u>\$ 737,350</u>	<u>\$ -</u>	<u>\$ 737,350</u>

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

Governmental Fund Balance June 30, 2022	\$ 615,776
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation	
Net position of governmental activities before Pension Adjustments June 30, 2022	<u>\$ 615,776</u>
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore, are not reported in the fund statements. (See Note 5)	1,728,593
Deferred Inflows related to pension actuarial gains from experience and differences in actual returns and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 5)	(676,110)
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 5)	(1,079,027)
Right -to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,487,318 less the accumulated amortization (\$371,830)	1,115,488
Lease liabilities used in governmental activities are not financial resourced and therefore are not reported in the funds	<u>(\$1,343,987)</u>
Total Net Position	<u>\$ 360,733</u>

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local sources:			
State / Local Share	\$ 4,613,235	\$	\$ 4,613,235
Miscellaneous	48,037	259,685	307,722
Total - Local Sources	4,661,272	14,508	4,675,780
State Sources	584,061	-	584,061
Federal Sources		1,246,896	1,246,896
Total Revenues	<u>5,245,333</u>	<u>1,521,089</u>	<u>\$6,766,422</u>
<b>EXPENDITURES</b>			
Current:			
Regular instruction	\$ 2,927,440	\$ 1,179,083	\$ 4,106,523
Support services- General Administrative	2,157,074	342,006	2,499,080
Support Services- School Admin/ operations plant serv	715,042		715,042
On-behalf TPAF Social Security, Pen and Med	282,448		282,448
Capital outlay	-		-
Total Expenditures	<u>\$ 6,082,004</u>	<u>\$1,521,089</u>	<u>\$ 7,603,093</u>
Excess (Deficiency) of revenues over expenditures	<u>(836,671)</u>		<u>(836,671)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-		-
Transfers out	-		-
Total other financing sources and uses	<u>-</u>		<u>-</u>
Net change in fund balances - (Decrease)	(836,671)		(836,671)
Fund balance - July 1, 2021	1,452,447		1,452,447
Fund balance - June 30, 2022	<u>\$ 615,776</u>		<u>\$ 615,776</u>

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2022**

	<b>General Fund</b>
<b>Total net change in fund balances increase - governmental funds (from B-2)</b>	<b>\$ (836,671)</b>

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

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

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

Pension contributions are reported in governmental funds as expenditures; however, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period	0
--	---

<b>Change in net position of governmental activities (A-2) - Increase</b>	<b><u><u>\$ (836,671)</u></u></b>
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**The accompanying Notes to the Basic Financial Statements are an integral part of this statement.**

**PROPRIETARY FUNDS**

Exhibit B-4

ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
 Statement of Net Position  
 Proprietary Funds  
 As of June 30, 2022

	Proprietary Funds Business-type Activities Enterprise funds
	<u>Enterprise funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$4,813
Receivables	60,708
Other receivables	993
Total current assets	<u>66,514</u>
Total assets	<u>\$ 66,514</u>
<b>LIABILITIES</b>	
Total current liabilities	<u>-</u>
Total liabilities	<u>-</u>
<b>NET POSITION</b>	
Unrestricted	66,514
Total net position	<u>\$ 66,514</u>

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

Exhibit B-5

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Proprietary Fund Business-Type Activities Enterprise</u>
<b>OPERATING REVENUES</b>	
Federal Aid	
Federal PEBT	\$1,242
Federal EM School Lunch	1963
Total Operating Revenues	<u>3,205</u>
<b>OPERATING EXPENSES</b>	
Supplies, Materials & Other	(\$265,749)
Total Operating Expenses	<u>(265,749)</u>
Income (Loss) From Operations	<u>(262,544)</u>
<b>Nonoperating Revenues</b>	
State Sources	
State Sources	5,285
Federal Sources	
National Snack	240
School Breakfast Program	92,687
National School Lunch Program	216,502
Total Nonoperating Revenues	<u>314,714</u>
Change in Net Position	52,170
Total Net Position - July 1, 2021	<u>14,344</u>
Total Net Position - June 30, 2022	<u>\$ 66,514</u>

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

Payments to suppliers	(262,112)
Net cash (used for) operating activities	(262,112)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State and Federal Sources	261,708
Net cash (used for) non-capital financing activities	261,708

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net cash (used for) investing activities	
Net increase (decrease) in cash and cash equivalents	(404)
Cash and Cash Equivalents - beginning of year	5,217
Cash and Cash Equivalents - end of year	\$ 4,813

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

Operating income (loss)	\$ 52,170
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable, net	(52,574)
Total adjustments	(52,574)
Net cash provided by (used in) operating activities	\$ (404)

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



## **FIDUCIARY FUNDS**

**EXHIBIT B-7**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Statement of Fiduciary Net Position  
Fiduciary Funds  
As of June 30, 2022**

**NOT APPLICABLE**

**Exhibit B-8**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Basis of Presentation**

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

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**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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

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

**Government-Wide Statements**

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

**Fund Financial Statements**

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

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

**B. Fund Accounting**

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

**Governmental Funds**

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

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

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

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

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

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

**Proprietary Funds**

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

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

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

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

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

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

**Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. As of June 30, 2022, there was no Fiduciary Fund due to the adoption of GASB Statement No. 84, Fiduciary Activities.

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

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

**Measurement Focus**

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

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

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



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**For the Fiscal Year Ended June 30, 2022**

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

**Basis of Accounting**

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

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

**D. Budgets/Budgetary Control**

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

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

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

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

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

**E. Budgets/Budgetary Control**

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

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

**F. Encumbrances**

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

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

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

Open encumbrances in the special revenue fund, for which the Charter School has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. There were \$0 of encumbrances at June 30, 2022. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

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

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

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

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

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

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

**H. Inventories and Prepaid Expenses**

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

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

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

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

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

**J. Capital Assets**

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

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

There are no Capital Assets reflected such as Furniture and Equipment at June 30, 2022.

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

<u>Description of Capital Cost</u>	<u>Estimated Lives (Years)</u>
Right-of-Use Assets	*
Furniture and Equipment	N/A
*Shorter of Useful Life or Lease Term (4 years)	

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

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

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

**L. Net Position/Fund Balance**

**School-Wide Statements**

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

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

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

**Fund Balance and Equity**

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

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

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

**M. Unearned/Deferred Revenue**

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

**N. Fund Equity**

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

**O. Use of Estimates**

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

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

**P. Use of Estimates**

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

**Q. On-Behalf Payments**

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

**R. Deferred Outflows/Inflows**

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

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

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

**S. Compensated Absences**

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

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

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

As of June 30, 2022, Charter School-wide compensated absences amounted to \$-0-.

**T. Fair Value of Financial Instruments**

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

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

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

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

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

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

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. During fiscal year 2022, the Charter School adopted GASB Statement No. 84, Fiduciary Activities (GASB 84). GASB 84 enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Specifically, GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship



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

**U. Adoption of New Accounting Standard**

**GASB 84: Fiduciary Activities**

During fiscal year 2021, the Charter School adopted GASB Statement No. 84, Fiduciary Activities (GASB 84). GASB 84 enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Specifically, GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. As part of the adoption, the Charter School no longer considers activities in the Unemployment Fund Account, Payroll Agency Fund and Student activities as fiduciary activities applicable under GASB 84. As a result, the Charter School no longer presents a Statement of Fiduciary Net Position, and records payroll deductions and withholdings payable, unemployment activities in the General Fund in the Governmental Fund financial statements. Student activities are recorded in the Special Revenue Fund in the Governmental Fund financial statements.

