

***HOPE COMMUNITY CHARTER SCHOOL***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2023***

***HOPE COMMUNITY CHARTER SCHOOL***

***Hope Community Charter School  
Board of Trustees  
Camden, New Jersey***

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

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023***

***Prepared By***

***Hope Community Charter School  
Finance Department***

***And***

***Barre & Company, CPA's***

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***INTRODUCTORY SECTION***





# HOPE COMMUNITY CHARTER SCHOOL • CAMDEN, NJ

836 South 4<sup>th</sup> Street, Camden, New Jersey, 08103 | tel. (856) 379-3448

November 27, 2023

Honorable President and  
Members of the Board of Trustees  
Hope Community Charter School  
County of Camden  
Camden, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Hope Community 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 Hope Community Charter School. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the charter school as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the charter school’s financial activities have been included.

GAAP requires that management provide narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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 Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (U.S. Uniform Guidance) and New Jersey OMB's Circular 15-08-OMB, "*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.

## **1. REPORTING ENTITY AND ITS SERVICES**

The Hope Community Charter School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3, as amended. All funds of the Charter School are included in this report. The Charter School has no component units.

The Charter School provides a full range of educational services appropriate to grade Levels Kindergarten through Grade 6. The Charter School's enrollment, as of October 15<sup>th</sup>, for the current and past five fiscal years are detailed below:

### Average Daily Enrollment (ADE)

<u>Fiscal Year</u>	<u>Actual Student Enrollment</u>	<u>Percent Change - ADE</u>
2022-2023	133	-10.42%
2021-2022	144	5.96%
2020-2021	132	15.17%
2019-2020	118	-25.32%
2018-2019	158	-20.00%

## **2. ECONOMIC CONDITION AND OUTLOOK**

The State of New Jersey continues to face serious budgetary constraints. This impact the amount of state aid allocated to charter schools. This reality was taken into account when adopting the general state fund for 2022-2023. Nothing was done to compromise the quality of the programs in place in the Charter School during the regular instructional day. The budget of was prepared to ensure that all students have textbooks, materials, supplies, equipment and program they need to meet New Jersey's Core Curriculum Content Standard.

## **3. MAJOR INITIATIVES**

Hope Community Charter School continues to focus on the school's mission. Hope Community Charter School's mission is to provide a safe, caring, literacy rich learning environment that guides and inspires students in building a solid academic foundation. Literacy will be the path to a solid academic foundation by developing, in each student, a highly literate and effective communicator who is self-reflective, responsible decision-maker. To fulfill this mission, Hope Community Charter School deliberately works to improve instruction and student outcomes by growing and developing our staff, providing new resources and programs for our students and providing remedial instruction when needed.

#### **4. INTERNAL ACCOUNTING CONTROLS**

Management of the Charter School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Charter School are protected from loss, theft and misuse and to ensure that adequate accounting data are complete to allow for the preparation of financial statement in conformity with General Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits requires estimates and judgements by management.

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

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

#### **5. 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. Project-length budgets are approved for the capital improvements accounted for in the capital projects 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 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.

#### **6. ACCOUNTING SYSTEM AND REPORTS**

The Charter School's accounting records reflect generally accepted accounting principles, are promulgated by the Governmental Accounting Standards Board (GASB). The Charter School's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

#### **7. FINANCIAL POLICIES**

The intent of the School Board is to ensure that the Charter School manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance, and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and General Fund revenues are the significant revenue sources considered susceptible to accrual.

## **OTHER INFORMATION**

### *INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Barre & Company, LLC, Certified Public Accountants, was appointed by the Board of Education. In addition to *meeting* the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

