

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2023

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

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

***Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
SOMERSET, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023***

Prepared by

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

And

Barre & Company LLC, CPAs

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State Board of Education

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INTRODUCTORY SECTION

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

December 4, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of Central Jersey College Prep Charter School (Charter School) for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

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

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB's Circular 15-08, *Single*

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

Charter School Organization

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

The Chief Education Officer is the chief executive officer of the Charter School, responsible to the Board for total educational and support operations. The Financial Coordinator is the chief financial officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

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

Central Jersey College Prep Charter School provides a full range of services appropriate to Grades Kindergarten through 12th grade. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2022-2023 school year with an enrollment of 1249 students. The following details the student enrollment of the Charter School.

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment-ADE</u>	<u>Percent Change - ADE</u>
2022-2023	1249	2.97%
2021-2022	1248	2.52%
2020-2021	1216	16.65%
2019-2020	1014	19.51%
2018-2019	816	24.79%
2017-2018	614	22.55%

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

As a result of its innovative and effective instructional practices and comprehensive support for all students, CJCP has received many recognitions at the national, state, and local levels. CJCP earned Blue Ribbon status in 2016 and continues to perform at a high level. In 2023, US News ranked CJCP 32 out of 445 high schools ranked in New Jersey. This ranking is particularly notable because CJCP was the highest-ranked charter school in the state, and CJCP's ranking was significantly higher than the rankings of all three sending districts: Franklin High School (172), North Brunswick High School (166), and New Brunswick (348).

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

- USDOE Blue Ribbon School, 2016
- NJDOE Tier I Charter School, 2013-2023
- The US News Best High Schools, 2015 – 2023
- National Character School, 2020
- College Board AP Capstone School, 2020 – 2023
- College Board of Honor Roll Gold Award, 2023
- GreatSchools College Success Award, 2020 – 2022
- 100% Graduation Rate, 2011-2022

3. INTERNAL ACCOUNTING CONTROLS: Management of the Charter School is responsible for establishing and maintaining an internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2023.

5. CASH MANAGEMENT: The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to Basic Financial Statement” Note 2. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

7. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, LLC, Certified Public Accountants, was selected by the Board of Trustees. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendment of 1996, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors’ report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors’ reports, related specifically to the single audit, are included in the single audit section of this report.

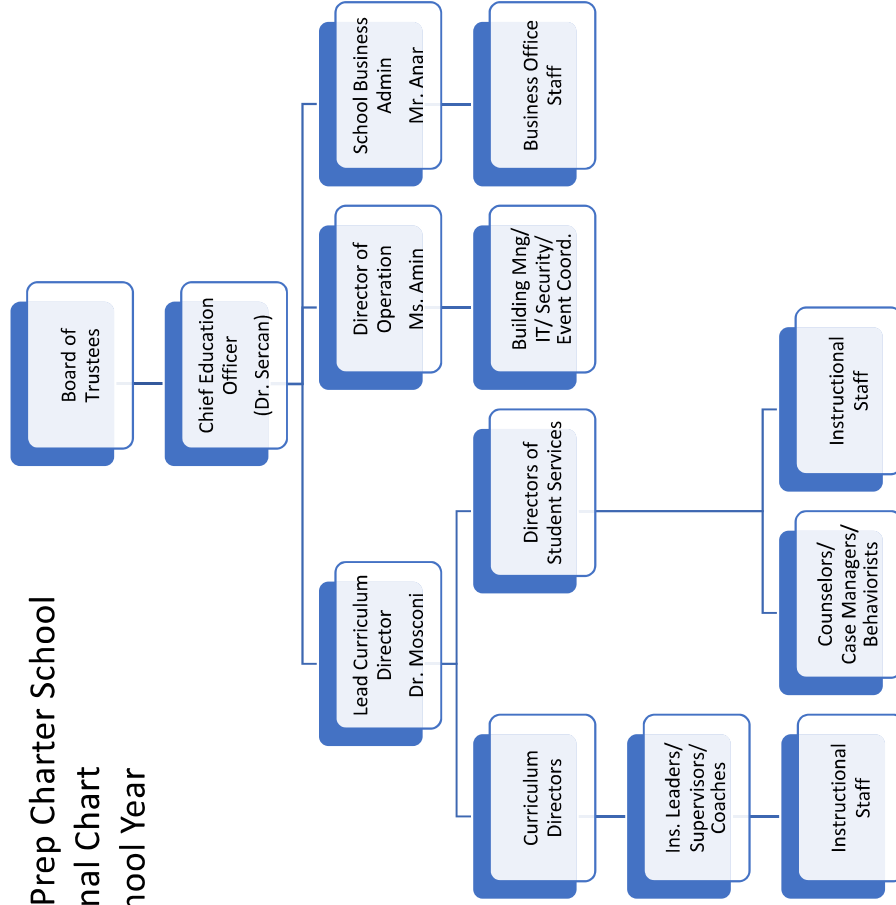
8. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of Central Jersey College Prep Charter School Board of Trustees for their concerns in providing fiscal accountability to the citizens and taxpayers of the participating school district and thereby contributing their full support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

Respectfully submitted,



Dr. Namik Sercan
Chief Education Officer

Central Jersey College Prep Charter School Organizational Chart 2022-23 School Year



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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

MEMBERS OF THE BOARD OF TRUSTEES

POSITION

Dr. Ferhan Tunagur, PhD.

President

Mrs. Jackie Lewis

Vice President/ Trustee

Mr. Eric Van Bladel

Trustee

Dr. Ozcan Uzun

Trustee

Dr. Tracy Gill

Trustee

OTHER OFFICIALS

Dr. Namik Sercan

Chief Education Official

Matt Anar

Business Administrator

Christopher Lessard

Treasurer

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

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorneys

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

Official Depository

Unity Bank
120 Cedar Grove Ln,
Somerset, NJ 08873

FINANCIAL SECTION

BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206
Union, New Jersey 07083
908-686-3484
FAX – 908-686-6055
www.cpa-bc.com ♦ info@cpa-bc.com

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Central Jersey College Prep Charter School (Charter School), in the County of Somerset, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Central Jersey College Prep Charter School, in the, State of New Jersey, as of June 30, 2023, and the respective changes in the financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Jersey 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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Jersey 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Jersey College Prep Charter School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

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

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

Other Information

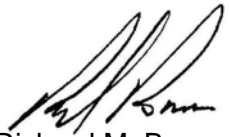
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

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

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated December 4, 2023 on our consideration of the Central Jersey College Prep Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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* and the Office of School Finance, Department of Education, State of New Jersey and the Office of School Finance, Department of Education, State of New Jersey in considering the Charter School's internal control over financial reporting and compliance.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

December 4, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

The discussion and analysis of Central Jersey College Prep Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2023 are as follows:

<u>District-Wide Financial Statement of Activities: Revenue</u>		
	<u>Amount</u>	<u>%</u>
General Revenues	\$22,170,702	95%
Program Specific	1,231,221	5%
Total Revenues	\$23,401,923	100%

District-Wide Financial Statement of Activities Revenue and Expenses

	<u>Amount</u>
Charter School Expenses	\$21,025,557
Program Specific	\$1,231,221
General Revenues	\$22,170,702

Governmental Funds: General Fund

	<u>Amount</u>
General Fund Revenues	\$22,963,829
General Fund Expenditures	\$19,945,163
Increase in Fund Balance	\$3,018,666

The General Fund's fund balance increase was anticipated by the Board of Trustees.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2023?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The Charter School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Charter School's general government operations and the basic services it provides. Governmental fund

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

Governmental Funds (Continued)

information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

Proprietary Fund

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

Notes to the Financial Statements

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

The Charter School as a Whole

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

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

	2023	2022
Combined Net Position	12,725,725	\$10,306,931

Governmental Activities

	2023	% of Total Expenses	2022	% of Total Expenses
Total Revenues	\$22,560,162		\$22,089,515	
State Reimbursed TPAF Social Security	\$509,789		\$428,342	
State Reimbursed Pension Contributions	\$1,819,598		\$1,931,679	
Total State Reimbursements	\$2,329,387		\$2,360,021	
Total Cost of All Programs and Services	\$20,183,927		\$17,523,253	
Instruction Expenses	\$9,062,950	45%	\$9,920,669	57%

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

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

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

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

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

Business-Type Activity

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

FOOD SERVICE

	2023	2022
Net Loss	\$42,771	
Net Income		\$359,174
Charges for Services	\$210,854	\$10,026
Federal and State Reimbursements	\$446,220	\$1,042,659

- ❖ Charges for services represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, includes payments for free and reduced lunch, breakfast, and snack programs.

AFTER CARE

After Care	2023	2022
Net Income	\$42,902	
Net Income		\$1,244
Charges for Services	\$98,907	\$61,734

- ❖ Charges for services represents amounts paid by patrons for services rendered in the After Care program.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

The Charter School's Funds

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

As demonstrated by the various statements and schedules included on the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2023, and the amounts and percentages of increases and decreases in relation to prior year amounts.