In Fiscal Year 2022 the Achievers Early College Prep Charter School implemented the following GASB Standards:

**GASB 87: Leases**

During fiscal year 2022, the Charter School adopted GASB Statement No. 87, Leases (GASB 87), which requires the Charter School to recognize intangible right-to-use lease assets and lease liabilities for its lessee agreements. The adoption of this GASB did not impact the Charter School's beginning net position for the fiscal year ended June 30, 2022.

The Charter School accounts for any lease with a term greater than one year in accordance with GASB 87. The lease terms are defined as the noncancellable period of any lease, plus any options to extend under such leases, when management is reasonably certain those options will be exercised. Accordingly, the net present value of the estimated future minimum payments are reflected as a right-to-use lease asset and lease liability. The right-to-use lease assets will be recognized on a straight-line basis over the lesser of the life of the asset or the remaining lease period. The right-to-use lease assets related to the facility leases are being amortized over the term of each respective lease as follows:

School Premises      2 – 35 years

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

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that

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**3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. As of June 30, 2022, the Charter School's bank balance was insured by the FDIC for \$250,000 and the remaining balance was subject to the terms of GUDPA.

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

As of June 30, 2022, the Charter School had no investments.

**4. PENSION PLANS**

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

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

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

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**4. PENSION PLANS (continued)**

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

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

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

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

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

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

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

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

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

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**4. PENSION PLANS (continued)**

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

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

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

**COLA Suspension**

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

**Contribution Requirements**

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

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

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

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension

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**4. PENSION PLANS (continued)**

plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

The School's contribution to PERS for the year ended June 30, 2022 was \$106,670.

In accordance with N.J.S.A 18A:66-66 the School recorded as revenue for the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries in the amount of \$91,676. Also, the State paid into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

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

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

***Summary of Significant Accounting Policies***

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

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

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

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

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

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

the state's portion of the net pension liability that was associated with the Charter School was \$-0- as measured on June 30, 2021 and \$-0- as measured on June 30, 2020.

For the year ended June 30, 2022, the Charter School recognized pension expense of \$-0- and revenue of \$-0- for support provided by the State. The measurement period for the pension expense and revenue reported in the Charter School's financial statements (A-2) at June 30, 2022 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2021. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2020 and June 30, 2021.

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

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

	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$9,458,881,999	\$6,356,228,800
Collective deferred inflows of resources	\$14,424,322,612	\$27,175,330,929
Collective net pension liability (Non-employer - State of New Jersey)	\$ 65,848,796,740	\$48,165,991,182
State's portion of the net pension liability that was associated with the Charter School	\$-0-	\$-0-
State's portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	-0-	-0-

***Actuarial Assumptions***

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

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

Inflation (Price):	2.75%
Inflation (Wage):	3.25%
Salary Increases: 2011-2026	1.55 - 4.45% based on years of service
Salary Increases: Thereafter	2.75 - 5.65% based on years of service
Investment Rate of Return:	7%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Postretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits. The long term expected of return was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2021, are summarized in the following table:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
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 estate	8.00%	9.15%
Real assets	3.00%	7.40%
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%

***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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of the of the Net Pension Liability to Changes in the Discount Rate***

<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
\$56,988,413,045	\$48,165,991,182	\$40,755,711,188

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

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



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
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**5. PENSION PLANS – GASB 68 DISCLOSURES (continued)**

***Pension Plan Fiduciary Net Position***

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

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

***Summary of Significant Accounting Policies***

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

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

At June 30, 2022, the Charter School reported a liability of \$1,079,027 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The Charter School’s proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2021. At June 30, 2021, the Charter School’s proportion was .009108%.

For the year ended June 30, 2022, the Charter School recognized pension expense of \$239,885. At June 30, 2022, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$17,018	\$7,725
Changes of assumptions	5,620	384,141
Net difference between projected and actual earnings on pension plan investments	1,599,285	284,244
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	-0-	-0-
Charter School contributions subsequent to the measurement date.	106,670	-0-
Total	\$1,728,593	\$676,110

The Charter School reported \$106,670 as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2022, the plan measurement date was June 30, 2021) will be recognized as a reduction of the net pension liability measured as of June 30, 2022.

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

	<b>Year Ended June 30:</b>
2021	(\$254,603)
2022	(\$181,786)
2023	(\$123,947)
2024	(\$93,171)
2025	\$36
Total:	(\$653,471)

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

	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$2,347,583,337	\$1,164,738,169
Collective deferred inflows of resources	\$7,849,949,467	\$7,422,916,600
Collective net pension liability (Non-State-Local Group)	\$16,435,616,426	\$11,972,782,878
Charter School's proportion of net pension liability	-0-	\$1,079,027
Charter School's proportion percentage	0%	.009108%

***Actuarial Assumptions***

The collective 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. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

The following presents the Charter School's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the discount rate of 7.00%, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

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

	<b>2021</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Charter School’s proportionate share of the net pension liability	\$1,240,881	\$1,079,027	\$917,173

***Pension Plan Fiduciary Net Position***

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

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2021, are summarized in the following table:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
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 estate	8.00%	9.15%
Real assets	3.00%	7.40%
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%

***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 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.

**6. POST RETIREMENT MEDICAL BENEFITS**

**Plan description and benefits provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPES 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.

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

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.

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Charter School.

Actuarial assumptions and other imputes The June 30, 2022 GASB 75 reporting is based on a measurement date of June 30, 2021. The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for TPAF and PERS, respectively. 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:

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

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	2.75% to 4.45%
Discount rate (2021)	2.16%
Discount rate (2022)	2.21%
Healthcare cost trend rates (PPO Plans)	5.74%, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (HMO Plans)	6.01%, increasing to 15.23.93% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (Prescription Drug Benefits)	6.75%, increasing to 4.5% long term trend rate after seven years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	5.65%

The discount rate for June 30, 2021 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

Changes in the Total OPEB Liability reported by the State of New Jersey:

	<b>Total OPEB Liability</b>
<b>The State's Total OPEB Liability Balance at June 30, 2020</b>	<b>\$67,809,962,608</b>
Changes for the year:	
Service Cost	3,217,184,264
Interest on the Total OPEB Liability	1,556,661,679
Changes in Benefit Terms	(63,870,842)
Differences Between Expected and Actual Experience	(11,385,071,658)
Changes of Assumptions	59,202,105
Gross Benefit Payments	-
Contributions from Members	(1,186,417,186)
Net Changes	(7,802,311,638)
<b>The State's Total OPEB Liability Balance at June 30, 2021</b>	<b>\$60,007,650,970</b>
<b>The State's Total OPEB Liability attributable to the Charter School</b>	<b>\$455,718</b>