## **8. ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

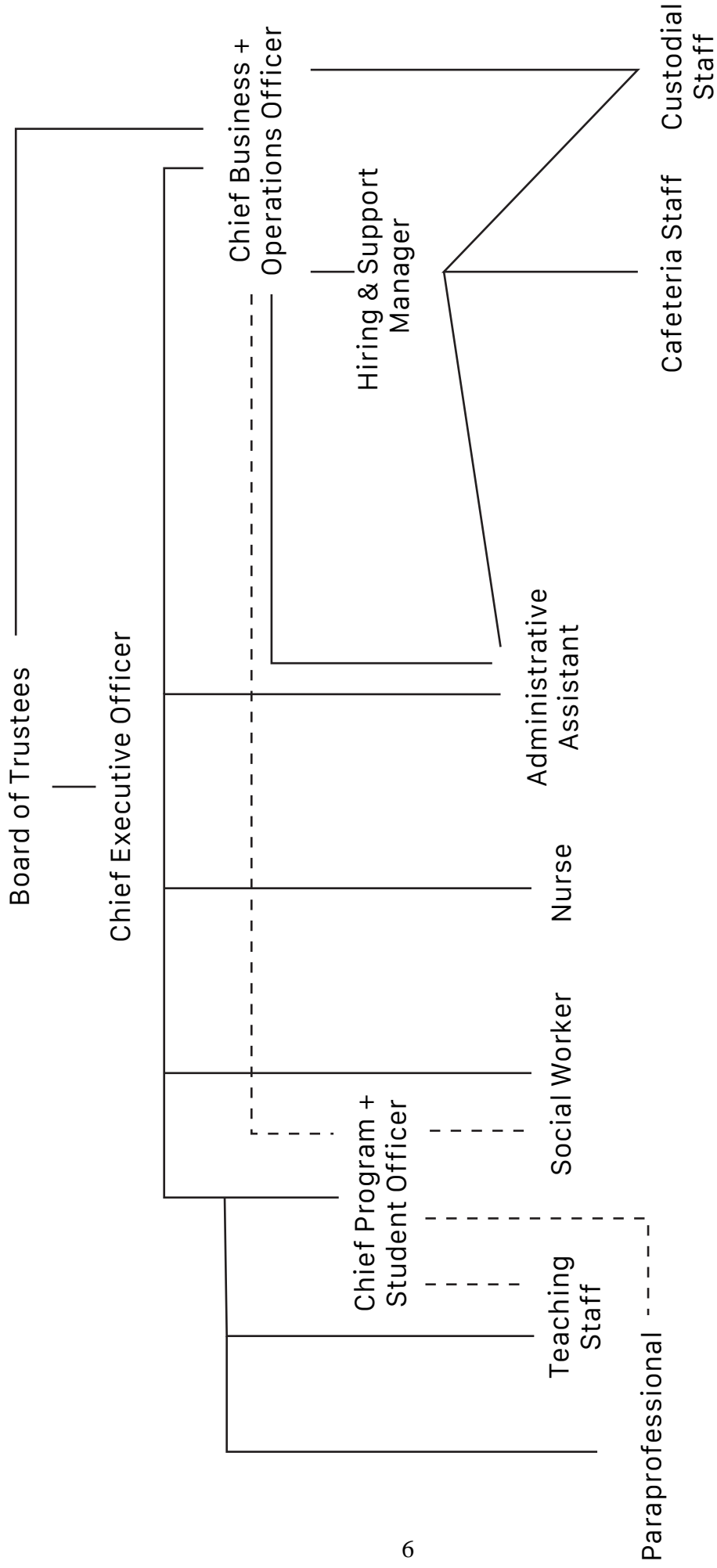
Respectfully submitted,



Robin Ruiz  
School Business Administrator  
Board Secretary



# HOPE COMMUNITY CHARTER SCHOOL



**HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2023**

**MEMBERS OF THE BOARD OF TRUSTEES**

**Term Expires**

Barbara Wallace .....	2025
Board Chair	
Lindsey Owen .....	2023
Board Vice Chair	
Daniele Greiner .....	2023
Trustee	

**OTHER OFFICIALS**

Robin Ruiz – Board Secretary/Business Administrator

Stacy Lockwood – School Leader

Derek Mead – Treasurer

**HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

***Audit Firm***

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

***Attorney***

Capehart & Scatchard  
Laurel Corporate Center  
8000 Midlantic Drive, Suite 300S  
Mount Laurel, New Jersey 08054

***Official Depository***

BB&T Bank  
Camden, New Jersey

***FINANCIAL SECTION***



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

*2204 Morris Avenue, Suite 206*  
*Union, New Jersey 07083*  
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**Independent Auditor’s Report**

Honorable President  
Members of the Board of Trustees  
Hope Community Charter School  
County of Camden  
Camden, 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 Hope Community Charter School (Charter School), in the County of Camden, 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 Hope Community Charter School, in the County of Camden, 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 Hope Community 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 Hope Community 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 Hope Community 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 Hope Community Charter School's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hope Community 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

### *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 of Finance, Department of Education, State of New Jersey, we have also issued our report dated November 27, 2023 on our consideration of the Hope Community 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards and the Office of School Finance, Department of Education, State of New Jersey* in considering the Charter School's internal control over financial reporting and compliance.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

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

Union, New Jersey  
November 27, 2023

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

**HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY**

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

The discussion and analysis of Hope Community 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.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- ❖ General revenues accounted for \$3,724,740 or 97% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$100,435 or 3% of total revenues of \$3,825,175.
- ❖ The Charter School had \$3,803,039 in expenses; only \$100,435 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$3,724,740 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$2,827,036 in revenues and \$2,823,567 in expenditures. The General Fund's fund balance increased \$3,469 over 2022. This increase was anticipated by the Board of Trustees.

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

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Hope Community 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 Hope Community Charter School, the General Fund is by far the most significant fund.

**Reporting the Charter School as a Whole**

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

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2023?" The *Statement of*

**HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY**

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

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

*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 has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

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

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

**Fund Financial Statements**

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

**Governmental Funds**

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

**HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY**

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

**Enterprise Fund**

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 34 of this report.