	2023	2022
Total Revenues	\$24,629,601	\$24,138,466
Total Expenditures	\$21,519,137	\$30,797,251
Increase in Fund Bal	\$3,018,666	
Decrease in Fund Bal		\$6,711,180

The following schedule represents a summary of the expenditures of the governmental funds for the fiscal year ended June 30, 2023, and the amounts and percentages of increases in relation to prior year amounts.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Local Sources	\$ 15,546,356	63.12%	\$ (465,939)	-2.91%
State Sources	7,681,168	31.19%	628,486	8.91%
Federal Sources	1,402,077	5.69%	328,588	30.61%
Total	\$ 24,629,601	100.00%	\$ 491,135	

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Instruction	\$ 9,234,847	43.89%	\$ 1,356,271	17.21%
Administration	6,279,799	29.85%	(270,667)	-4.13%
Support Services	5,524,526	26.25%	571,911	11.55%
Capital Outlay	-	0.00%	(11,415,594)	-100.00%
Total	\$ 21,039,172	100.00%	\$ (9,758,079)	

Changes in expenditures were the results of varying factors.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

General Fund Budgeting Highlights

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

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

Capital Assets (Net of Accumulated Depreciation)

	<u>2023</u>	<u>2022</u>
Machinery and Equipment	\$1,171,057	\$1,418,125

For the Future

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

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

Contacting the Charter School's Financial Management

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

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 13,006,308	\$ 356,043	\$ 13,362,351
Internal Balances	(52,879)	52,879	-
Receivables	1,455,355	84,215	1,539,570
Prepaid Expenses	200,000		200,000
Right of Use Asset, Net of Amortization	13,724,646		13,724,646
Capital Assets, Net	1,171,057	-	1,171,057
Total Assets	29,504,487	493,137	29,997,624
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	771,985		771,985
Total Deferred Outflows of Resources	771,985	-	771,985
LIABILITIES:			
Payable to Federal Government	484,233		484,233
Accounts Payable	542,295	37,936	580,231
Unearned Revenue	203,716		203,716
Noncurrent Liabilities:			
Due Within One Year	7,630,007		7,630,007
Due Beyond One Year			-
Pensions	3,812,193		3,812,193
Total Liabilities	12,672,444	37,936	12,710,380
DEFERRED INFLOWS OF RESOURCES:			
Pensions	(156,355)		(156,355)
Total Deferred Inflows of Resources	(156,355)	-	(156,355)
NET POSITION (DEFICIT):			
Net Investment in Capital Assets	9,405,844		9,405,844
Restricted for:			
Student Activities	57,965		57,965
Unemployment Fund	(256,755)		(256,755)
Net Investment in Capital Assets Unrestricted	3,063,470	455,201	3,518,671
Total Net Position (Deficit)	\$ 12,270,524	\$ 455,201	\$ 12,725,725

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Statement of Activities

For The Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 9,062,950	\$ -	\$ -	\$ 389,460	\$ -	\$ (8,673,490)	\$ -	\$ (8,673,490)
Administration	4,812,371	-	-	-	-	(4,812,371)	-	(4,812,371)
Support Services	4,165,596	-	-	-	-	(4,165,596)	-	(4,165,596)
Interest of Long Term Debt	523,477	-	-	-	-	(523,477)	-	(523,477)
Unallocated Depreciation and Amortization	1,619,533	-	-	-	-	(1,619,533)	-	(1,619,533)
Total Governmental Activities	<u>20,183,927</u>	<u>\$ -</u>	<u>-</u>	<u>389,460</u>	<u>-</u>	<u>(19,794,467)</u>	<u>-</u>	<u>(19,794,467)</u>
BUSINESS-TYPE ACTIVITIES:								
Food Service and After Care	841,630	-	395,541	446,220	-	-	131	131
Total Business-Type Activities	<u>841,630</u>	<u>-</u>	<u>395,541</u>	<u>446,220</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>131</u>
Total Primary Government	<u>\$ 21,025,557</u>	<u>-</u>	<u>\$ 395,541</u>	<u>\$ 835,680</u>	<u>\$ -</u>	<u>\$ (19,794,467)</u>	<u>\$ 131</u>	<u>\$ (19,794,336)</u>
GENERAL REVENUES								
General Purposes						\$ 15,170,243	\$ -	\$ 15,170,243
Federal and State Aid Not Restricted						6,624,346	-	6,624,346
Investment Earnings						46,881	-	46,881
Miscellaneous Income						329,232	-	329,232
Total General Revenues						<u>22,170,702</u>	<u>-</u>	<u>22,170,702</u>
Change in Net Position						2,376,235	131	2,376,366
Net Position - Beginning						9,894,289	455,070	10,349,359
Net Position - Ending						<u>\$ 12,270,524</u>	<u>\$ 455,201</u>	<u>\$ 12,725,725</u>

SECTION B – FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Governmental Funds
 Balance Sheet
 June 30, 2023

	General Fund	Special Revenue Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 12,705,933	\$ 300,375	\$ 13,006,308
Receivables:			
Interfund Receivables	136,525		136,525
Receivables From Other Governments	51,322	618,339	669,661
Receivables, Net	785,694		785,694
Other Assets	200,000	-	200,000
Total Current Assets	13,879,474	918,714	14,798,188
Total Assets	\$ 13,879,474	\$ 918,714	\$ 14,798,188
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Current Liabilities:			
Interfund Payables	\$ 34,377	\$ 155,027	\$ 189,404
Payable to Other Districts	167,006	317,227	484,233
Accounts Payable	129,596	108,518	238,114
Unearned Revenue		203,716	203,716
Unemployment Trust Liability	304,181		304,181
Total Current Liabilities	635,160	784,488	1,419,648
Total Liabilities	635,160	784,488	1,419,648
Fund Balances:			
Unassigned:			
General Fund	13,501,069		13,501,069
Unemployment Compensation	(256,755)		(256,755)
Student Activities		57,965	57,965
Special Revenue Fund		76,261	76,261
Total Fund Balances	13,244,314	134,226	13,378,540
Total Liabilities and Fund Balances	\$ 13,879,474	\$ 918,714	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$1,739,681 and the accumulated depreciation is \$568,624.	1,171,057
Right of use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds The cost of the assets is \$13,724,646 and the accumulated depreciation is \$.	8,234,787
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds Long-term debt included as net position from lease liabilities	(7,630,007)
Net pension liability of \$3,812,193, deferred inflows of resources of -\$156,355 less deferred outflows of resources of \$771,985 related to pensions are not reported in the governmental funds	(2,883,853)
Net Position of Governmental Activities	\$ 12,270,524

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 15,170,243	\$ -	\$ 15,170,243
Interest on Investments	46,881	26	46,907
Total Local Sources	15,282,661	263,695	15,546,356
State Sources	7,681,168		7,681,168
Federal Sources		1,402,077	1,402,077
Total Revenues	22,963,829	1,665,772	24,629,601
EXPENDITURES:			
Current:			
Instruction	8,275,152	959,695	9,234,847
Administration	6,759,764		6,759,764
Support Services	4,910,247	614,279	5,524,526
Total Expenditures	19,945,163	1,573,974	21,519,137
Excess (Deficiency) of Revenues over Expenditures	3,018,666	91,798	3,110,464
NET CHANGE IN FUND BALANCES	3,018,666	91,798	3,110,464
FUND BALANCES, JULY 1	10,225,648	42,428	10,268,076
FUND BALANCES, JUNE 30	<u>\$ 13,244,314</u>	<u>\$ 134,226</u>	<u>\$ 13,378,540</u>

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures
 And Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Fiscal Year Ended June 30, 2023

net change in fund balances - governmental fund (from B-2)		\$ 3,110,464
Items reported for governmental activities in the statement of activities (A-2) which are different:		
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.		
Depreciation Expense	\$ (247,068)	
Capital Outlay	<u>-</u>	<u>\$ (1,619,533)</u>
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Capital payment on long-term debt		1,007,350
Contribution costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.		<u>(122,046)</u>
Net change in net position of governmental activities		<u>\$ 2,376,235</u>

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

PROPRIETARY FUNDS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Proprietary Fund
Statement of Fund Net Position
June 30, 2023

	Business-Type Activities		
	Food Service	After Care	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 356,043	\$ -	\$ 356,043
Interfund Receivable	5,463	47,416	52,879
Intergovernmental Accounts Receivable:			
Federal	77,512		77,512
State	6,703		6,703
Total Current Assets	<u>445,721</u>	<u>47,416</u>	<u>493,137</u>
Noncurrent Assets:			
Machinery and Equipment	13,375		13,375
Less Accumulated Depreciation	<u>(13,375)</u>		<u>(13,375)</u>
Total Assets	<u>\$ 445,721</u>	<u>\$ 47,416</u>	<u>\$ 493,137</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Current Liabilities:			
Accounts Payable	\$ 37,936	-	\$ 37,936
Total Liabilities	<u>37,936</u>	<u>-</u>	<u>37,936</u>
Net Position:			
Unrestricted	<u>407,785</u>	<u>47,416</u>	<u>455,201</u>
Total Net Position	<u>407,785</u>	<u>47,416</u>	<u>455,201</u>
Total Liabilities and Net Position	<u>\$ 445,721</u>	<u>\$ 47,416</u>	<u>\$ 493,137</u>

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities			Total Enterprise
	Food Service Program			
	Food Service	Fixed Contract Price	After Care	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Program (Reimbursable Program) Meals	\$ -	\$ -	\$ 98,907	\$ 98,907
	210,854	-	-	210,854
Total Operating Revenues	210,854	-	98,907	309,761
OPERATING EXPENSES:				
Cost of Sales - Program (Reimbursable Programs) Meals	484,130	-	-	484,130
Salaries	203,405	-	53,325	256,730
Management Fees	27,624	-	-	27,624
Supplies and Materials	37,368	-	2,680	40,048
Miscellaneous Expenses	33,098	-	-	33,098
Total Operating Expenses	785,625	-	56,005	841,630
OPERATING (LOSS)	(574,771)	-	42,902	(531,869)
NONOPERATING REVENUES:				
Miscellaneous Income		-	-	
State Source:				
State School Breakfast/Lunch Program	29,028	-	-	29,028
Federal Source:				
National School Breakfast/Lunch/Snack Program/FFVP	352,775	-	-	352,775
National School Breakfast Program	64,417	-	-	64,417
Supply Chain Assistance Grant	85,780	-	-	85,780
Total Nonoperating Revenues	532,000	-	-	532,000
CHANGE IN NET POSITION	(42,771)	-	42,902	131
TOTAL NET POSITION, JULY 1	450,556	-	4,514	455,070
TOTAL NET POSITION, JUNE 30	\$ 407,785	\$ -	\$ 47,416	\$ 455,201

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities		
	Food Service	After Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 218,639	56,005	\$ 274,644
Cash Payments to Suppliers and Employees	(771,487)	(56,005)	(827,492)
Net Cash Used In Operating Activities	(552,848)	-	(552,848)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash Received From State And Federal Reimbursements	532,000		532,000
Net Cash Provided By Noncapital Financing Activities	532,000	-	532,000
Net Increase In Cash And Cash Equivalents	(20,848)	-	(20,848)
Cash And Cash Equivalents, Beginning Of Year	376,891	-	376,891
Cash And Cash Equivalents, End Of Year	<u>\$ 356,043</u>	<u>\$ -</u>	<u>\$ 356,043</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:			
Operating (Loss) Used for Operating Activities	\$ (574,771)	\$ 42,902	\$ (531,869)
Change In Assets And Liabilities:			
Increase In Interfund Receivables	(5,463)		(5,463)
(Increase) Decrease In Receivables	7,785		7,785
Increase (Decrease) In Interfund Payable	(17,635)	(42,902)	(60,537)
Increase In Accounts Payable	37,236		37,236
Net Cash Used In Operating Activities	<u>\$ (552,848)</u>	<u>\$ -</u>	<u>\$ (552,848)</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

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

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

A. Reporting Entity

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

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

B. Basis of Presentation, Basis of Accounting

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

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

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

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

The Charter School reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

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

Capital Projects Fund: Not Applicable.