Benefit Changes: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021 and other changes.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	June 30, 2021		
	At 1% Decrease 1.16%	At Discount Rate 2.16%	At 1% Increase 3.16%
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138
	June 30, 2020		
	At 1% Decrease 1.21%	At Discount Rate 2.21%	At 1% Increase 3.21%
Total OPEB Liability (School Retirees)	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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

	June 30, 2021		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$48,576,388,471	\$60,007,650,970	\$75,358,991,782
	June 30, 2020		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975

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

For the year ended June 30, 2021, the Charter School recognized OPEB expense and related revenue of \$54,046 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Charter School's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of	Deferred Inflows of
Differences between expected and actual experience	\$9,045,886,863	\$18,009,362,976
Changes of assumptions or other inputs	10,179,536,966	6,438,261,807
Total	\$10,179,536,966	\$24,447,624,783

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2022	(\$1,182,303,041)
2023	(\$1,182,303,041)
2024	(\$1,182,303,041)
2025	(\$1,182,303,041)
2026	(840,601,200)
Thereafter	347,612,410
	<u>(\$5,222,200,954)</u>

**7. ECONOMIC DEPENDENCY**

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

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

If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Charter School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

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

**8. RISK MANAGEMENT**

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

**Property and Liability Insurance** - The Charter School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (UNAUDITED) of this Annual Comprehensive Financial Report.

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

**9. RECEIVABLES**

Receivables as of June 30, 2022 consisted of accounts, intergovernmental, grants and miscellaneous. All receivables are considered collectible in full.

A summary of the principal items of intergovernmental and proprietary fund receivables are as follows:

	<b>General</b>	<b>Special Revenue</b>	<b>Proprietary Fund</b>	<b>Total</b>
Receivables:				
Accounts	<u>\$87,022</u>	<u>\$347,477</u>	<u>\$61,701</u>	<u>\$496,200</u>
Gross Receivables	<u>\$87,022</u>	<u>\$347,477</u>	<u>\$61,701</u>	<u>\$496,200</u>

**10. CAPITAL ASSETS**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2022.

**Table A-7**  
**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Changes in Capital Assets - School Wide**  
**For the Fiscal Year Ended June 30, 2022**

Right to-use- lease assets:	
Premises	<u>\$1,487,318</u>
Total	<u>\$1,487,318</u>
Less: Accumulated Amortization	<u>(371,830)</u>
Right to use assets, net	<u><u>\$1,115,488</u></u>

**11. RENTAL LEASES**

The lease required monthly payments of \$16,509 for 544 Chestnut Street, Trenton, New Jersey for the period ended June 30, 2022. In addition, the school entered into a lease agreement effective June 2022 for property at 171 Division Street, Trenton, New Jersey for \$3,412 monthly. For the year ended June 30, 2022, annual rent expense amounted to \$191,757. Effective April, 2021 the school entered a new lease agreement with Our Lady of Angels Church. The term lease shall be for five (5) years beginning August 15, 2021 and ending July 15, 2025.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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

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

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

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

Fund balance (per A-2) as of June 30, 2022	\$615,776
Cost of capital assets net accumulated depreciation	-
Right-to-Use Assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,487,318 less the accumulated amortization (\$371,830)	1,115,488
Lease liabilities used in governmental activities are not financial resourced and therefore are not reported in the funds	(1,343,987)
Pension deferred outflows	1,728,593
Pension deferred inflows	(676,110)
Deferred pension liability as of June 30, 2022	(1,079,027)
Net position (per A-1) as of June 30, 2022	\$360,733

**13. SUBSEQUENT EVENTS**

The Charter School has evaluated subsequent events occurring after the financial statement date through March 8, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the Charter School has determined that the following subsequent events needed to be disclosed.

During fiscal year 2022, COVID-19 continued to be recognized as a global pandemic. Federal, state and local governments in the United States have imposed restrictions on travel and business operations. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Charter School's operations and financial position. As a result, the adverse impact COVID-19 will have on the Charter School's businesses, operating results, cash flows, and financial condition is uncertain. It is management's opinion that the adverse impact would not be material.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

**13. SUBSEQUENT EVENTS (continued)**

**Charter School Expansion**

On February 1, 2023, the New Jersey Department of Education (Department) received an amendment request from Achievers Early College Prep Charter School to expand its grade configuration from sixth grade through ninth grade to sixth grade to twelfth grade by adding tenth grade in the 2023-2024 school year and progressing to twelfth grade in the 2025-2026 school year. The request also includes an increase to Achievers Early College Prep Charter School’s currently approved maximum enrollment of 360 seats to 630 seats by the 2025-2026 school year. This charter amendment was sought pursuant to N.J.A.C. 6A:11-2.6, which allows a charter school to submit to the Commissioner a request to amend its charter at any time during the charter term.

**14. TERM LOAN – WORKING CAPITAL**

The following represents short-term debt activity for the Fiscal Year ended June 30, 2022:

	<b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Balance</u></b>
	<b><u>07/01/21</u></b>			<b><u>June 30, 2022</u></b>
Community Loan Fund of NJ, Inc.	\$-0-	\$-0-	\$-0-	\$-0-

Community Loan Fund of NJ, Inc., is a third party lender. The purpose of this short-term obligation is for cash flow for operations. The total amount of the working capital loan authorized was \$300,000. No amounts were drawn as of June 30, 2022. The loan is due June 30, 2023. Fixed interest rate of 7.25%, collateralized by a first priority security interest under the UCC in all of the school’s assets, interest paid was \$0 for year ending June 30, 2022. In addition, the school paid a 1.50% commitment fee. The school subsequently had drawn on the term loan in the amount of \$300,000 in August of 2022.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
State / Local Share	\$ 5,136,931	\$ (523,696)	\$ 4,613,235	\$ 4,613,235	\$ -
Miscellaneous	-	-		48,037	(48,037)
<b>Total - Local Sources</b>	<u>5,136,931</u>	<u>(523,696)</u>	<u>4,613,235</u>	<u>4,661,272</u>	<u>(48,037)</u>
Special Education	235,051	(100,140)	134,911	134,911	-
Security Aid	178,358	(30,460)	147,898	147,898	-
Adjustment Aid	-	18,804	18,804	18,804	-
TPAF Pension (On-Behalf - Non-Budgeted)				154,487	(154,487)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-		-	36,094	(36,094)
TPAF . LTD (On-Behalf - Non-Budgeted)				191	(191)
TPAF Social Security (Reimbursed - Non-Budgeted)	-			91,676	(91,676)
<b>Total State Sources</b>	<u>413,409</u>	<u>(111,796)</u>	<u>282,809</u>	<u>584,061</u>	<u>(282,448)</u>
<b>Total Revenues</b>	<u>5,550,340</u>	<u>(635,492)</u>	<u>4,914,848</u>	<u>5,245,333</u>	<u>(330,485)</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Teachers Salary	1,915,000	(875,148)	1,039,852	1,039,852	\$ -
Other Salaries	968,573	(189,386)	779,187	779,187	-
Prof/Tech Services	35,000	574,231	609,231	608,508	723
Other Purchased Services (400-500 series)	37,000	165,900	202,900	202,900	-
General Supplies	59,000	69,087	128,087	128,087	-
Textbooks	122,000	22,229	144,229	144,229	-
Other Objects	10,000	14,677	24,677	24,677	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>3,146,573</u>	<u>(218,410)</u>	<u>2,928,163</u>	<u>2,927,440</u>	<u>723</u>



ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Support Services - General Administrative</b>					
Salaries of Administrative Salaries	799,500	(102,259)	697,241	697,241	-
Salaries of Secretarial and Clerical Assistants	105,000	110,557	215,557	215,557	-
Cost of Benefits	665,000	(65,325)	599,675	599,675	-
Consultants	45,500	123,474	168,974	168,974	-
Other Purchased Services (400-500 series)	147,550	129,270	276,820	276,820	-
Communications/Telephone	4,000	79,707	83,707	83,707	-
Supplies and Materials	10,400	99,507	109,907	109,907	-
Other Objects	5,000	193	5,193	5,193	-
	<u>1,781,950</u>	<u>375,124</u>	<u>2,157,074</u>	<u>2,157,074</u>	<u>-</u>
<b>Support Services - School Admin/Operation Plant Services</b>					
Salaries	70,000	(53,500)	16,500	16,500	-
Purchased Professional and Technical Services	70,500	237,216	307,716	307,716	-
Other Purchased Services	11,220	12,565	23,785	23,785	-
Rental of Land and Building- other than Lease Purchase Agreements					-
Insurance	27,112	(27,112)	-	-	-
General Supplies	20,000	16,296	36,296	36,296	-
Transportation- Trips	12,000	(9,872)	2,128	2,128	-
Energy (Energy and Electricity)	85,000	(34,877)	50,123	50,123	-
Lease Expense Principal	143,331	-	143,331	143,331	-
Lease expense Interest	107,831	-	107,831	107,831	-
Other Objects	34,261	(24,808)	9,453	9,453	-
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>581,255</u>	<u>115,908</u>	<u>697,163</u>	<u>697,163</u>	<u>-</u>
<b>Food Service</b>					
Other Purchased Services	-	17,879	17,879	17,879	-
<b>Total Food Services</b>	<u>-</u>	<u>17,879</u>	<u>17,879</u>	<u>17,879</u>	<u>-</u>
On-behalf TPAF Pension Contributions (non-budgeted)				154,487	(154,487)
On-behalf TPAF Medical Contributions (non-budgeted)				36,094	(36,094)
On-behalf - LTD Contribution (non-budgeted)				191	(191)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-	-	91,676	(91,676)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,448</u>	<u>(282,448)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>2,363,205</u>	<u>508,911</u>	<u>2,872,116</u>	<u>3,154,564</u>	<u>(282,448)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>5,509,778</u>	<u>290,501</u>	<u>5,800,279</u>	<u>6,082,004</u>	<u>(281,725)</u>

ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Instructional Equipment		-	-		-
Non-Instructional Equipment			-		-
Building Improvements		-	-		-
<b>Total Equipment</b>	-	-	-	-	-
<b>TOTAL EXPENDITURES- GENERAL FUND</b>	5,509,778	290,501	5,800,279	6,082,004	(281,725)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	40,562	(925,993)	(885,431)	(836,671)	(48,760)
<b>Other Financing Sources:</b>					
<b>Operating Transfer In:</b>	-	885,431	885,431	-	-
<b>Total Other Financing Sources:</b>	-	885,431	885,431	-	-
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	40,562	-		(836,671)	
<b>Fund Balance, July 1, 2021</b>	-	-	1,452,447	1,452,447	(48,760)
<b>Fund Balance, June 30, 2022</b>	\$ 40,562	\$ -	\$ 21,081	\$ 615,776	(1,247,080)

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2022**

**Exhibit C-2**  
**Page 1**

	Budget	Transfers	Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 259,685		\$ -	\$ -	
State Sources	14,508		-	-	
Federal Sources	1,246,896		1,521,089	1,521,089	
<b>Total Revenues</b>	<b>1,521,089</b>		<b>1,521,089</b>	<b>1,521,089</b>	
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	382,976		382,976	382,976	
Other Salaries for Instruction					
Purchased Professional and Technical Services	287,123		287,123	287,123	
Other Purchased Services (400-500 series)	45,000		45,000	45,000	
Textbooks					
General Supplies	333,143		333,143	333,143	
Rent	-		-	-	
Personal Services- Employee Benefits	116,334		116,334	116,334	
Instructional Equipment	-		-	-	
Equipment- Non instructional	-		-	-	
Miscellaneous Expense	14,507		14,507	14,507	
<b>Total Instruction</b>	<b>1,179,083</b>	<b>-</b>	<b>1,179,083</b>	<b>1,179,083</b>	
<b>Support Services</b>					
Salaries of Supervisor of Instruction	-		-	-	
Salaries of Program Directors					
Salaries of Other Professional Staff	-		-	-	
Salaries of Secretaries & Clerical Assistants					
Other Salaries					
Personal Services - Employee Benefits	-		-	-	
Purchased Professional - Educational Services	32,334		32,334	32,334	
Other Purchased Professional Services	-		-	-	
Supplies	30,000		30,000	30,000	
Communication					
Scholarships					
Tuition					
Travel					
Other purchased Services (400-500 series)	-		-	-	
Building Improvements	279,672		279,672	279,672	
<b>Total Support Services</b>	<b>342,006</b>		<b>342,006</b>	<b>342,006</b>	

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Buildings Improvements					
Instructional Equipment					
Noninstructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Transfer to Charter School</b>					
Total Expenditures	1,521,089		1,521,089	1,521,089	
<b>Other Financing Sources (Uses)</b>					
Transfer in from General Fund					
Transfer Out to Whole School Reform (General Fund)					
<b>Total Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>					
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2022**

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

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Charter School Proportion of the net pension liability (asset)	1,079,027	N/A	N/A	N/A
Charter School Proportionate share of the net pension liability (asset)	0.009108%	N/A	N/A	N/A
Charter School Covered employee payroll	589,621	N/A	N/A	N/A
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	183%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	54.6%	N/A	N/A	N/A

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



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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$106,670	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	<u>(106,670)</u>	N/A	N/A	N/A
Contribution deficiency (excess)	<u>0</u>	N/A	N/A	N/A
Charter School Covered employee payroll	<u>589,621</u>	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	18.1%	N/A	N/A	N/A

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Charter School Proportion of the net pension liability (asset)**	N/A	N/A	N/A	N/A
Charter School Proportionate share of the net pension liability (asset)**	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the Charter School	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A
Charter School Covered employee payroll				
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability				

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PENSION SCHEDULES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