**The Charter School as a Whole**

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

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

The Charter School's combined Net Position were \$167,240 for 2023 and \$145,104 for 2022.

**Governmental Activities**

The Charter School's total revenues were \$3,724,740 for 2023 and \$3,369,138 for 2022, this includes \$93,587 for 2023 and \$85,759 for 2022 of state reimbursed TPAF social security contributions.

The total cost of all program and services were \$3,665,806 for 2023 and \$3,341,265 for 2022. Instruction comprises 23% for 2023 and 34% for 2022 of Charter School expenses.

**Business-Type Activities**

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

- ❖ Food service revenues exceeded expenses by \$(36,798) for 2023 while expenses exceeded revenues by \$2,836 for 2022.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast were \$100,435 for 2023 and \$110,422 for 2022.



**HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY**

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

**Governmental Activities**

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

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

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

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

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

**The Charter School's Funds**

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$3,724,740 for 2023 and \$3,804,239 for 2022 and expenditures were \$3,721,271 for 2023 and \$5,065,833 for 2022. The net change in fund balance was most significant in the general fund, an increase of \$3,469 in 2023 where there was an increase of (\$1,261,594) in 2022.

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

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Local Sources	\$ 142,902	3.84%	\$ (28,863)	-16.80%
State Sources	2,684,134	72.06%	(287,874)	-9.69%
Federal Sources	897,704	24.10%	237,238	35.92%
Total	<u>\$ 3,724,740</u>	<u>100.00%</u>	<u>\$ (79,499)</u>	

**HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY**

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

**The Charter School's Funds (Continued)**

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2023, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Instruction	\$ 1,377,358	37.02%	\$ 294,442	27.19%
Administration	1,237,504	33.25%	(16,214)	-1.29%
Support Services	1,106,409	29.73%	(305,147)	-21.62%
<b>Total</b>	<b>\$ 3,721,271</b>	<b>100.00%</b>	<b>\$ (26,919)</b>	

**General Fund Budgeting Highlights**

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

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

**Capital Assets (Net of Depreciation) and Debt Administration**

At the end of fiscal year 2023, the Charter School had no investments in capital assets and equipment and none for 2022.

**For the Future**

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

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

**HOPE COMMUNITY CHARTER SCHOOL  
CAMDEN, NEW JERSEY**

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

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Robin Ruiz, Business Administrator/Board Secretary at Hope Community Charter School, 836 S 4th St, Camden, New Jersey 08103.

***BASIC FINANCIAL STATEMENTS***

**SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS**

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

**HOPE COMMUNITY CHARTER SCHOOL**  
Statement of Net Position  
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 437,304	\$ -	\$ 437,304
Internal Balances	28,128	(28,128)	-
Receivables	579,848	6,384	586,232
Other Assets			-
Restricted Assets:			
Cash and Cash Equivalents	75,203		75,203
Right of Use Asset, Net of Amortization	878,429		878,429
<b>Total Assets</b>	<b>1,998,912</b>	<b>(21,744)</b>	<b>1,977,168</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pensions	138,236		138,236
<b>Total Deferred Outflows of Resources</b>	<b>138,236</b>	<b>-</b>	<b>138,236</b>
<b>LIABILITIES:</b>			
Payable to State Government	182,003		182,003
Accounts Payable	174,269	473	174,742
Loans Payable			-
Other Current Liabilities	53,817		53,817
Noncurrent Liabilities:			
Due Within One Year	207,330		207,330
Due Beyond One Year:			
Other Long Term Liabilities	743,526		743,526
Net Pension Liability	314,681		314,681
<b>Total Liabilities</b>	<b>1,675,626</b>	<b>473</b>	<b>1,676,099</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pensions	272,065		272,065
<b>Total Deferred Inflows of Resources</b>	<b>272,065</b>	<b>-</b>	<b>272,065</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets			-
Restricted for:			
Other Purposes	75,203		75,203
Charter School Escrow			-
Unrestricted (Deficit)	114,254	(22,217)	92,037
<b>Total Net Position (Deficit)</b>	<b>\$ 189,457</b>	<b>\$ (22,217)</b>	<b>\$ 167,240</b>

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

**HOPE COMMUNITY 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
<b>GOVERNMENTAL ACTIVITIES:</b>							
Instruction	\$ 849,350	\$ -	\$ -	\$ -	\$ -	\$ (849,350)	\$ (849,350)
Administration	923,258					(923,258)	(923,258)
Support Services	1,386,835					(1,386,835)	(1,386,835)
Interest on Long Term Debt	67,149					(67,149)	(67,149)
Unallocated Amortization and Depreciation	439,214					(439,214)	(439,214)
Total Governmental Activities	3,665,806	\$ -	\$ -	\$ -	\$ (3,665,806)	-	(3,665,806)
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Food Service	137,233					(36,798)	(36,798)
Total Business-Type Activities	137,233					(36,798)	(36,798)
Total Primary Government	\$ 3,803,039		\$ 100,435	\$ -	\$ -	\$ (3,665,806)	\$ (3,702,604)
<b>GENERAL REVENUES</b>							
General Purposes			\$ -			\$ -	\$ -
Federal and State Aid Not Restricted			3,581,838			3,581,838	3,581,838
Miscellaneous Income			142,902			142,902	142,902
Total General Revenues			3,724,740			3,724,740	3,724,740
Change in Net Position			58,934			(36,798)	22,136
Net Position - Beginning of Year			130,523			14,581	145,104
Net Position (Deficit) - Ending			\$ 189,457			\$ (22,217)	\$ 167,240