The Charter School reports the following proprietary funds:

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

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

Basis of Accounting

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting (Continued)

Basis of Accounting (Continued)

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

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

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

C. Budgets/Budgetary Control

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

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

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

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

	<u>2023</u>	<u>2022</u>
Total Revenues & Expenditures (Budgetary Basis)	\$ 1,665,772	\$ 1,211,421
Adjustments:		
Less Encumbrances at June 30, 2023	-	(70,000)
Plus Encumbrances at June 30, 2022	-	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 1,665,772</u>	<u>\$ 1,141,421</u>

Encumbrances Accounting

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

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Equity

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued)

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

Unearned Revenue:

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

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

This statement defines net position as the residual of all other elements presented in statement of financial position. It is the difference between (1) assets and deferred outflows of resources and (2) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

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

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Unrestricted Net Position – any portion of net position not already classified as either net investment in capital assets or net position-restricted. Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves:

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

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

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

Revenues — Exchange and Non-exchange Transactions:

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Revenues — Exchange and Non-exchange Transactions: (Continued)

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Management Estimates:

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

Accrued Salaries and Wages:

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023 as well as security deposits for current lease agreements. The Charter School had \$200,000 in security deposits for the fiscal year ended June 30, 2023. In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (non-allocation method). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

E. PENSIONS

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. IMPACT OF RECENTLY ISSUED ACCOUNTING POLICIES

Impact of Recently Issued Accounting Principles

The GASB has adopted the following as of June 30, 2023

GASB No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), is effective with the fiscal year ending June 30, 2023. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

As of June 30, 2023, the entity's SBITAs were all 12 months or less and so the entity was exempt from reporting under this pronouncement.

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

- GASB Statement No. 100, Accounting Changes and Error Corrections, effective for the years beginning after June 15, 2023.
- GASB Statement No. 101, Compensated Absences, effective for the year ending June 30, 2025.

G. LEASES

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

The lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily available. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. LEASES (CONTINUED)

to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the School and payment of penalties for termination of a lease when the lease term reflects the lessee exercising a termination option. Each lease payment is allocated between the repayment of the principal portion of lease liability and the interest portion. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is recorded in financing expense. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of income.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

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

Deposits

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

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

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

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

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

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

Investments

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

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

As of June 30, 2023, cash and cash equivalents of the Charter School consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Proprietary Fund</u>	<u>Total</u>
Operating Account	\$ 12,705,933	\$300,375	\$ 356,043	\$ 13,362,351

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

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

Investments (Continued)

The carrying amount of the Board's cash and cash equivalents at June 30, 2023 was \$13,362,351 and the bank balance was \$13,605,697. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

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

As of June 30, 2023, the Board had funds invested and on deposit in checking accounts. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and modified by GASB Statement No. 40, and as such, are deposits that are insured or collateralized with securities held by the Board or by its agent in the Board's name, both at year-end and throughout the year.

New Jersey Cash Management Fund

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

As of June 30, 2023, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 3: **RECEIVABLES**

Receivables at June 30, 2023, consisted of accounts, intergovernmental, grants, and miscellaneous.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 3: RECEIVABLES (CONTINUED)

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

	Governmental Funds			Proprietary	Total	
	General	Special	Total	Food	Total	
	Fund	Revenue	Governmental	Service	Business	Total
			Activities	Fund	Type Activities	
State Awards	\$ 837,016	\$ -	\$ 837,016	\$ 6,703	\$ 6,703	\$ 843,719
Federal Awards	-	618,339	618,339	77,512	77,512	695,851
Other	-	-	-	-	-	-
Gross Receivables	837,016	618,339	1,455,355	84,215	84,215	1,539,570
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 837,016	\$ 618,339	\$ 1,455,355	\$ 84,215	\$ 84,215	\$ 1,539,570

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

The following interfund balances remained on the fund financial statements at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 136,525	\$ 34,377
Special Revenue Fund		155,027
Proprietary Fund	52,879	
Total	\$ 189,404	\$ 189,404

Interfund balances are expected to be liquidated by the end of June 30, 2024.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Site Improvements	\$ -	\$ -	\$ -	\$ -
Building and Building Improvements	721,285	-	-	721,285
Machinery and Equipment	1,018,396	-	-	1,018,396
Totals at Historical Cost	<u>1,739,681</u>	<u>-</u>	<u>-</u>	<u>1,739,681</u>
Less Accumulated Depreciation For:				
Site Improvements	-	-	-	-
Building and Building Improvements	151,360	66,704	-	218,064
Machinery and Equipment	170,196	180,364	-	350,560
Total Accumulated Depreciation	<u>321,556</u>	<u>247,068</u>	<u>-</u>	<u>568,624</u>
Total Capital Assets Being Depreciated,				
Net of Accumulated Depreciation	1,418,125	(247,068)	-	1,171,057
Government Activity Capital Assets, Net	<u>\$ 1,418,125</u>	<u>\$ (247,068)</u>	<u>\$ -</u>	<u>\$ 1,171,057</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 13,375	\$ -	\$ -	\$ 13,375
Less Accumulated Depreciation	13,375	-	-	13,375
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Depreciation expense of \$247,068 was charged to an unallocated function.

NOTE 6: LEASES

RIGHT OF USE LEASE ASSETS

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

On July 21, 2016, the school entered into a lease agreement with 101 Mettlers Road LLC, to relocate the school to premises located at 101 Mettlers Road, Somerset, New Jersey. There were several conditions to be met relative to this lease, but all such conditions were met as the school began its 2017-2018 school

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 6: LEASES (CONTINUED)

RIGHT OF USE LEASE ASSETS (CONTINUED)

year at said new location. The initial term of the lease was for a 5 year period. There are ongoing negotiations relative to the cancellation of the prior lease at 17 Schoolhouse Road.

On March 7, 2019, the school entered into a lease agreement with Anshe Emeth Memorial Temple to lease the premises located at 222 Livingston Avenue, New Brunswick, New Jersey for a term ending June 30, 2020 and a rent of \$12,000 per month. The lease has since been renewed effective July 1, 2022 to June 30, 2023 at a rent rate of \$14,000 every other month.

Right of use asset activity for the Primary Government for the year ended June 30, 2023, was as follows:

Leased Assets	Beginning Balance	Additions	Deductions	Ending Balance
Leased Assets Being Amortized				
Leased - Real Estate Expense	13,724,646	0	0	13,724,646
Total Leased Assets Being Amortized	13,724,646	0	0	13,724,646
Less: Accumulated Amortization				
Leased - Real Estate Expense	(4,117,394)	(1,372,465)	0	(5,489,859)
Total Accumulated Amortization	(4,117,394)	(1,372,465)	0	(5,489,859)
Total, Net of Accumulated Amortization	9,607,252	(1,372,465)	0	8,234,787

NOTE 7: LONG-TERM OBLIGATIONS

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

Maturity Analysis	Principal	Interest	Total
07/01/2023 - 06/30/2024	1,074,814	456,013	1,530,827
07/01/2024 - 06/30/2025	1,146,796	384,030	1,530,827
07/01/2025 - 06/30/2026	1,223,599	307,227	1,530,827
07/01/2026 - 06/30/2027	1,305,546	225,281	1,530,827
07/01/2027 - 06/30/2028	1,392,981	137,846	1,530,827
07/01/2028 - 06/30/2033	1,486,271	44,555	1,530,827
Total	7,630,007	1,554,953	9,184,959
Lease Liability	7,630,007		

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

A. LONG-TERM LIABILITY ROLLFORWARD SCHEDULE

	Beginning			Ending	Current
Governmental Activities:	Balance	Increases	Decreases	Balance	Portion of
					Balance
Lease Liabilities	\$ 8,637,357	\$ (1,007,350)	\$ -	\$ 7,630,007	67,464
Net Pension Liability	2,852,619		959,574	3,812,193	-
Governmental Activity Long-Term Liabilities	\$ 11,489,976	\$ (1,007,350)	\$ 959,574	\$ 11,442,200	\$ 67,464

NOTE 8: PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Benefits Provided (Continued)

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

Basis of Presentation

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

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

Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	
The Charter School reported liability as of June 30, 2023	\$3,812,193
The Charter School reported liability as of June 30, 2022	\$2,852,619
The Charter School proportion of net liability as of measurement date June 30, 2022	0.02526074%
The Charter School proportion of net liability as of measurement date June 30, 2021	0.02407985%
The Charter School proportion of net liability decrease from measurement date June 30, 2021	0.00118089%
The Charter School recognized pension expense as of June 30, 2023	\$282,003

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2022 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The state's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarially determined amount.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Contributions (Continued)

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

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

The net pension liability was measured as of June 30, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 11,811	\$ (444,715)
Changes in Proportion	\$ 27,515	\$ 24,264
Difference between Expected and Actual Experience	\$ 1,326,331	-
Net Difference Between Projected and Actual		
Investment Earnings on Pension Plan Investments	\$ (593,672)	264,096
	<u>\$ 771,985</u>	<u>\$ (156,355)</u>

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years for 2022, 2021, 2020, 2019, 2018, and 2017 amounts, respectively.