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

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

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

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

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

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

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

Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>The State of New Jersey's Total OPEB Liability</u></b>					
Service Cost	\$3,217,874,264	\$1,790,973,822	\$1,734,404,850	\$1,984,642,729	\$2,391,878,884
Interest	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736
Change in Benefit Terms					
Difference Between Expected and Actual Experience	11,449,632,500	11,544,750,637	(7,323,140,818)	(5,002,065,740)	
Benefit Payment	59,202,105	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)
Contributions from Members		35,781,384	37,971,171	42,614,005	45,748,749
Changes of Assumptions or other inputs	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)
<b>Net change in total OPEB liability</b>	<b>(\$7,802,311,638)</b>	<b>\$26,080,881,563</b>	<b>(\$4,381,751,937)</b>	<b>(\$7,529,008,876)</b>	<b>(\$4,191,942,326)</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$67,809,962,608</b>	<b>\$41,729,081,045</b>	<b>\$46,110,832,982</b>	<b>\$53,639,841,858</b>	<b>\$57,831,784,184</b>
<b>Total OPEB Liability - Ending</b>	<b>\$60,007,650,970</b>	<b>\$67,809,962,608</b>	<b>\$41,729,081,045</b>	<b>\$46,110,832,982</b>	<b>\$53,639,841,858</b>
<b>The State of New Jersey's total OPEB liability**</b>	<b>\$60,007,650,970</b>	<b>\$67,809,962,608</b>	<b>\$41,729,081,045</b>	<b>\$46,110,832,982</b>	<b>\$53,639,841,858</b>
<b>The State of New Jersey's OPEB liability attributable to the Charter School</b>	<b>\$455,718</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>The Charter School's proportionate share of the total OPEB liability</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Charter School's covered employee payroll</b>	<b>589,621</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Charter School's OPEB liability as a percentage of its covered-employee payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Charter School's contribution</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>State's covered employee payroll</b>	<b>\$14,425,669,769</b>	<b>\$14,267,738,657</b>	<b>\$13,929,081,045</b>	<b>\$13,640,275,833</b>	<b>\$13,493,400,208</b>
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	<b>416.00%</b>	<b>475.00%</b>	<b>300.00%</b>	<b>338.00%</b>	<b>397.53%</b>

\*\*Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

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

## **SPECIAL REVENUE FUND**

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures- Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2022**

	TOTAL	Title I/ Part A	IDEA Basic	ARP Basic	CRRSA ACT ESSER II	CRRSA ACT LEARNING	CRRSA ACT MENTAL HLTH	ARP ESSER III	NEW SCHOOLS GRANT	SDA Emergent Needs Grant
<b>REVENUES</b>										
Intergovernmental State	\$14,508									\$14,508
Federal	1,246,896	\$258,834	\$71,734	\$15,844	\$477,372	\$30,635	\$45,000	\$347,477	\$0	0
Other Sources Miscellaneous	\$259,685								259,685	
Total Revenues	<u>1,521,089</u>	<u>258,834</u>	<u>71,734</u>	<u>15,844</u>	<u>477,372</u>	<u>30,635</u>	<u>45,000</u>	<u>347,477</u>	<u>259,685</u>	<u>14,508</u>
<b>EXPENDITURES</b>										
Instruction										
Salaries	382,976	210,000				22,976		150,000		
Other Purchased Services	45,000						45,000			
Purchased Prof. and Tech.and Edu Services	287,123		71,734	15,844		7,659		875	191,011	
General Supplies	333,143				222,034			47,918	63,191	
Recruitment										
Personal Services - Employee Benefits	116,334	48,834						67,500		
Rent										
Textbooks										
Instruction supplies	14,507							14,507		14,508
Instructional Equipment										
Equipment Non- Instructional										
Miscellaneous Expense										
Total Instruction	<u>1,179,083</u>	<u>258,834</u>	<u>71,734</u>	<u>15,844</u>	<u>222,034</u>	<u>30,635</u>	<u>45,000</u>	<u>280,800</u>	<u>254,202</u>	<u>14,508</u>
Support Services										
Salaries of Supervisors of Instruction										
Salaries of Program Directors										
Salaries of Other Prof. Staff										
Salaries of Secretarial and Clerical Ass't										
Personal Services - Employee Benefits										
Supplies and Materials	30,000							30,000		
Communication										
Purchased Professional/Educational Services	32,334							32,334		
Class- room Improvements										
Building Improvements	274,189				255,338			18,851		
Non instructional Equipment	5,483								5,483	14,508
Total Support Services	<u>342,006</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>255,338</u>	<u>0</u>	<u>0</u>	<u>81,185</u>	<u>5,483</u>	<u>14,508</u>
TOTAL EXPENDITURES	<u>\$1,521,089</u>	<u>\$258,834</u>	<u>\$71,734</u>	<u>\$15,844</u>	<u>\$477,372</u>	<u>\$30,635</u>	<u>\$45,000</u>	<u>\$361,985</u>	<u>\$259,685</u>	<u>\$29,016</u>

## **PROPRIETARY FUNDS**

## **ENTERPRISE FUND**

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

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



Exhibit G-1

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Net Position**  
**Proprietary Fund**  
**As of June 30, 2022**

	<b>Proprietary Fund Business-Type Activities Enterprise</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$4,813
Intergovernmental Receivable	
Federal	60,708
State	993
Total Current Assets	66,514
Total Assets	\$66,514
 <b>LIABILITIES</b>	 
Net Position	
Unrestricted	66,514
Total Net Position	66,514
Total Liabilities and Net Position	\$14,344

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2022**

	<b>Proprietary Fund Business-Type Activities Enterprise</b>
OPERATING REVENUES	
Federal Aid	
Federal PEBT	\$1,242
Federal EM School Lunch	1963
Total Operating Revenues	3,205
OPERATING EXPENSES	
Supplies, Materials & Other	(\$265,749)
Total Operating Expenses	(265,749)
Income (Loss) From Operations	(262,544)
Nonoperating Revenues	
State Sources	
State Sources	5,285
Federal Sources	
National Snack	240
School Breakfast Program	92,687
National School Lunch Program	216,502
Total Nonoperating Revenues	314,714
Change in Net Position	52,170
Total Net Position - July 1, 2021	14,344
Total Net Position - June 30, 2022	\$66,514

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2022**

	<b>Proprietary Fund Business-Type Activities</b>
Cash flows from operating activities	\$3,637
Cash Payments supplies, material and other	(265,749)
Net Cash (Used) by Operating Activities	(262,112)
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	261,708
Net Cash Provided by Noncapital Financing Activities	261,708
Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	
Net Increase in Cash and Cash Equivalents	(404)
Cash and Cash Equivalents, Beginning of Year	5,217
Cash and Cash Equivalents, End of Year	\$4,813
Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating Income	\$52,170
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
(Increase) Decrease in Accounts Receivable	(52,574)
Change in Assets and Liabilities	0
Total Adjustment	(52,574)
Net Cash Provided by Operating Activities	(\$404)

**FIDUCIARY FUNDS  
(NOT APPLICABLE)**

**Exhibit H-1**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Nonexpendable Trust Fund  
Combining Statement of Agency Fund Net Position  
Fiduciary Funds  
As of June 30, 2022**

**NOT APPLICABLE**

**Exhibit H-2**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Nonexpendable Trust Fund  
Combining Statement of Agency Fund Net Position  
Fiduciary Funds  
As of June 30, 2022**

**NOT APPLICABLE**

**Exhibit H-3**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

**Exhibit H-4**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**



**Exhibit H-5**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Unemployment Compensation Insurance Trust Fund  
Statement of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