**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***

**HOPE COMMUNITY CHARTER SCHOOL**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2023

	General Fund	Special Revenue Fund	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 437,304	\$ -	\$ 437,304
Restricted	75,203		75,203
Receivables:			
Interfund Receivables	406,694		406,694
Receivables From Other Governments	60,860	518,988	579,848
<b>Total Current Assets</b>	<u>980,061</u>	<u>518,988</u>	<u>1,499,049</u>
<b>Total Assets</b>	<u>\$ 980,061</u>	<u>\$ 518,988</u>	<u>\$ 1,499,049</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Current Liabilities:			
Interfund Payables	\$ -	\$ 378,566	\$ 378,566
Payable to State Government	182,003		182,003
Accounts Payable	33,847	140,422	174,269
Payroll Deductions and Withholdings	53,817		53,817
<b>Total Current Liabilities</b>	<u>269,667</u>	<u>518,988</u>	<u>788,655</u>
<b>Total Liabilities</b>	<u>269,667</u>	<u>518,988</u>	<u>788,655</u>
Fund Balances:			
Restricted For:			
Charter School Escrow	75,203		75,203
Unassigned:			
General Fund	635,191		635,191
<b>Total Fund Balances</b>	<u>710,394</u>	<u>-</u>	<u>710,394</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 980,061</u>	<u>\$ 518,988</u>	
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 \$1,317,643 and the accumulated depreciation is \$439,214.			
			878,429
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			
			(950,856)
Net pension liability of \$314,681, deferred inflows of resources of \$272,065 less deferred outflows of resources of \$138,236 related to pensions are not reported in the governmental funds			
			<u>(448,510)</u>
<b>Net Position of Governmental Activities</b>			<u>\$ 189,457</u>

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

**HOPE COMMUNITY 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	\$ 126,293	\$ -	\$ 126,293
Interest on Investments	76		76
Miscellaneous	16,533		16,533
Total Local Sources	142,902	-	142,902
Intermediate Sources			
State Sources	2,684,134		2,684,134
Federal Sources		897,704	897,704
Total Revenues	2,827,036	897,704	3,724,740
EXPENDITURES:			
Current:			
Instruction	849,350	528,008	1,377,358
Administration	1,237,504		1,237,504
Support Services	736,713	369,696	1,106,409
Total Expenditures	2,823,567	897,704	3,721,271
Excess (Deficiency) of Revenues over Expenditures	3,469	-	3,469
NET CHANGE IN FUND BALANCES	3,469	-	3,469
FUND BALANCES, JULY 1	706,925	-	706,925
FUND BALANCES, JUNE 30	\$ 710,394	\$ -	\$ 710,394

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

**HOPE COMMUNITY 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

Total net change in fund balances - governmental fund (from B-2)	\$	3,469
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation Expense	\$ -	
Amortization Expense	(439,214)	
Capital Outlay	-	(439,214)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>		
New long-term debt issued		
Principal payment on long-term debt		189,336
Increase in accrued interest payable		
<p>Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.</p>		305,343
Change in net position of governmental activities	\$	58,934

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

***PROPRIETARY FUNDS***

**HOPE COMMUNITY CHARTER SCHOOL**  
 Proprietary Fund  
 Statement of Net Position  
 June 30, 2023

	Business-Type Activities
	Food Service
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ -
Receivables From Other Governments	6,384
	6,384
Total Current Assets	6,384
Total Assets	\$ 6,384
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Accounts Payable	\$ 28,128
Accounts Payable	473
	28,601
Total Current Liabilities	28,601
Total Liabilities	28,601
<b>NET POSITION:</b>	
Unrestricted (Deficit)	(22,217)
Total Net Position	(22,217)
Total Liabilities and Net Position	\$ 6,384