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

Fiscal Year Ending June 30,	Total
2024	\$ 403,424
2025	205,531
2026	100,233
2027	218,671
2028	480
	<u>\$ 928,340</u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuations as of July 1, 2022. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
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%

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

Discount Rate

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

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

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2022			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School proportionate share of the Net Pension Liability	\$ 4,939,029	\$ 3,812,193	\$ 2,912,972

Measurement Date June 30, 2021			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 3,926,099	\$ 2,852,619	\$ 1,997,834

Pension Plan Fiduciary Net Position

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

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

Benefit Provided

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

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows in resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2022 measurement date.

The contributions policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022 measurement date, the State's pension contribution was less than the actuarial determined amount.

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

Special Funding Situation:	
The State of New Jersey contributions to TPAF for normal pension benefits on behalf of the Charter School as of June 30, 2023	\$202,554
Contributions from the State of New Jersey is less than the contractually required contribution by	\$1,936,544
The State's proportionate share of net liability as of measurement date June 30, 2022	\$23,873,090
The Charter School proportion of net liability as of measurement date June 30, 2022	0.0462706900%
The Charter School proportion of net liability as of measurement date June 30, 2021	0.0313833569%
The Charter School proportion of net liability increase from measurement date June 30, 2021	0.01488733%
The State recognized pension expense on behalf of the Charter School as of June 30, 2022	1,936,544
The amount reported as a deferred outflow of resources related to pensions resulting from changes in assumptions amortized over a period of 8.5 years	\$5,004,259,312
The amount reported as a deferred inflow of resources resulting from the difference between projected an	\$19,682,774,794

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

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

Special Funding Situation

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

This note discloses the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal years ended 2023, the State of New Jersey contribution to the TPAF for normal pension benefits on behalf of the Charter School was less than the contractually required contribution.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022.

The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, Charter School's liability proportion decreased from its proportion measured as of June 30, 2021.

Charter School's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Charter School		23,873,090
Total	\$	<u>23,873,090</u>

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 3,013,097,864	\$ 19,441,140,477
Difference Between Expected and Actual Experience	699,820,974	122,664,916
Changes in Proportion and differences between employer contributions and proportionate share of contributions	118,969,401	118,969,401
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,172,371,073	-
	<u>\$ 5,004,259,312</u>	<u>\$ 19,682,774,794</u>

The amount reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years.

The amount reported as a deferred inflow of resources resulting from the difference between projected and actual is as follows:

Fiscal Year	Total
Ending June 30,	
2024	\$ (2,658,825,381)
2025	(3,823,762,872)
2026	(3,351,102,048)
2027	(1,509,375,379)
2028	(1,647,727,819)
Thereafter	(1,687,721,983)
	<u>\$ (14,678,515,482)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’ target asset allocation as of June 30, 2022 is summarized in the following table:

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

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

Long Term Expected Rate of Return (Continued)

			Long-Term Expected Real Rate of Return
Asset Class	Target Allocation		
U.S. Equity	27.00%		8.12%
Non-U.S. Developed Markets Equity	13.50%		8.38%
Emerging Markets Equity	5.50%		10.33%
Private Equity	13.00%		11.80%
Real Estate	8.00%		11.19%
Real	3.00%		7.60%
High Yield	4.00%		4.95%
Private Credit	8.00%		8.10%
Investment Grade Credit	7.00%		3.38%
Cash Equivalents	4.00%		1.75%
U.S. Treasuries	4.00%		1.75%
Risk Mitigation Strategies	3.00%		4.91%

Discount Rate – TPAF

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

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

The following presents the net pension liability of the State as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Measurement Date June 30, 2022			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 19,015,771	\$ 23,873,090	\$ 13,860,949

Measurement Date June 30, 2021			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.40%)	(5.40%)	(6.40%)
Charter School's proportionate share of the Net Pension Liability	\$ 17,884,877	\$ 15,087,608	\$ 12,790,510

Pension Plan Fiduciary Net Position – TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 8: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

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

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

For DCRP, the Charter School recognized no pension expense for the fiscal year ended June 30, 2023. There were no employee contributions to DCRP for the fiscal year ended June 30, 2023.

NOTE 9: POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description and Benefits Provided (Continued)

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.

Employees covered by benefit terms:

At June 30, 2022, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted for the following members:

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Inflation Rate	2.50%			
		TPAF/ABP	PERS	PFRS
Salary Increases				
Through 2026		2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
		based on service	based on service	based on service
		years	years	years

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-2022. 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-2022. 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-2022.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50 in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2022 was 3.54%. 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.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Changes in the Total Non-Employer OPEB Liability:

The following presents the total nonemployer OPEB liability measured as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

				Total OPEB Liability
Balance at June 30, 2022				\$ 6,804,105
Service cost				1,838,920
Interest on Total OPEB Liability				150,375
Effect on Changes of Benefit Terms				-
Difference between expected and actual experience				(1,452,749)
Effect of Changes of Assumptions				(1,522,181)
Contributions - Employee				4,778
Gross Benefits Paid by the State				(148,951)
Net Changes				(1,129,808)
Balance at June 30, 2023				\$ 5,674,297

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

The following presents the total nonemployer OPEB liability measured as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2022		
	At 1%	At current	At 1%
	Decrease (1.16%)	discount rate (2.16%)	Increase (3.16%)
Total OPEB Liability	\$ 6,669,539	\$ 5,674,297	\$ 4,876,660

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

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

The following presents the total nonemployer OPEB liability measured as of June 30, 2022 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2022		
	At 1%		At 1%
	decrease	Trend Rate	Increase
Total OPEB Liability	\$ 4,690,153	\$ 5,674,297	\$ 10,328,151

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

For the fiscal year ended June 30, 2023 the Charter School recognized OPEB expense of \$ 2,069,439 in the government-wide financial statements for the State's proportionate share of the OPEB Plan's OPEB expenses, associated with the Charter School. This expense and revenue was based on the OPEB Plan's June 30, 2022 measurement date.

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At the measurement date of June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 1,013,087	\$ (1,732,428)
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 982,077	(1,931,221)
Sub Total	1,995,164	(3,663,649)
Contributions Made in Fiscal Year 2023 after June 30, 2022 Measurement Date	N/A	N/A
Total	1,995,164	(3,663,649)

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2023

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

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

Fiscal Year Ending June 30,	
2024	\$ (288,065)
2025	(288,065)
2026	(288,065)
2027	(243,732)
2028	(139,369)
Total Thereafter	(439,339)
	\$ (1,686,635)

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance

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

NOTE 11: FUND BALANCE APPROPRIATED

	2023	2022
General Fund:		
Total Fund Balance	\$13,244,314	\$10,183,220
Reserved for Encumbrances	\$0	\$52,936
Unassigned	\$13,501,069	\$10,387,049

NOTE 12: CONTINGENCIES

In 2016, a former landlord commenced a summary dispossess action against the school whereas the school responded by commencing a declaratory judgment action seeking a determination that the school was relieved of all its obligations under the leases with the landlord due to the conduct of the landlord. Trial

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2023

NOTE 12: CONTINGENCIES (CONTINUED)

commenced in October, 2019. As of the date of the audit report the matter remains in a lower court where it is awaiting trial on the issue of damages relating to unpaid rent of approximately \$2.1 million. An outcome cannot be predicted as of the date of the audit.

NOTE 13: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,819,598, \$509,789, \$478,004, and \$1,961, respectively.

NOTE 14: CONCENTRATIONS

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

NOTE 15: RELATED PARTY TRANSACTIONS

In 2019, the charter school entered into a food service agreement with Middlesex County Stem Charter School ("Middlesex") where the charter school would provide food services to Middlesex during future school years. The agreement is in accordance with Department of Agriculture guidelines. There are no charges for this service per the agreement.

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

NOTE 16: SUBSEQUENT EVENTS

The Central Jersey College Prep Charter School's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of the audit which was December 4, 2023.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULES

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	2023				
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Levy Budget:					
Equalization Aid Local Share-Charter School Aid	\$ 15,706,418	\$ -	\$ 15,706,418	\$ 15,170,243	\$ (536,175)
Total Local Levy Budget	15,706,418	-	15,706,418	15,170,243	(536,175)
Categorical Aid:					
Special Education Categorical Aid	478,933		478,933	389,460	(89,473)
Demonstrably Effective Program Aid	4,413,007	-	4,413,007	4,482,356	69,349
Total Categorical Aid	4,891,940	-	4,891,940	4,871,816	(20,124)
Revenues From Other Sources:					
Interest Income				46,881	46,881
Miscellaneous Revenue				65,537	65,537
Reimbursed Social Security Contributions				509,789	509,789
On-Behalf TPAF(Non-Budget)					
Post Retirement Medical Aid				478,004	478,004
Long-Term Disability Insurance Aid				1,961	1,961
Pension Aid - Normal Cost				1,819,598	1,819,598
Total Revenues From Other Sources	-	-	-	2,921,770	1,100,211
Total Revenues	20,598,358	-	20,598,358	22,963,829	543,912
EXPENDITURES:					
Instruction:					
Salaries of Teachers	7,330,772	(807,648)	6,523,124	6,388,546	134,578
Other Salaries for Instruction	1,490,657	(4,826)	1,485,831	1,292,412	193,419
Purchased Prof/Tech Services	49,816	1,622	51,438	51,438	
Other Purchased Services	207,652	21,277	228,929	201,654	27,275
General Supplies	148,300	8,298	156,598	116,678	39,920
Textbooks	250,094	-	250,094	158,956	91,138
Miscellaneous	24,000	54,023	78,023	65,468	12,555
Total Instruction	9,501,291	(727,254)	8,774,037	8,275,152	498,885
Administration:					
Salaries - General Administration	1,036,862	-	1,036,862	942,223	94,639
Salaries of Secretarial/Clerical Assistants	424,790	(67,634)	357,156	299,997	57,159
Total Benefits Cost	3,229,448	30,000	3,259,448	2,366,815	892,633
Purchases Prof/Tech Services	58,000	29,117	87,117	87,117	-
Other Purchased Services	126,281	15,156	141,437	128,089	13,348
Communications/Telephone	26,065	17,124	43,189	43,189	
Supplies and Materials	46,223	49,834	96,057	49,834	46,223
Miscellaneous Expenses	4,500	1,153	5,653	33,148	(27,495)
Total Administration	4,952,169	74,750	5,026,919	3,950,412	1,076,507