## STATISTICAL SECTION

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

### **Contents**

### **Exhibits**

#### **Financial Trends**

J- 1 to J-5

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

#### **Revenue Capacity**

J-6 to J-9

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

#### **Debt Capacity**

J-10 to J-13

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

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

J-14 and J-15

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

#### **Operating Information**

J-16 to J-20

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

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

## **FINANCIAL TRENDS**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental activities				
Invested in capital assets, net	\$ -	\$ -	\$ -	\$ -
Unrestricted	615,776	1,452,447	205,367	21,081
Total governmental activities net position	<u>\$ 615,776</u>	<u>\$ 1,452,447</u>	<u>\$ 205,367</u>	<u>\$ 21,081</u>
Business-type activities				
Invested in capital assets, net				
Unrestricted	66,514	14,344	9,547	5,088
Total business-type activities net position	<u>\$ 66,514</u>	<u>\$ 14,344</u>	<u>\$ 9,547</u>	<u>\$ 5,088</u>
School-wide				
Invested in capital assets, net	-	-	-	-
Unrestricted	682,290	1,466,791	215,914	26,169
Total school net position	<u>\$ 682,290</u>	<u>\$ 1,466,791</u>	<u>\$ 215,914</u>	<u>\$ 26,169</u>

**Source: School Financial Statements**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Expenses</b>				
Governmental activities				
Instruction				
Regular	\$ 4,106,523	\$ 1,595,855	\$ 976,525	\$ 604,448
Support Services:				
General administration	2,499,080	868,373	773,450	591,896
School Administrative Services	715,042	379,159	509,643	109,614
On-behalf TPAF Social Security / Pension / Medical	282,448	40,369	30,360	18,389
Capital outlay	-	49,096	29,665	-
Amortization expense over principal payments on leases	228,499			
Unallocated depreciation and amortization	-	-	-	-
Total governmental activities expenses	<u>\$ 7,831,592</u>	<u>\$ 2,932,852</u>	<u>\$ 2,319,643</u>	<u>\$ 1,324,347</u>
Business-type activities:				
Food service	265,749	57,317	81,906	49,298
Total business-type activities expense	<u>265,749</u>	<u>57,317</u>	<u>81,906</u>	<u>49,298</u>
Total school expenses	<u>\$ 8,097,341</u>	<u>\$ 2,990,169</u>	<u>\$ 2,401,549</u>	<u>\$ 1,373,645</u>
<b>Program Revenues</b>				
Governmental activities:				
Operating grants and contributions	1,521,089	330,510	114,975	324,110
Total governmental activities program revenues	<u>\$ 1,521,089</u>	<u>\$ 330,510</u>	<u>\$ 114,975</u>	<u>\$ 324,110</u>
Business-type activities:				
Charges for services				
Proprietary Fund	317,919	62,114	86,365	54,386
Total business type activities program revenues	<u>317,919</u>	<u>62,114</u>	<u>86,365</u>	<u>54,386</u>
Total school program revenues	<u>\$ 1,839,008</u>	<u>\$ 392,624</u>	<u>\$ 201,340</u>	<u>\$ 378,496</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(\$6,310,503)	(\$2,601,342)	(\$2,204,668)	(\$1,000,237)
Business-type activities	52,170	4,797	4,459	5,088
Total school-wide net expense	<u>(\$6,258,333)</u>	<u>(\$2,596,545)</u>	<u>(\$2,200,209)</u>	<u>(\$3,334,720)</u>
Governmental activities:				
Local Share		\$ 343,763	\$ 208,811	\$ 100,551
State Share	4,613,235	2,919,854	1,877,589	809,421
State and Federal Aid aid	584,061	391,236	272,721	110,536
Miscellaneous income	48,037	11,620	29,833	810
Pension Adjustment	(26,544)			
PPP Loan Forgiveness		181,949	-	-
Total activities	<u>\$ 5,218,789</u>	<u>\$ 3,848,422</u>	<u>\$ 2,388,954</u>	<u>\$ 1,021,318</u>
Business-type activities:				
Transfers	0	0	0	0
Total business-type activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total school-wide	<u>\$ 5,218,789</u>	<u>\$ 3,848,422</u>	<u>\$ 2,388,954</u>	<u>\$ 1,021,318</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (1,091,714)	\$ 1,247,080	\$ 184,286	\$ 21,081
Business-type activities	52,170	4,797	4,459	5,088
Total school	<u>\$ (1,039,544)</u>	<u>\$ 1,251,877</u>	<u>\$ 188,745</u>	<u>\$ 26,169</u>

Source: School Financial Statements

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund				
Unassigned	\$615,776	\$1,452,447	\$205,367	\$21,081
Total General Fund	\$615,776	\$1,452,447	\$205,367	\$21,081
 All Other Governmental Funds				
Unassigned, reported				
Total all other governmental funds				

**Source: School Financial Statements**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>				
Local tax Levy		\$343,763	\$208,811	\$100,551
State Aid	4,613,235	2,919,854	1,877,589	809,421
State sources	584,061	391,236	272,721	110,536
Food Service	317,919	62,114	86,365	54,386
Miscellaneous revenue	48,037	193,569	32,682	266,912
Federal sources	1,521,089	330,510	112,126	58,008
Total revenue	<u>7,084,341</u>	<u>4,241,046</u>	<u>2,590,294</u>	<u>1,399,814</u>
<b>Expenditures</b>				
Instruction				
Regular Instruction	2,927,440	1,297,418	861,550	409,728
Support Services:				
General administration	2,157,074	835,300	773,450	462,506
School administrative services/Plant	715,042	379,159	509,643	109,614
TPAF Social Security / Pension / Medical	282,448	40,369	30,360	18,389
Capital Outlay	0	49,096	29,665	0
Food Service	265,749	57,317	81,906	49,298
Special Revenue	1,521,089	330,510	114,975	324,110
Total expenditures	<u>7,868,842</u>	<u>2,989,169</u>	<u>2,401,549</u>	<u>1,373,645</u>
Excess (Deficiency) of revenues over (under) expenditures				
<b>Other Financing sources (uses)</b>				
Transfers in				
Transfers out				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>\$ (784,501)</u>	<u>\$ 1,251,877</u>	<u>\$ 188,745</u>	<u>\$ 26,169</u>

**Source: School Financial Statements**

## **REVENUE CAPACITY**



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

	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>PPP Loan Forgiveness</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Other Local</u>	<u>Totals</u>
2019						810	810
2020						29,833	29,833
2021			181,949			11,620	193,569
2022						48,037	48,037

Source: School Financial Statements

**Exhibit J-6**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Assessed Value and Actual Value of Taxable Property  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

**Exhibit J-7**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Direct and Overlapping Property Tax Rates  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

**Exhibit J-8**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Principal Property Taxpayers  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

## **DEBT CAPACITY**

**Exhibit J-9**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Property Tax Levies and Collections  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

**Exhibit J-10**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Ratios of Outstanding Debt by Type  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

**Exhibit J-11**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Ratios of Net General Bonded Debt Outstanding  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**



**Exhibit J-12**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Direct and Overlapping Governmental Activities Debt  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**Exhibit J-13**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Legal Debt Margin Information  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Demographic and Economic Statistics  
For the Fiscal Years Ended June 30, 2022**

**NOT APPLICABLE**

**OPERATING INFORMATION  
(UNAUDITED)**

**Exhibit J-15**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Principal Employers  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