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

**HOPE COMMUNITY CHARTER SCHOOL**  
 Proprietary Fund  
 Statement of Revenues, Expenses, and Changes in Net Position  
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund
	Food Service
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales Reimbursable Program	\$ -
Daily Sales Non-reimbursable Program	-
	-
Total Operating Revenues	-
<b>OPERATING EXPENSES:</b>	
Salaries	23,043
Cost of Sales- Reimburseable Programs	114,190
Cost of Sales- Non-Reimburseable Programs	-
	-
Total Operating Expenses	137,233
<b>OPERATING LOSS</b>	<b>(137,233)</b>
<b>NONOPERATING REVENUES:</b>	
State Source:	
State School Lunch Program	1,010
State After Bell Program	1,242
Federal Source:	
Federal Breakfast Program	33,177
Federal Lunch Program	63,894
Federal Snack Program	1,112
	1,112
Total Nonoperating Revenues	100,435
<b>CHANGE IN NET POSITION</b>	<b>(36,798)</b>
<b>TOTAL NET POSITION (DEFICIT), JULY 1</b>	<b>14,581</b>
<b>TOTAL NET POSITION (DEFICIT), JUNE 30</b>	<b>\$ (22,217)</b>

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

**HOPE COMMUNITY CHARTER SCHOOL**  
 Proprietary Funds  
 Statement of Cash Flows  
 For The Fiscal Year Ended June 30, 2023

	Business-Type Activities
	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Payments to Suppliers and Employees	\$ (104,281)
Net Cash Provided / (Used) by Operating Activities	(104,281)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Cash Received from State and Federal Reimbursements	100,435
Operating Transfers In	-
Net Cash Provided by Noncapital Financing Activities	100,435
Net Increase / (Decrease) in Cash and Cash Equivalents	(3,846)
Cash and Cash Equivalents, July 1	3,846
Cash and Cash Equivalents, June 30	\$ -
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>	
Operating Loss Used for Operating Activities	\$ (137,233)
Depreciation	
Changes in Assets and Liabilities:	
Decrease in Interfund Accounts Receivable	
Increase in Intergovernmental Accounts Receivable	24,427
Increase in Other Receivables	
Increase in Interfund Accounts Payable	8,052
Increase in Accounts Payable	473
Net Cash Used by Operating Activities	\$ (104,281)

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



***NOTES TO THE FINANCIAL STATEMENTS***

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**A. Basis of Presentation**

The financial statements of Hope Community Charter School (“Charter School”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**B. Reporting Entity**

The Charter School is an instrumentality of the State of New Jersey, established to function as an education institution. The Charter School is governed by an independent Board of Trustees, which consists of parents, founders, and other community representatives in accordance with its charter, which was appointed by the State Department of Education. An administrator is appointed by the Board and is responsible for the administrative control of the Charter School. Hope Community Charter School has an approximate enrollment at June 30, 2023 of 118.

The primary criterion for including activities within the Charter School’s reporting entity are set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- The organization is legally separate (can sue or be sued in their own name);
- The Charter School holds the corporate powers of the organization;
- The Charter School appoints a voting majority of the organization’s board
- The Charter School is able to impose a financial benefit/burden on the Charter School
- There is a fiscal dependency by the organization on the Charter School.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

**C. Component Units**

GASB Statement No. 14, *The Financial Reporting Entity*, as amended provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended. The Charter School had no component units as of for the year ended June 30, 2023.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**D. Basis of Accounting, Measurement Focus and Financial Statement Presentation**

The accounts of the Charter School are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures of expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**A. Government-Wide Financial Statements**

The Charter School's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the Charter School accompanied by a total column. Fiduciary activities of the Charter School are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Charter School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenue are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Charter School are reported in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as programs revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

**B. Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Basis of Accounting, Measurement Focus and Financial Statement Presentation (Continued)**

Governmental Fund Financial Statements (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The Charter School’s deferred outflows of resources and deferred inflows of resources are noncurrent). The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Charter School, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Charter School. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Charter School and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, reconciliation is presented on the page following each fund level statement that summarize the adjustments necessary to convert the fund level statements into the governmental-wide presentations.

The Charter School funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use it is the Charter School’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Charter School’s policy to consider restricted

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Basis of Accounting, Measurement Focus and Financial Statement Presentation (Continued)**

Governmental Fund Financial Statements (Continued)

fund balance to have been depleted before any of the components of unassigned fund balance. Further, when the components of unassigned fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, Unassigned fund balance is applied last.

The Charter School reports the following major governmental funds:

**General Fund:** The general fund is the general operating fund of the Charter School and is used to account for all financial 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 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a statement of Revenues, Expense and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Basis of Accounting, Measurement Focus and Financial Statement Presentation (Continued)**

Proprietary Fund Financial Statements (Continued)

Under the accrual basis of accounting, revenue are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Charter School reports the following major proprietary fund:

**Food Service Fund:** The food service fund accounts for the financial transactions related to the food service operations of the Charter School.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The Charter School's fiduciary funds are Agency Funds. Agency Funds are used to account for and report assets held by the Charter School as an agent for individuals, private organizations, and other governments. Agency Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

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 FY2020-2021. 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

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the New Jersey Department of Education. Budgets are prepared using the modified accrual basis of accounting. 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

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Budgets/Budgetary Control (Continued)**

*N.J.A.C. 6:20-2A(m)1.* All budget amendments must be approved by Charter School Board resolutions.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrances 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 budget, as detailed on Exhibit C-1 and C-2, includes all amendments to the adopted budget, if any.