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	2023				
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from Prior Page)					
Support Services:					
Salaries	\$ 2,239,746	\$ 388,515	\$ 2,628,261	\$ 2,146,394	\$ 481,867
Purchased Prof/Ed Services	136,000	121,022	257,022	176,611	80,411
Purchased Prof/Tech Services	283,895	49,818	333,713	223,225	110,488
Rental of Land and Buildings	1,897,826		1,897,826	1,737,661	160,165
Other Purchased Services	307,705	45,632	353,337	328,716	24,621
Transportation-Other Than To/From School	-	-	-	4,074	(4,074)
Insurance for Property, Liability and Fidelity	1,725	-	1,725	-	1,725
Supplies and Materials	231,271	36,939	268,210	136,743	131,467
Energy Costs (Heat and Electricity)	149,000	786	149,786	144,126	5,660
Travel	0	4,930	4,930		4,930
Miscellaneous Expenses	10,500	9,792	20,292	12,697	7,595
Total Support Services	5,257,668	657,434	5,915,102	4,910,247	1,004,855
Reimbursed TPAF Social Security (Non-Budgeted)				509,789	(509,789)
On-Behalf TPAF (Non-Budgeted)					
Post Retirement Medical Benefits				478,004	(478,004)
Long-Term Disability Insurance				1,961	(1,961)
Pension				1,819,598	(1,819,598)
Total Expenditures	19,711,128	4,930	19,716,058	19,945,163	(229,105)
Excess (Deficiency) of Revenues Over (Under) Expenditures	887,230	(4,930)	882,300	3,018,666	(2,136,366)
FUND BALANCE, JULY 1	30,316,179	-	30,316,179	10,225,648	(20,090,531)
FUND BALANCE, JUNE 30	\$ 31,203,409	\$ (4,930)	\$ 31,198,479	\$ 13,244,314	\$ (22,226,897)

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Local	\$ -	\$ -	\$ -	\$ 263,695	\$ 263,695
Federal	1,832,888	1	1,832,889	1,402,077	(430,812)
Total Revenues	1,832,888	1	1,832,889	1,665,772	(167,117)
EXPENDITURES:					
Instruction:					
Salaries	60,000		60,000	60,000	-
Salaries of Teachers	519,865	-	519,865	420,475	99,390
Purchased Prof/Tech Services	18,322	-	18,322	19,122	(800)
Other Purchased Services	54,400	-	54,400	112,792	(58,392)
General Supplies	419,728		419,728	305,931	113,797
Textbooks	-	-	-	-	
Other Objects	-	-	-	41,375	(41,375)
Total Instruction	1,072,315	-	1,072,315	959,695	112,620
Support Services:					
Salaries	327,822		327,822	243,088	84,734
Personal Services - Employee Benefits	122,535		122,535	105,861	16,674
Purchased Professional Services			-	152	(152)
Purchased Technical Services	213,864		213,864	162,393	51,471
Travel		-	-	-	
Other Purchased Services	7,393		7,393	7,393	
Supplies and Materials	69,804		69,804	76,237	(6,433)
Miscellaneous Expenditures	19,155	-	19,155	19,155	
Total Support Services	760,573	-	760,573	614,279	146,294
Facilities Acquisition and Construction Services:					
Instructional Equipment		1	1	-	1
Total Facilities Acquisition and Construction Services	-	1	1	-	1
Total Expenditures	1,832,888	1	1,832,889	1,573,974	258,915
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ 91,798	\$ 91,798

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

Fiscal Year Ended June 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 22,963,829	[C-2] \$ 1,665,772
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>22,963,829</u>	[B-2] \$ <u>1,665,772</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 19,945,163	[C-2] \$ 1,573,974
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>19,945,163</u>	[B-2] \$ <u>1,573,974</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

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

	Fiscal Year Ending June 30,							
	2016	2017	2018	2019	2020	2021	2022	2023
Charter School's proportion of the net pension liability	0.00808396%	0.00754571%	0.00881139%	0.01359230%	0.01547190%	0.02206966%	0.02407985%	0.02526074%
Charter School's proportionate share of the net pension liability	\$ 1,545,006	\$ 2,234,823	\$ 2,051,726	\$ 2,676,267	\$ 2,787,801	\$ 3,598,985	\$ 2,852,619	\$ 3,812,193
Charter School's covered payroll (plan measurement period)	\$ 498,947	\$ 778,576	\$ 1,397,675	\$ 1,076,868	\$ 2,407,012	\$ 2,376,537	\$ 2,858,327	\$ 2,675,746
Charter School's covered payroll (plan measurement period) as a percentage of it's covered payroll	310%	287%	147%	249%	116%	151%	100%	142%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	45.37%	45.37%	51.55%	51.55%	53.60%	58.32%	51.52%

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

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

	Fiscal Year Ending June 30,							
	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 60,911	\$ 67,035	\$ 81,651	\$ 137,436	\$ 152,702	\$ 243,086	\$ 282,003	\$ 319,507
Contributions in relation to the contractually required contribution	(60,911)	(60,911)	(81,651)	(137,436)	(152,702)	(282,003)	(282,003)	(319,507)
Contribution deficiency/(excess)	\$ -	\$ 6,124	\$ -	\$ -	\$ -	\$ (38,917)	\$ -	\$ -
Charter School's covered payroll (plan measurement period)	\$ 498,947	\$ 778,576	\$ 1,397,675	\$ 1,076,868	\$ 2,407,012	\$ 2,376,537	\$ 2,376,537	\$ 3,812,193
Contributions as a percentage of covered payroll	12.21%	8.61%	5.84%	12.76%	6.34%	10.23%	11.87%	8.38%

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

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

	Fiscal Year Ending June 30,							
	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable of the Charter School	0.014575910%	0.014844933%	0.017404800%	0.02202455%	0.02202267%	0.02449780%	0.03138336%	0.04627069%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 8,695,268	\$ 11,677,966	\$ 11,734,910	\$ 14,011,546	\$ 13,515,521	\$ 16,084,718	\$ 15,084,608	\$ 23,873,090
Charter School's covered payroll (plan measurement period)	\$ 2,162,651	\$ 2,324,081	\$ 2,152,311	\$ 2,693,272	\$ 4,739,915	\$ 5,851,986	\$ 6,989,585	\$ 6,482,608
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	402.07%	502.48%	545.22%	520.24%	285.14%	274.86%	215.82%	368.26%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	22.33%	25.41%	26.95%	32.62%	35.52%	46.78%

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

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

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

	Measurement Date Ending					
	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Total Non-Employer OPEB Liability- States's Proportionate Share of the Total OPEB Liability Associated with the Charter School						
OPEB Liability at Beginning of Measurement Period	\$ 3,222,274	\$ 3,345,436	\$ 2,682,621	\$ 2,787,045	\$ 7,258,299	\$ 6,804,105
Service cost	669,819	556,872	570,845	599,889	1,709,591	1,838,920
Interest on Total OPEB Liability	109,869	138,474	124,318	116,417	176,506	150,375
Effect on Changes of Benefit Terms				-	(7,242)	-
Difference between expected and actual experience			(549,276)	2,551,637	(2,205,237)	(1,452,749)
Effect of Changes of Assumptions	(581,892)	(307,844)	41,555	1,325,842	6,713	(1,522,181)
Contributions - Employee	2,853	2,479	2,536	3,830	4,512	4,778
Gross Benefits Paid by the State	(77,487)	(71,732)	(85,554)	(126,361)	(139,037)	(148,951)
	<u>123,162</u>	<u>(662,815)</u>	<u>104,424</u>	<u>4,471,254</u>	<u>(454,194)</u>	<u>(1,129,808)</u>
OPEB Liability at Beginning of Measurement Period	3,222,274	3,345,436	2,682,621	2,787,045	7,258,299	6,804,105
Total OPEB Liability at End of Measurement Period	<u>3,345,436</u>	<u>2,682,621</u>	<u>2,787,045</u>	<u>7,258,299</u>	<u>6,804,105</u>	<u>5,674,297</u>

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

Notes to Schedule:

Differences Between Expected and Actual Experiences: The \$1,399,200,736 decrease in the liability from June 30, 2021 to June 30, 2022 is due the combined effect of the following:

Update in census information	\$ 1,102,043,610
Premium and Claims Experience	297,157,126
Total	<u>\$ 1,399,200,736</u>

Changes in Assumptions:

The \$13,586,368,097 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the combined effect of the following:

Trend Update	\$ 1,934,312,842
Experience Study Update	\$ (2,690,739,174)
Discount Rate Change	\$ (12,829,941,765)
Total Changes in Assumption	<u>\$ (13,586,368,097)</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2023

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate remained at 7.00% as of June 30, 2021 and as of June 30, 2022 in accordance with Paragraph 44 of GASB Statement No. 67.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2023

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.60% as of June 30, 2021 to 7.00% as of June 30, 2022 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

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

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

Central Jersey College Prep Charter School
Special Revenue Fund
Combing Schedule of Provisions - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