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

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Instruction				
Regular	23	13	12	6
Special education	2	4		
Other special education				
Vocational				
Other instruction	4	1	2	
Nonpublic school programs				
Adult/continuing education programs				
Support Services:				
Student & instruction related services	5			3
General administration	3	2	2	4
School administrative services	3	2	2	
Other administrative services	2	3	1	
Central services	1	1	1	
Administrative Information Technology				
Plant operations and maintenance				
Pupil transportation				
Other support services	1	1	2	
Special Schools				
Food Service				
Child Care				
Total	<u>44</u>	<u>27</u>	<u>22</u>	<u>13</u>

**Source:** School Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)
						Elementary and Middle School	Senior High School		
2019	72	1,373,645	19,078	N/A	6	12:1	N/A	72	94.0%
2020	168	2,401,549	14,312	(-24%)	12	14:1	N/A	167.8	93.8%
2021	262	2,989,169	11,409	(-20.3%)	17	15:1	N/A	262.7	93.69%
2022	346	7,868,842	22,742	99.3%	25	13:1	N/A	320	92.56%

Sources: School records



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

<b><u>School Building</u></b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Main Campus				
Square Feet	40,000	40,000	16,464	16,464
Capacity (students)	400	400	180	180
Enrollment	346	262	168	72
Number of Schools at June 30				
MS / High School	1	1	1	1

**Source:** Lease

**Exhibit J-19**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
General Fund - Schedule of Required Maintenance  
For the Fiscal Year Ended June 30, 2022**

**NOT APPLICABLE**

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
INSURANCE SCHEDULE  
JUNE 30, 2022  
UNAUDITED**

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

**Source: Charter School Records**

**CHARTER SCHOOL PERFORMANCE  
FRAMEWORK FINANCIAL INDICATORS**

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

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cash and Cash Equivalents	276,664	1,475,274	489,561	21,910
Current Assets	803,864	1,545,495	533,959	169,975
Capital Assets-Net	0	0	0	0
Total Assets	803,864	1,545,495	533,959	169,975
Current Liabilities	121,574	78,704	319,045	143,806
Long Term Liabilities				
Total Liabilities	121,574	78,704	319,045	143,806
Net Position	682,290	1,466,791	214,914	26,169
Total Revenue	6,893,569	4,241,046	2,590,294	1,399,814
Total Expenses	(7,678,070)	(2,989,169)	(2,401,549)	(1,373,645)
Change in Net Position	(784,501)	1,251,877	188,745	26,169
Depreciation	0	0	0	0
Principal Payments	0	0	0	0
Interest payments	0	0	0	0
Final average daily enrollment	346	262	168	70
March 30th budgeted Enrollment	346	262	168	70
Near term indicators	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
CURRENT RATIO	15	19.5	1.67	1.18
Unrestricted days cash	13.15	180.15	74.41	5.9
Enrollment variance	0%	0%	0%	0%
Default	N/A	N/A	N/A	N/A
Total margin	-11%	29%	7%	2%
Debt to Asset	N/A	N/A	N/A	N/A
Cash flow	(1,198,610)	985,713	467,651	21,910
Debt Service Coverage ratio	N/A	N/A	N/A	N/A

**SINGLE AUDIT SECTION K**

GERALD D. LONGO  
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**EXHIBIT K-1**

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

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

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Achievers Early College Prep Charter School ("the Charter School"), in the County of Union, State of New Jersey, as of and for the fiscal year ending June 30, 2022, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued my report thereon, dated March 8, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
March 8, 2023



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**EXHIBIT K-2**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
NJ OMB 15-08**

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

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

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

I have audited Achievers Early College Prep Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Achievers Early College Prep Charter School's major Federal and State programs for the year ended June 30, 2022. Achievers Early College Prep Charter School's major Federal and State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Achievers Early College Prep Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal and State programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal and State Program**

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB Circular 15-08. My responsibilities under those standards, the Uniform Guidance and NJ OMB Circular 15-08, are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Achievers Early College Prep Charter School and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on

compliance for each major Federal and State programs. My audit does not provide a legal determination of Achievers Early College Prep 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 Achievers Early College Prep Charter School's Federal and State programs.

### **Auditor's Responsibilities for the Audit of Compliance**

My 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 Achievers Early College Prep Charter School's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and NJ OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional 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 Achievers Early College Prep Charter School's compliance with the requirements of each major Federal and State programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and NJ OMB Circular 15-08, I:

- 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 Achievers Early College Prep Charter School's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Achievers Early College Prep 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 the Uniform Guidance and NJ OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Achievers Early College Prep Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

## Other Matters

The results of my auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and NJ OMB Circular 15-08.

## Report on Internal Control over Compliance

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

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
March 8, 2023

ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2022

Federal/Grantor Program Title	Federal Assistance Listing Number	Federal Award Identification Number	Grant Period	Award Amount	Balance July 1, 2021	Prior Carry-over	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjust	Deferred Revenue/ (Accounts Receivable) June 30, 2022	Due to State June 30, 2022
<b>Enterprise Fund:</b>												
U.S. Department of Agriculture												
Pass-Through Programs:												
Passed-Through New Jersey State Department of Agriculture												
Pandemic EBT Administrative Costs	10.649	202121S900941	10/01/21-09/30/22	614	-	-	614	614	-	-	-	-
Pandemic EBT Administrative Costs	10.649	202222S900941	10/01/21-09/30/22	628	-	-	628	628	-	-	-	-
SSO National School Breakfast	10.553	211NJ304N1099	10/01/20-09/30/21	19,633	(1,324)	-	1,324	-	-	-	-	-
SSO National School Lunch	10.555	211NJ304N1099	10/01/20-09/30/21	40,565	(7,595)	-	7,595	-	-	-	-	-
SSO National School Breakfast	10.553	221NJ304N1099	10/01/21-09/30/22	92,687	-	-	75,273	92,687	-	-	(17,414)	-
SSO National School Lunch	10.555	221NJ304N1099	10/01/21-09/30/22	216,502	-	-	173,368	216,502	-	-	(43,134)	-
National School Snack	10.555	221NJ304N1099	10/01/21-09/30/22	240	-	-	80	240	-	-	-	-
EM Schools	10.555	202121H170341	10/01/21-09/30/22	1,963	-	-	1,963	1,963	-	-	-	-
<b>Total Enterprise Fund/Total US Dept. of Agriculture Pass Through Programs</b>					<b>(8,919)</b>	<b>-</b>	<b>260,845</b>	<b>312,634</b>			<b>(60,548)</b>	
<b>Special Revenue Fund:</b>												
U.S. Department of Education												
Pass-Through Programs: Through New Jersey State Department of Education												
Title 1 Part A	84.010	S010A210030	07/01/21-09/30/22	258,834	-	-	258,834	258,834	-	-	-	-
<b>Total ESEA</b>					<b>-</b>	<b>-</b>	<b>258,834</b>	<b>258,834</b>			<b>-</b>	<b>-</b>
<b>Special Education Cluster</b>												
IDEA Part B	84.027A	H027A210100	07/01/21-09/30/22	71,734	-	-	71,734	71,734	-	-	-	-
ARP IDEA Part B	84.027X	H027X210100	07/01/21-09/30/22	15,844	-	-	15,844	15,844	-	-	-	-
<b>Total Special Education Cluster</b>					<b>-</b>	<b>-</b>	<b>87,578</b>	<b>87,578</b>			<b>-</b>	<b>-</b>
Charter School Program Grant	84.282		07/01/21-06/30/22									
<b>Education Stabilization Fund Cluster</b>												
CRRSA ESSER 11	84.425D	S425D210027	03/13/20-09/30/23	477,372	-	-	477,372	477,372	-	-	-	-
CRRSA Learning Acceleration	84.425D	S425D210027	03/13/20-09/30/23	30,635	-	-	30,635	30,635	-	-	-	-
CRRSA Mental Health	84.425D	S425D210027	03/13/20-09/30/23	45,000	-	-	45,000	45,000	-	-	-	-
ARP ESSER 111	84.425U	S425U210027	03/13/20-09/30/24	1,072,863	-	-	-	347,477	-	-	(347,477)	-
<b>Total Education Stabilization Fund Cluster</b>					<b>-</b>	<b>-</b>	<b>553,007</b>	<b>900,484</b>			<b>(347,477)</b>	<b>-</b>
Total Special Revenue/NJ Dept. of Education, Pass Through Programs					<b>-</b>	<b>-</b>	<b>899,419</b>	<b>1,246,896</b>	<b>-</b>	<b>-</b>	<b>(347,477)</b>	<b>-</b>
<b>General Fund</b>												
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	07/01/21-06/30/22	-	-	-	-	-	-	-	-	-
Total Expenditures of Federal Awards					<b>\$ (8,919)</b>	<b>\$ -</b>	<b>\$ 1,160,264</b>	<b>\$ 1,559,530</b>			<b>\$ (408,025)</b>	<b>\$ -</b>