**F. Encumbrances**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned 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 a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

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

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey Charter Schools are limited as to the type

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Cash, Cash Equivalents and Investments (Continued)**

of investments and types of financial institutions they may invest in. N.J.S.A.18A:20-37 provides a list of permissible investments that may be purchases by New Jersey Charter Schools.

*N.J.S.A. 17:9-41 et. Seq.* establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the Charter School considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investments pools to be cash equivalents.

**H. Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather when purchased.

**I. Interfund Receivable/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

**J. Unearned Revenue**

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



**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Accrued Liabilities and Long-Term Obligations (Continued)**

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

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund

financial statements. In general, government 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. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**L. Accounting Estimates**

The preparation of financial statements in conformity with principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

**M. Interfund Activity**

Transfers between governmental and business-type activities on the government-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 proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**N. Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition, to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**O. 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 pension plan's fiduciary net position of the Public Employee's Retirement Systems (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to deductions from the PER's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**P. Fund Balance**

In accordance with Government Accounting Standards Board, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

- **Non-Spendable**: This classification includes amounts that cannot be spend because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted**: This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislations.
- **Committed**: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned**: This classification includes amounts that are constrained by the Charter School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Fund Balance (Continued)**

- Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the Charter School's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the Charter School's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**Q. Net Position**

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net Investment in Capital Assets: This components represent capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted: This component of net position is 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.
- Unrestricted: This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**R. Impact of Recently Issued Accounting Principles**

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

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 the pronouncements below 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 Changes, effective for fiscal years beginning after December 15, 2023.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES**

A. Deposits and Investments

Deposits

N.J.S.A. 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks of which the deposits are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

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

General Fund	Special Revenue	Proprietary Fund	Total
\$ 512,507	\$ -	\$ -	\$ 512,507

The Charter School had no investments at June 30, 2023.

The carrying amount of the Board's cash and cash equivalents at June 30, 2023 was \$512,507 and the bank balance was \$581,017. All bank balances were covered by federal depository insurance (FDIC) and/or by a collateral pool maintained by the banks as required by GUDPA.

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

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

Deposits and Investments (Continued)

Deposits (Continued)

As of June 30, 2023, none of the cash and cash equivalents for Hope Community Charter School were exposed to custodial credit risk.

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

Investments

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

- a. When authorized by resolution adopted by a majority vote of all its board members, the Charter School may use moneys which may be in hand for the purchase of the following types of securities, which, if suitable for registry, may be registered in the name of the Charter School;

Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(1) Government money market mutual funds;

- a. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest no dependent on any index or other external factor;
- b. Bonds or other obligations of the charter school or bonds or other obligations of local unit or units within which the charter school is located;

(2) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by charter schools;

(3) Local government investment pools;

(4) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or

(5) Agreements for the repurchase of fully collateralized securities, if:

- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
- b. the custody of collateral is transferred to a third party;
- c. the maturity of the agreement is not more than 30 days; and

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

Deposits and Investments (Continued)

Investments (Continued)

- d. the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

Credit Risk: The Charter School does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The Charter School did not have any investments at June 30, 2023.

Interest Rate Risk: The Charter School does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Charter School did not have any investments at June 30, 2023.

Concentration of Credit Risk: The Charter School places no limit on the amount they may invest in any one issuer. The Charter School did not have any investments at June 30, 2023.

A. Receivables

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable the Charter School's governmental and business-type activities as of June 30, 2023, consisted of the following:

B. Receivables (Continued)

	Governmental Funds		Total Governmental Activities	Proprietary	Total Business Type Activities	Total
	General Fund	Special Revenue Fund		Food Service Fund		
State Aid	\$ 60,860	\$ -	\$ 60,860	\$ 143	\$ 143	\$ 61,003
Federal Aid	-	-	-	6,241	6,241	6,241
Other	-	518,988	518,988	-	-	518,988
Gross Receivables	60,860	518,988	579,848	6,384	6,384	586,232
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 60,860	\$ 518,988	\$ 579,848	\$ 6,384	\$ 6,384	\$ 586,232

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

Interfund Receivables and Payables

Transfers between funds are used to repay expenses paid by another fund. The following interfund balances remained on the fund financial statements at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 406,694	\$ -
Special Revenue Fund		378,566
Proprietary Fund		28,128
Total	<u>\$ 406,694</u>	<u>\$ 406,694</u>

A. Capital Assets

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 (removal of old assets) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the Charter School has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives. As of June 30, 2023, the Charter School had no capital assets.