REVENUE SOURCES:	NCLB Title I	NCLB Title III	I.D.E.A. Part B	I.D.E.A. Part B	ARP I.D.E.A. Preschool	ID.E.A. Preschool	ARP I.D.E.A.	ARP I.D.E.A.	NCLB Title II Part A	NCLB Title IV	CRSRA ESSEER II Grant	CRSRA I Acceleration Grant	CRSRA II Health Grant	CRSRA III Expansion Grant	Student / Athletics Fund	ARP ESSEER Accelerated Learning	ARP ESSEER Evidence Based Learning	ARP ESSEER Comprehensive	ARP ESSEER Mental Health	Grand Total	
Federal	235,772	21,653	235,950	4,813	4,720	4,720	33,578	39,654	39,654	17,981	62,440	21,419	44,500	581,809	263,895	16,081	4,173	1,890	15,946	1,402,077	
Total Revenues	235,772	21,653	235,950	4,813	4,720	4,720	33,578	39,654	39,654	17,981	62,440	21,419	44,500	581,809	263,895	16,081	4,173	1,890	15,946	1,665,772	
EXPENDITURES:																					
Instruction:																					
Salaries	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000	
Salaries of Teachers	13,172	-	-	-	-	-	-	5,950	-	-	-	-	-	420,475	-	-	-	-	-	40,824	
Purchased Prof/Tech Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,122	
Other Purchased Services	132,000	18,453	315	-	-	-	2,894	-	5,294	15,284	47,180	9,554	-	7,500	101,292	1,181	4,173	-	-	112,792	
General Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	29,532	29,230	-	-	-	-	305,931	
Other Objects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,579	-	-	-	-	41,579	
Total Instruction	205,172	18,453	315	-	-	-	2,894	5,950	15,284	15,284	47,180	13,554	-	37,032	171,897	1,181	4,173	-	-	858,695	
Support Services:																					
Personnel Services - Employee Benefits	30,000	-	121,400	-	-	-	-	10,440	-	-	10,440	-	28,928	82,220	-	-	-	-	-	243,088	
Purchased Technical Services	-	-	61,914	-	-	-	-	1,776	-	-	1,776	-	11,571	-	-	-	-	-	-	105,861	
Other Purchased Prof/Tech Services	-	2,898	41,980	4,813	4,720	-	21,812	10,740	2,697	7,865	1,889	7,865	3,897	21,835	-	-	-	-	-	26,555	
Supplies and Materials	-	602	7,105	-	-	-	8,972	18,000	5,504	1,889	1,889	-	2,894	14,900	-	-	-	-	-	136,555	
Miscellaneous Expenditures	-	-	3,556	-	-	-	-	8,972	18,000	-	1,155	-	-	42,230	-	-	-	-	-	77,857	
Total Support Services	30,000	3,200	235,935	4,813	4,720	4,720	30,884	33,704	2,697	7,865	15,280	7,865	44,500	145,219	22,976	14,900	1,890	15,946	614,279		
Facilities Acquisition and Construction Services:																					
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditures	235,772	21,653	235,950	4,813	4,720	4,720	33,578	39,654	39,654	17,981	62,440	21,419	44,500	581,809	171,897	16,081	4,173	1,890	15,946	1,573,974	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,798

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

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

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

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

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

STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity (Not Applicable to Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 9,405,844	\$ 11,025,377	\$ 829,941	\$ 829,941	\$ 772,236	\$ 583,644	\$ 206,745	\$ 225,540	\$ 244,335	\$ 263,130
Restricted	(198,790)	-	-	-	-	49,688	-	487	6,516	-
Unrestricted (Deficit)	3,063,470	(1,119,226)	3,497,322	926,797	121,327	(526,391)	(425,869)	(700,334)	(321,158)	1,500,168
Total Governmental Activities Net Position (Deficit)	\$ 12,270,524	\$ 9,906,151	\$ 4,327,263	\$ 1,756,738	\$ 893,563	\$ 106,941	\$ (219,124)	\$ (474,307)	\$ (70,307)	\$ 1,763,298
Business-Type Activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 337	\$ 3,052	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	455,201	455,070	94,314	112,113	89,507	12,472	11,889	5,676	24,128	55,567
Total Business-Type Activities Net Position	\$ 455,201	\$ 455,070	\$ 94,651	\$ 115,165	\$ 89,507	\$ 12,472	\$ 11,889	\$ 5,676	\$ 24,128	\$ 55,567
Charter School-wide										
Net Investment in Capital Assets	\$ 9,405,844	\$ 11,025,377	\$ 830,278	\$ 832,993	\$ 772,236	\$ 583,644	\$ 206,745	\$ 225,540	\$ 244,335	\$ 263,130
Restricted	(198,790)	-	-	-	-	49,688	-	487	6,516	-
Unrestricted	3,518,671	(664,156)	3,591,636	1,038,910	210,834	(513,919)	(413,980)	(694,658)	(297,030)	1,555,735
Total Charter School Net Position	\$ 12,725,725	\$ 10,361,221	\$ 4,421,914	\$ 1,871,903	\$ 983,070	\$ 119,413	\$ (207,235)	\$ (468,631)	\$ (46,179)	\$ 1,818,865

Source: Annual Comprehensive Financial Report

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental Activities:										
Instruction	\$ 9,062,950	\$ 9,920,669	\$ 8,816,575	\$ 7,453,620	\$ 5,761,242	\$ 4,542,236	\$ 3,814,734	\$ 3,544,643	\$ 2,719,283	\$ 2,468,847
Administration	4,812,371	1,864,176	3,409,893	2,631,273	1,793,079	1,784,746	908,900	722,939	579,386	516,587
Support Services	4,165,586	3,630,412	4,796,386	4,735,077	3,482,867	2,681,227	2,091,218	2,022,891	1,678,080	1,355,425
Capital Outlay	-	-	-	44,381	317,383	293,026	10,123	139,604	136,994	-
Interest on Long-Term Debt	523,477	597,627	-	-	-	-	-	-	-	-
Unallocated Depreciation	1,619,533	137,904	95,722	76,720	63,277	2,350	18,795	18,795	18,795	18,795
Total Governmental Activities Expenses	<u>20,183,927</u>	<u>16,150,788</u>	<u>17,118,576</u>	<u>14,941,071</u>	<u>11,417,848</u>	<u>9,313,585</u>	<u>6,843,770</u>	<u>6,449,072</u>	<u>5,134,538</u>	<u>4,359,654</u>
Business-Type Activities:										
Food Service	841,630	298,888	313,612	284,576	178,948	175,327	176,409	194,976	201,691	177,057
Total Business-Type Activities Expenses	<u>841,630</u>	<u>298,888</u>	<u>313,612</u>	<u>284,576</u>	<u>178,948</u>	<u>175,327</u>	<u>176,409</u>	<u>194,976</u>	<u>201,691</u>	<u>177,057</u>
Total Charter School Expenses	<u>\$ 21,025,557</u>	<u>\$ 16,449,676</u>	<u>\$ 17,432,188</u>	<u>\$ 15,225,647</u>	<u>\$ 11,596,796</u>	<u>\$ 9,488,912</u>	<u>\$ 7,020,179</u>	<u>\$ 6,644,048</u>	<u>\$ 5,336,229</u>	<u>\$ 4,536,711</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ -	\$ 67,932	\$ 27,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	389,460	365,233	271,414	236,744	197,126	124,977	135,640	112,680	80,548	85,046
Total Governmental Activities Program Revenues	<u>389,460</u>	<u>433,165</u>	<u>299,327</u>	<u>236,744</u>	<u>197,126</u>	<u>124,977</u>	<u>135,640</u>	<u>112,680</u>	<u>80,548</u>	<u>85,046</u>
Business-Type Activities:										
Charges for Services	395,541	71,050	32,296	195,935	190,722	127,930	144,865	111,720	89,100	97,048
Operating Grants and Contributions	446,220	1,060,418	226,920	124,237	109,182	74,327	74,387	84,881	85,014	88,410
Total Business-Type Activities Program Revenues	<u>841,761</u>	<u>1,131,468</u>	<u>259,216</u>	<u>320,172</u>	<u>299,904</u>	<u>202,457</u>	<u>219,252</u>	<u>196,601</u>	<u>174,114</u>	<u>185,458</u>
Total Charter School Revenues	<u>\$ 1,231,221</u>	<u>\$ 1,564,633</u>	<u>\$ 558,543</u>	<u>\$ 556,916</u>	<u>\$ 497,030</u>	<u>\$ 327,434</u>	<u>\$ 354,892</u>	<u>\$ 309,281</u>	<u>\$ 254,662</u>	<u>\$ 270,504</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (19,794,467)	\$ (15,717,623)	\$ (16,819,249)	\$ (14,704,327)	\$ (11,220,722)	\$ (9,188,608)	\$ (6,708,130)	\$ (6,336,392)	\$ (5,053,990)	\$ (4,274,608)
Business-Type Activities	131	832,580	(64,396)	35,596	120,956	27,130	42,843	1,625	(27,577)	8,401
Total Charter School-wide Net Expense	<u>\$ (19,794,336)</u>	<u>\$ (14,885,043)</u>	<u>\$ (16,873,645)</u>	<u>\$ (14,668,731)</u>	<u>\$ (11,099,766)</u>	<u>\$ (9,161,478)</u>	<u>\$ (6,665,287)</u>	<u>\$ (6,334,767)</u>	<u>\$ (5,081,567)</u>	<u>\$ (4,266,207)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Purposes	\$ 15,170,243	\$ 14,324,294	\$ 13,104,900	\$ 11,012,584	\$ 8,492,440	\$ 5,713,942	\$ 4,561,287	\$ 3,712,843	\$ 2,657,105	\$ 2,464,865
Federal and State Aid Not Restricted	6,624,346	5,711,987	6,278,858	4,453,990	3,689,815	3,877,370	2,300,574	2,413,535	2,133,691	1,985,360
Investment Earnings	46,881	-	39,055	21,072	11,984	499	-	-	-	1
Miscellaneous Income	329,232	1,599,274	49,141	79,856	4,435	2,492	158	39,625	26,136	3,829
Total Governmental Activities	<u>22,170,702</u>	<u>21,635,555</u>	<u>19,471,954</u>	<u>15,567,502</u>	<u>12,198,674</u>	<u>9,594,303</u>	<u>6,862,019</u>	<u>6,165,803</u>	<u>4,816,932</u>	<u>4,454,055</u>
Business-Type Activities:										
Miscellaneous Income	-	710	79	-	5,572	3	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>710</u>	<u>79</u>	<u>-</u>	<u>5,572</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charter School-wide	<u>\$ 22,170,702</u>	<u>\$ 21,636,265</u>	<u>\$ 19,472,033</u>	<u>\$ 15,567,502</u>	<u>\$ 12,204,246</u>	<u>\$ 9,594,306</u>	<u>\$ 6,862,019</u>	<u>\$ 6,165,803</u>	<u>\$ 4,816,932</u>	<u>\$ 4,454,055</u>
Change in Net Position										
Governmental Activities	\$ 2,376,235	\$ 5,917,932	\$ 2,652,705	\$ 863,175	\$ 977,952	\$ 405,695	\$ 153,889	\$ (170,589)	\$ (237,058)	\$ 179,447
Business-Type Activities	131	833,290	(64,317)	35,596	126,528	27,133	42,843	1,625	(27,577)	8,401
Total Charter School	<u>\$ 2,376,366</u>	<u>\$ 6,751,222</u>	<u>\$ 2,588,388</u>	<u>\$ 898,771</u>	<u>\$ 1,104,480</u>	<u>\$ 432,828</u>	<u>\$ 196,732</u>	<u>\$ (168,964)</u>	<u>\$ (264,635)</u>	<u>\$ 187,848</u>