See accompanying notes to schedules of expenditures of Federal and State award programs.

ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
Schedule of Expenditures of State Awards  
For the Fiscal Year Ended June 30, 2022

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance June 30, 2021</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Prior Years' Balances</u>	<u>Adjustments</u>	<u>June 30, 2022</u>
<b>NJ DEPT. OF EDUCATION</b>									
<b>GENERAL FUND</b>									
Equalization Aid - State /Local	22-495-034-5120-078	7/1/21-06/30/22	4,613,235		4,613,235	4,613,235			
Special Education Aid	22-495-034-5120-089	7/1/21-06/30/22	134,911		134,911	134,911			-
Security Aid	22-495-034-5120-084	7/1/21-06/30/22	147,898		147,898	147,898			-
Adjustment Aid	22-495-034-5120-085	7/1/21-06/30/22	18,804		18,804	18,804			
Reimbursed Social Security Tax	22-495-034-5094-003	7/1/21-06/30/22	91,676		91,676	91,676			-
On-Behalf-Teachers' Pension and Annuity Fund LT Disability	22-495-034-5094-004	7/1/21-06/30/22	191		191	191			-
On-Behalf-Teachers' Pension and Annuity Pension	22-495-034-5094-002	7/1/21-06/30/22	154,487		154,487	154,487			-
On-Behalf-Teachers' Pension Medical	22-495-034-5094-001	7/1/21-06/30/22	36,094		36,094	36,094			-
Total General Fund / Total State Department of Education				-	5,197,296	5,197,296			-
<b>SPECIAL REVENUE FUND</b>									
School Development Authority - Emergent Needs and Capital Maintenance	N/A	7/1/21-06/30/22	14,508		14,508	14,508			
Total Special Revenue Fund				-	14,508	14,508			-
<b>NJ STATE DEPT OF AGRICULTURE - DIRECT PROGRAMS</b>									
<b>ENTERPRISE FUND</b>									
State School Lunch Program	21-100-010-3350-023	7/1/20-06/30/21	1,621	(207)	207	-			-
State School Lunch Program	22-100-010-3350-023	7/1/21-06/30/22	5,093	-	4,100	5,093			(993)
Total Enterprise Fund				(207)	4,307	5,093			(993)
Total State Financial Assistance				\$ (207)	\$ 5,216,111	\$ 5,216,897			\$ (993)
On-Behalf-Teachers' Pension and Annuity Fund LT Disability	22-495-034-5094-004	7/1/21-06/30/22	191		191	191			
On-Behalf-Teachers' Pension and Annuity Pension	22-495-034-5094-002	7/1/21-06/30/22	154,487		154,487	154,487			
On-Behalf-Teachers' Pension Medical	22-495-034-5094-001	7/1/21-06/30/22	36,094		36,094	36,094			
Less Amounts Not Subject to Single Audit On Behalf payments					190,772	190,772			-
Total State Financial Assistance Subject to State Single Audit				\$ (207)	\$ 5,025,339	\$ 5,026,125			\$ (993)

See accompanying notes to schedules of expenditures of Federal and State award programs.

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

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

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

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ -0-	\$ 5,197,296	\$ 5,197,296
Special Revenue Fund	1,246,896	14,508	1,261,404
Enterprise Fund	<u>312,634</u>	<u>5,093</u>	<u>317,727</u>
Total Awards and Financial Assistance	<u>\$ 1,559,530</u>	<u>\$ 5,216,897</u>	<u>\$ 6,776,427</u>

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

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

**NOTE 5. OTHER INFORMATION**

The TPAF Social Security Contributions of \$91,676 represents the amount reimbursed by the state for the employer's share of social security for TPAF members for the year ended June 30, 2022.

The amount reported as TPAF Pension System Contributions in the amount of \$154,487 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$36,094 and long term disability contributions of \$0 represents the amount paid by the State on behalf of the Charter School for the fiscal year ended June 30, 2022.

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

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

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

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**PART 1 – SUMMARY OF AUDITOR’S RESULTS****Financial Statement Section**

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

**Federal Awards**

Internal control over compliance:		
Material weakness(es) identified?		X
Significant deficiencies identified not considered to be material weakness(es)?	X	None Reported
Type of auditor’s report on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be Reported in accordance with 2CFR 200.156(A)?		X

Identification of major programs:

<u>CDFA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund Cluster

Dollar threshold used to distinguish between type A and type B programs (.520)

Auditee qualified as low risk auditee: X



**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

<b>State Awards</b>	<b><u>YES</u></b>	<b><u>NO</u></b>	
Dollar threshold used to distinguish between type A and type B programs (.520)	\$750,000		
Auditee qualified as low risk auditee:	<b>X</b>		
Type of auditor’s report issued:	Unmodified		
Internal control over major programs:			
Material weakness(es) identified:		<b>X</b>	
Significant deficiencies identified not considered to be material weakness(es)?		<b>X</b>	None Reported
Type of auditor’s report on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be Reported in accordance with NJOMB Circular Letter 15-08?		<b>X</b>	
Identification of major programs:			
<u><b>CDFA Number(s)</b></u>			<u><b>Name of State Cluster</b></u>
22-495-034-5120-078			Equalization Aid
22-495-034-5120-089			Special Education Aid
22-495-034-5120-084			Security Aid
22-495-034-5120-085			Adjustment Aid

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

**ACHIEVERS EARLY COLLEGE PREP CHARTER SCHOOL  
SUMMARY OF SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance (section .315(a)(b)) and New Jersey OMB's Circular 15-08.

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