**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3: LEASES**

Right To Use Lease Assets

The Charter School has recorded two right to use leased assets. The assets are right to use assets for 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. Right to 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
<b>Leased Assets Being Amortized</b>				
Leased - Real Estate Expense	1,317,643	0	0	1,317,643
<b>Total Leased Assets Being Amortized</b>	<b>1,317,643</b>	<b>0</b>	<b>0</b>	<b>1,317,643</b>
<b>Less: Accumulated Amortization</b>				
Leased - Real Estate Expense	(219,607)	(219,607)	0	(439,214)
<b>Total Accumulated Amortization</b>	<b>(219,607)</b>	<b>(219,607)</b>	<b>0</b>	<b>(439,214)</b>
<b>Total, Net of Accumulated Amortization</b>	<b>0</b>	<b>(219,607)</b>	<b>0</b>	<b>878,429</b>

**NOTE 4: LONG-TERM OBLIGATIONS**

**A. LEASES**

The School operated under a Business Lease (“Lease”) agreement to lease classroom and office space from The Parish of The Cathedral of Immaculate Conception located at 836 S 4<sup>th</sup> St, Camden, New Jersey. The lease is dated July 1, 2017, and the term of the lease is for five (5) years, and runs through June 30, 2022. The lease has been extended for an additional five (5) years until June 30, 2027. As a result of the lease, the school has recorded a right to use asset with a net book value of \$878,429 on June 30, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Maturity Analysis	Principal	Interest	Total
07/01/2022 - 06/30/2023			
07/01/2023 - 06/30/2024	207,330	54,284	261,614
07/01/2024 - 06/30/2025	226,637	40,211	266,847
07/01/2025 - 06/30/2026	247,343	24,841	272,184
07/01/2026 - 06/30/2027	269,547	8,080	277,627
<b>Total</b>	<b>950,856</b>	<b>194,565</b>	<b>1,334,757</b>
<b>Lease Liability</b>	<b>950,856</b>		

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4: LONG-TERM OBLIGATIONS (CONTINUED)**

LEASES (CONTINUED)

Long-Term Debt Rollforward

	Balance July 01, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<b>Governmental Activities:</b>					
Lease Liabilities	\$ 950,856	\$ -	\$ -	\$ 950,856	\$ 207,330
Net Pension Liability	238,060		76,621	314,681	-
Governmental Activity long-term liability	<u>\$ 1,188,916</u>	<u>\$ -</u>	<u>\$ 76,621</u>	<u>\$ 1,265,537</u>	<u>\$ 207,330</u>

**NOTE 5: IMPLEMENTATION OF NEW ACCOUNTING STANDARD**

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.

**NOTE 6: PENSION PLANS**

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

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

**Plan Description**

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

**Benefits Provided**

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

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (Continued)**

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

**Benefits Provided (Continued)**

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

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

**Basis of Presentation**

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

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ration of the contributions of an individual employer to the total

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (Continued)**

**Allocation Methodology and Reconciliation to Financial Statements  
(Continued)**

contributions to PERS during the measurement period July 01, 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.

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 normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Charter School contributions to PERS amounted to \$26,295 for fiscal year 2023.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (Continued)**

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

At June 30, 2023, the Charter School reported a liability of \$314,681 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, which was rolled forward to June 30, 2022. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022 measurement date, the Charter School's proportion was 0.00208517% which was a decrease of 0.00200954% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the Charter School recognized pension expense of \$10,872 . At June 30, 2022, the Charter School reported 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	\$ 975	\$ 47,120
Difference Between Expected and Actual Experience	2,271	2,003
Changes in Proportion	106,543	222,942
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	13,024	0
	\$ 122,813	\$ 272,065

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, 6.44, 5.48 years for the, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (CONTINUED)**

**Changes in Proportion (Continued)**

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

Fiscal Year Ending June 30,	Total
2023	\$ (122,631.71)
2024	(62,477)
2025	(30,469)
2026	66,471
2027	(82)
	\$ (149,188)

**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 valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75-6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (CONTINUED)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the July 01, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension plan investments (7% 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 expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
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 Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: 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% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 407,697	\$ 317,346	\$ 240,454

Measurement Date June 30, 2021			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 327,645	\$ 240,597	\$ 166,725

**Pension Plan Fiduciary Net Position**

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



**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (CONTINUED)**

**A. Teacher’s Pension Annuity Fund (TPAF)**

**Pension Description**

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

**Benefit Provided**

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

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

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

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (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. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

**Contributions**

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, the State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation**

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

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 year ended 2023, the State of New Jersey contributed \$39,058 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$360,372 .

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (CONTINUED)**

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the Charter School was \$4,442,543 . 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, the Charter School's proportion was 0.0086105%. Since this was the Charter School's first year of participation, there is no comparison as to increase or decrease from the preceding year.