Source: Annual Comprehensive Financial Report

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Fund Balances - Governmental Funds
(Modified Accrual Basis of Accounting)

(Unaudited)

Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund	\$ -	\$ (203,829)	\$ 83,105	\$ 2,800	\$ -	\$ 49,688	\$ -	\$ 487	\$ 6,516	\$ -
Restricted	13,244,314	10,387,049	6,063,198	3,243,947	2,120,950	1,281,902	1,302,794	1,129,623	1,275,389	1,500,168
Unassigned										
Total General Fund	\$ 13,244,314	\$ 10,183,220	\$ 6,146,303	\$ 3,246,747	\$ 2,120,950	\$ 1,331,590	\$ 1,302,794	\$ 1,130,110	\$ 1,281,905	\$ 1,500,168
All Other Governmental Funds										
Special Revenue Fund	\$ 134,226	\$ (15,537)	\$ -	\$ -	\$ (1)	\$ -	\$ 1	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ 134,226	\$ (15,537)	\$ -	\$ -	\$ (1)	\$ -	\$ 1	\$ -	\$ -	\$ -

Source: Annual Comprehensive Financial Report

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local Sources:										
Local Tax Levy	\$ 15,170,243	\$ 14,324,294	\$ 13,104,900	\$ 11,012,584	\$ 8,492,440	\$ 5,713,942	\$ 4,561,287	\$ 3,712,643	\$ 2,657,105	\$ 2,464,865
Interest In Investments	46,907	-	39,055	21,072	499	-	-	-	-	-
Miscellaneous	329,206	1,667,206	77,054	79,856	4,435	2,492	158	39,625	26,136	3,829
State Sources	7,681,168	7,052,682	4,753,705	3,590,710	3,042,316	3,073,831	2,196,908	2,169,098	1,941,079	1,952,417
Federal Sources	1,402,077	1,073,489	702,517	511,557	270,163	163,448	239,306	357,117	273,160	117,989
Total Revenues	24,629,601	24,117,671	18,677,231	15,215,779	11,809,853	8,953,713	6,997,659	6,278,483	4,897,480	4,539,100
Expenditures:										
Instruction	9,234,847	7,878,576	6,598,911	5,757,499	4,324,177	3,354,131	2,938,763	2,762,578	2,184,859	1,956,757
Administration	6,759,764	6,550,466	4,759,968	3,910,402	2,962,689	2,483,459	2,033,006	1,729,285	1,310,078	1,169,486
Support Services	5,524,526	4,952,615	4,253,984	4,227,854	3,102,983	2,364,442	1,843,083	1,798,610	1,481,812	1,214,616
Capital Outlay	-	11,415,594	250,021	194,227	642,129	723,385	10,123	139,804	138,994	-
Total Expenditures	21,519,137	30,797,251	15,862,884	14,089,982	11,031,978	8,925,417	6,824,975	6,430,277	5,115,743	4,340,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,110,464	(6,679,580)	2,814,347	1,125,797	777,875	28,296	172,684	(151,794)	(218,263)	198,241
Other Financing Sources (Uses):										
Transfers In	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 3,110,464	\$ (6,679,580)	\$ 2,814,347	\$ 1,125,797	\$ 777,875	\$ 28,296	\$ 172,684	\$ (151,794)	\$ (218,263)	\$ 198,241

Source: Annual Comprehensive Financial Report

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

Fiscal Year Ending June 30,	Donations	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2023	\$ -	\$ -	\$ 65,537	\$ 65,537
2022		4,641	1,594,633	1,599,274
2021	1,519	22,497	25,125	49,141
2020	13,886	3,814	62,156	79,856
2019	7,012	-	(2,577)	4,435
2018	1,120	-	1,372	2,492
2017	-	-	158	158
2016	-	-	39,625	39,625
2015	-	-	26,136	26,136
2014	-	1,186	2,643	3,829

Source: Charter School records

OPERATING INFORMATION

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

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	106	107	108	101	83	50	41	38	37	36
Administrative	6	5	5	5	5	4	4	3	3	3
Support Services	38	37	40	37	30	18	17	11	11	11
Total	150	149	153	143	118	72	62	52	51	50

Source: Charter School Personnel Records

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

Operating Statistics
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily		Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (ADE) ^c	Attendance (ADA) ^c			
2023	1287	\$ 21,519,137	\$ 16,720	11.03%	106	10:1	1285.86	1282.97	1282.97	2.97%	99.78%
2022	1249	19,381,657	15,518	25.42%	107	10:1	1247.7	1243.22	1243.22	2.52%	99.64%
2021	1214	15,452,859	12,729	5.70%	108	10:1	1216.28	1184.52	1184.52	16.65%	97.39%
2020	1042	14,619,140	14,030	38.85%	101	10:1	1013.8	990.25	990.25	19.51%	97.68%
2019	828	10,528,843	17,092	20.65%	83	10:1	816	786	786	24.79%	96.32%
2018	616	8,726,411	18,067	7.35%	50	18:1	614	597	597	22.55%	97.28%
2017	483	8,128,576	19,400	17.36%	41	18:1	475	438	438	11.74%	92.15%
2016	419	6,926,363	22,415	37.39%	38	18:1	420	410	410	26.34%	97.74%
2015	309	5,041,391	16,693	16.14%	37	N/A	309	304	304	2.27%	98.38%
2014	302	4,340,859	-	0.00%	36	N/A	302	298	298	0.00%	98.68%

Sources: Charter School records

Note: Enrollment based on annual final Charter School count.

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

School Building Information
(Unaudited)

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Charter School Building										
Elementary										
Name of School (Year)	118,512	118,512	82,750	60,000	60,000	55,000	45,000	45,000	45,000	45,000
Square Feet	1320	1320	1320	816	650	480	432	336	336	336
Capacity (students)	1249	1214	1042	828	616	478	419	309	302	309
Enrollment										
Number of Schools at June 30, 2023										
Elementary = 1	517	544	552	516	411	263	N/A	N/A	N/A	N/A
Middle School = 1	418	442	448	340	224	167	N/A	N/A	N/A	N/A
High School = 1	352	263	214	186	193	186	N/A	N/A	N/A	N/A

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Insurance Schedule
 June 30, 2023

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

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

	2021 Audit	2022 Audit	2023 Audit	Source
Cash	6,641,835	9,317,513	13,362,351	Audit: Exhibit A-1
Current Assets (include cash)	8,102,944	11,208,462	15,101,921	Audit: Exhibit A-1
Current Liabilities	1,988,104	527,744	1,288,180	Audit: Exhibit A-1
Total Expenses	17,440,000	18,295,013	21,025,557	Audit: Exhibit A-2
Change in Net Position	2,590,602	4,926,680	2,376,366	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	1,014.00	1,216.00	1,286.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	1,042	1,214	1,287	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	-	-	-	Auditor/Workpapers
Interest Expense	-	-	-	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators	3 YR CUM			Calculation****	Target****
	2021	2022	2023		
Near Term Indicators					
1a. Current Ratio (working capital ratio)	4.08	21.24	11.91	Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	139	186	232	Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	97%	100%	100%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.** Default on loans or delinquent in debt payments	NO	NO	NO	Auditor	not in default
Sustainability Indicators					
2a*** 3 Year Cumulative Cash Flow	2,833,172	2,675,678	4,044,838	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio	N/A	N/A	N/A	N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renascence schools: use Oct 15 count if no final count; use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 *** 2023 =2023 Cash -2022 Cash, 2022 =2022 Cash -2021 Cash, 2021 =2021 Cash -2020 Cash
 **** Refer to NJ Performance Framework

Meets Standard
 Does Not Meet Standard
 Falls Far Below Standard

SINGLE AUDIT SECTION

BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund information of Central Jersey College Prep Charter School (Charter School), in the County of Somerset, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School’s basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 4, 2023.

Report on Internal Control over Financial Reporting

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

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

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

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

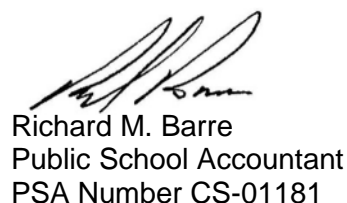
Report on Compliance and Other Matters

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

Purpose of This Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

December 4, 2023

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

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

Report on Compliance for Each Major State and Federal Program

Opinion on Each Major State and Federal Program

We have audited the Central Jersey College Prep Charter School's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* the New Jersey Circular 15-08- OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2023. The Central Jersey College Prep Charter School's major state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

In our opinion, the Central Jersey College Prep Charter School, in the County of Somerset, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state [and Federal] programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major State and Federal Program

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

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

We are required to be independent of Central Jersey College Prep Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state and Federal program. Our audit does not provide a legal determination of Central Jersey 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 Central Jersey College Prep Charter School's State and Federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Central Jersey College Prep Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Central Jersey 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 *Uniform Guidance* and the New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of Central Jersey College Prep Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

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


Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

December 4, 2023

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 Financial Statements
 For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2022	Carryover/(Waiver) Amount	Cash Received	Budgetary Expenditures	Pass Through To Subrecipients	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2023	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
84.010A	N/A		S0010A230030	NCLB - 6018 - 23	\$ 235,772	7/1/22 6/30/23	\$ -	\$ -	\$ 376,252	\$ (235,772)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,480
84.010A	N/A		S0010A230030	NCLB - 6018 - 22	162,167	9/1/21 8/31/22	(61,151)	-	81,151	(21,653)	-	-	-	-	-	9,346
84.365A			S395A230030	NCLB - 6018 - 22	21,653	7/1/22 6/30/23	(3,464)	-	30,989	(21,653)	-	-	-	-	-	-
84.367A			S395A230030	NCLB - 6018 - 22	39,654	7/1/22 6/30/23	(3,464)	-	34,504	(39,654)	-	-	-	(5,150)	-	-
84.367A			S397A230029	NCLB - 6018 - 23	29,537	7/1/21 6/30/22	(34,905)	-	34,905	(17,981)	-	-	-	-	-	-
84.186			S424A230031	NCLB - 6018 - 23	17,981	9/1/22 8/31/23	(130,437)	-	590,173	(315,060)	-	-	-	(5,150)	-	149,626
Total ESSEA																
Individuals with Disabilities Cluster:																
Special Education Cluster (IDEA):																
84.027A			H027A230031	IDEA - 6018 - 23	235,950	7/1/22 6/30/23	(50,053)	-	339,061	(235,950)	-	-	-	(61,914)	-	164,025
84.027A			H027A230031	IDEA - 6018 - 22	194,199	9/1/21 8/31/22	(50,053)	-	50,053	(4,720)	-	-	-	(3,539)	-	-
84.173			H027A230031	IDEA - 6018 - 23	4,720	9/1/22 8/31/22	(2,040)	-	1,810	(4,720)	-	-	-	-	-	-
84.027X			H027A230031	IDEA - 6018 - 23	2,585	9/1/21 8/31/22	(22,520)	-	2,040	(33,578)	-	-	-	(4,813)	-	164,025
84.173X			H027A230031	IDEA - 6018 - 23	4,813	7/1/22 6/30/23	(75,019)	-	447,653	(279,061)	-	-	-	(70,260)	-	-
Total Special Education (IDEA) Cluster																
Other Special Revenue Funds:																
84.282			S425D230027	N/A	-	9/1/22 8/31/23	(19,363)	-	13,547	(60,008)	-	-	-	(65,824)	-	-
84.425			S425D230027	COVID-19: CARES Emergency Relief	490,216	3/13/20 9/30/22	(484,389)	-	469,256	(62,440)	-	-	-	(77,553)	-	-
84.425			S425D230027	COVID-19: CARES Emergency Relief	31,459	3/13/20 9/30/23	(11,640)	-	6,708	(21,419)	-	-	-	(26,351)	-	-
84.425			S425D230027	COVID-19: CARES Emergency Relief	1,101,728	3/13/20 9/30/23	(354,297)	-	607,639	(581,909)	-	-	-	(328,467)	-	-
84.425			S425D230027	COVID-19: CARES Emergency Relief	118,588	3/13/20 9/30/24	(27,425)	-	23,106	(16,081)	-	-	-	(14,400)	-	-
84.425			S425U230027	COVID-19: CARES Emergency Relief	40,000	3/13/20 9/30/24	(4,338)	-	5,918	(1,580)	-	-	-	(4,173)	-	-
84.425			S425U230027	COVID-19: CARES Emergency Relief	40,000	3/13/20 9/30/24	(2,348)	-	2,348	(4,173)	-	-	-	(15,072)	-	-
84.425			S425D230027	COVID-19: CARES Emergency Relief	45,000	3/13/20 9/30/23	(500)	-	29,928	(44,500)	-	-	-	(542,923)	-	-
Total Other Special Revenue Funds																
Total Special Revenue Fund																
U.S. Department of Agriculture																
Passed-through State Department of Agriculture																
Enterprise Fund:																
10.553			231NJ304N099	N/A	64,417	7/1/22 6/30/23	(14,114)	-	52,096	(64,417)	-	-	-	(12,321)	-	-
10.553			231NJ304N099	N/A	6,599	7/1/21 6/30/22	(14,114)	-	14,114	(352,775)	-	-	-	(65,191)	-	-
10.555			231NJ304N099	N/A	352,775	7/1/22 6/30/23	(76,134)	-	287,584	(352,775)	-	-	-	(85,191)	-	-
10.555			231NJ304N099	N/A	14,151	7/1/21 6/30/22	(90,249)	-	76,134	(417,192)	-	-	-	(77,512)	-	-
Total Child Nutrition Cluster:																
Total Enterprise Fund																
Sub-Total Federal Financial Awards																
Total Federal Financial Awards																

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2023

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022			Balance at June 30, 2023			MEMO		
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Balance		(Accounts Receivable)	Unearned Revenue/Interfund Payable
State Department of Education													
General Fund:													
State Aid-Public													
Equalization Aid	23-495-034-5120-078	\$ 4,482,356	7/1/22	6/30/23	\$ -	\$ -	\$ -	\$ 3,696,662	\$ (4,482,356)	\$ -	\$ (785,694)	\$ -	\$ 4,482,356
Equalization Aid	22-495-034-5120-078	2,639,547	7/1/21	6/30/22		(434,466)		434,466					389,460
Special Education, Categorical Aid	23-495-034-5120-089	389,460	7/1/22	6/30/23				389,460	(389,460)		(785,694)		389,460
Security Aid	23-495-034-5120-084	-	7/1/22	6/30/23		(434,466)		434,466	(434,466)				4,877,616
Total State Aid-Public													
On-Behalf:													
TPAF Post-Retirement Medical Benefits	23-495-034-5094-001	478,004	7/1/22	6/30/23				478,004	(478,004)				478,004
TPAF Pension	23-495-034-5094-002	1,819,598	7/1/22	6/30/23				1,819,598	(1,819,598)				1,819,598
Long Term Disability Insurance	23-495-034-5094-004	1,961	7/1/22	6/30/23				1,961	(1,961)		(51,322)		1,961
Reimbursed TPAF - Social Security	23-495-034-5094-003	599,789	7/1/22	6/30/23		(23,039)		458,467	(509,789)				599,789
Reimbursed TPAF - Social Security	22-495-034-5094-003	389,790	7/1/21	6/30/22				23,039					389,789
Total General Fund						(457,505)		7,301,657	(7,681,168)		(837,016)		7,881,168
State Department of Agriculture													
Enterprise Fund:													
School Breakfast Program	22-100-010-3350-021	-	7/1/21	6/30/22		(1,752)		1,752					28,028
National School Lunch Program (State Share)	23-100-010-3350-023	29,028	7/1/22	6/30/23				22,325	(29,028)		(6,703)		28,028
Total Enterprise Fund						(1,752)		24,077	(29,028)		(6,703)		28,028
Total State Financial Assistance						(459,257)		7,325,734	(7,710,196)		(843,719)		7,710,196
State Financial Assistance Not Subject to Major Program Determination:													
General Fund:													
TPAF Post-Retirement Medical Benefits	23-495-034-5094-001	478,004	7/1/22	6/30/23					478,004				(478,004)
TPAF Pension	23-495-034-5094-002	1,819,598	7/1/22	6/30/23					1,819,598				(1,819,598)
Long Term Disability Insurance	23-495-034-5094-004	1,961	7/1/22	6/30/23					1,961				(1,961)
Total State Financial Assistance Subject to Major Program Determination for Single Audit								\$	(5,410,633)				

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Federal Awards and State Financial Assistance
June 30, 2023

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Federal Awards and State Financial Assistance
June 30, 2023

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	Federal	State	Total
General Fund	\$ -	\$ 7,681,168	\$ 7,681,168
Special Revenue Fund	1,402,077	-	1,402,077
Food Service Fund	417,192	29,028	446,220
Total Awards & Financial Assistance	\$1,819,269	\$ 7,710,196	\$ 9,529,465

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOAN OUTSTANDING

Central Jersey College Prep Charter School has no loan balances outstanding at June 30, 2023.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2023.

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Notes to the Schedules of Expenditures
Of Federal Awards and State Financial Assistance
June 30, 2023

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

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the charter school.

Program	Total
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 235,772
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	<u>39,654</u>
Total	<u>\$ 297,079</u>

NOTE 9. DE MINIMIS INDIRECT COST RATE

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

NOTE 10. MAJOR PROGRAMS

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Report

Financial Statements

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
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-	EDUCATION STABILIZATION FUND_
84.425D	CRRSA ESSER II
84.425D	CRRSA Learning Acceleration Grant
84.425D	CRRSA Mental Health Grant
84.425U	ARP NJTSS Mental Health Support Staffing
84.425U	ARP Accelerated Learning Coach
84.425U	ARP ESSER II
84.425U	ARP Evidence Based Comprehensive Beyond The School Day
84.425U	ARP Evidence Based Summer Learning and Enrichment

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

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

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

State Financial Assistance

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

Auditee qualified as low-risk auditee? Yes No

Internal control over major programs:

1) Material weakness(es) identified? Yes No

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

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

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

Identification of major state programs:

GMIS Number(s)	Name of State Program or Cluster
<hr/>	<hr/> Total State Aid – Public
<hr/> 23-495-034-5120-078	<hr/> Equalization Aid
<hr/> 23-495-034-5120-084	<hr/> Security Aid
<hr/> 23-495-034-5120-089	<hr/> Special Education Categorical

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2023

Section II –Financial Statement Findings

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

No Current Year Findings

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

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

CURRENT YEAR FEDERAL AWARDS

No Current Year Findings

CURRENT YEAR STATE AWARDS

No Current Year Findings

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by
Management
For the Fiscal Year Ended June 30, 2023

STATUS OF PRIOR YEAR FINDINGS

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

STATUS OF PRIOR YEAR FINDINGS

No Prior Year Findings