Charter School's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Charter School		4,442,543
Total	\$	4,442,543

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the Charter School in the amount of \$360,372 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 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	-
	\$ 5,004,259,312	\$ 19,682,774,794

The \$5,004,259,312 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 \$19,682,774,794 reported as deferred inflow of resources resulted from the difference between projected and actual.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (CONTINUED)**

**Special Funding Situation (Continued)**

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	(14,678,515,482)

**Actuarial Assumptions**

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

Inflation Rate	
Price	2.75%
Wages	3.25%
Salary Increases:	
	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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (CONTINUED)**

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension investments (7.00% as of 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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, 2023. 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.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: PENSION PLANS (CONTINUED)**

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

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 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% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 5,217,272	\$ 4,449,619	\$ 3,802,967

Measurement Date June 30, 2021			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 5,270,879	\$ 4,454,890	\$ 3,769,511

**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, which is defined contribution plan. 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.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: 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 did not recognize any pension expense for the fiscal year ended June 30, 2023. There were not employee contributions to DCRP for the fiscal year ended June 30, 2023

**NOTE 7: 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.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7: POST-RETIREMENT BENEFITS (Continued)**

**Plan Description and Benefits Provided (Continued)**

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

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

**Employees covered by benefit terms:**

At June 30, 2022, the OPEB plan's measurement date, the following employees were covered by the benefit terms:

Active plan member	213,148
Inactive plan members or beneficiaries currently receiving benefits	151,669
Inactive plan members entitled to but not yet receiving benefit payments	-
Total	364,817

**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:



**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7: POST-RETIREMENT BENEFITS (Continued)**

**Plan Description and Benefits Provided (Continued)**

Actuarial Assumptions and Other Inputs (Continued)

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service 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-2023. 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-2023. 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-2023.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% longterm trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2022 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7: POST-RETIREMENT BENEFITS (CONTINUED)**

**Plan Description and Benefits Provided (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	\$ 1,214,305
Service cost	265,995
Interest on Total OPEB Liability	31,973
Effect on Changes of Benefit Terms	-
Difference between expected and actual experience	48,516
Effect of Changes of Assumptions	(323,650)
Contributions - Employee	1,016
Gross Benefits Paid by the State	(31,670)
Net Changes	(7,820)
Balance at June 30, 2023	1,206,485

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% Decrease (1.16%)	At current discount rate (2.16%)	At 1% Increase (3.16%)
	Total OPEB Liability	\$ 1,418,096	\$ 1,206,485

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% decrease	Healthcare Cost Trend Rate	At 1% Increase
	Total OPEB Liability	\$ 997,234	\$ 1,206,485

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7: POST-RETIREMENT BENEFITS (CONTINUED)**

**Plan Description and Benefits Provided (Continued)**

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

For the fiscal year ended June 30, 2022 the Charter School recognized OPEB expense of \$ 405,514 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 District'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	\$ 215,405	\$ 368,354
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 208,812	410,622
Sub Total	424,217	778,975
Contributions Made in Fiscal Year 2021 after June 30, 2020 Measurement Date	TBD	N/A
Total	TBD	778,975

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

Measurement Period ending June 30	
2023	\$ (59,963)
2024	\$ (59,963)
2025	\$ (59,963)
2026	\$ (51,823)
2027	\$ (29,633)
Total Thereafter	\$ (93,413)
	<u>\$ (354,758)</u>

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7: ON BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

As previously mentioned, the Charter School receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The Charter School is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$350,864 , \$92,171 , and \$289 , respectively.

**NOTE 8: RISK MANAGEMENT**

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

**Property and Liability Insurance**

The Charter School maintains commercial insurance coverage for property, liability, 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 9: CONTINGENCIES**

**State and Federal Grantor Agencies**

The Charter School participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Charter School has not complied with the rules and regulations governing the grants refund of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combines' financial statements for such contingencies.

**Litigation**

The Charter School is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Charter School's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the Charter School.

**Economic Dependency**

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

**HOPE COMMUNITY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10: DEFERRED COMPENSATION**

The Charter School offers its employees a choice of the following deferred compensation plans created in accordance with the Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

**NOTE 11: FUND BALANCES**

**General Fund**

A. Charter School Escrow Reserve

In accordance with the New Jersey Charter School agreement, the Charter School has established an escrow that is restricted for the possible costs associated with the dissolution of the charter school. Within five years of the signing of the agreement, the reserve must reach a balance of \$75,000. The current balance of the escrow maintained by the Charter School is \$75,203.

B. Unassigned

As of June 30, 2023, \$635,191 of general fund balance was unassigned.

**NOTE 12: SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 27, 2023, the date the financial statements were available to be issued.

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

***SECTION C – BUDGETARY COMPARISON SCHEDULE***

**HOPE COMMUNITY CHARTER SCHOOL**  
General Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Equalization Aid-Local	\$ 251,738	\$ -	\$ 251,738	\$ 126,293	\$ (125,445)
Total Local Sources	251,738	-	251,738	126,293	(125,445)
Categorical Aid:					
Equalization Aid-State	2,433,478		2,433,478	1,928,779	(504,699)
Special Education				101,355	101,355
Security Aid				74,485	74,485
Adjustment Aid				20,277	20,277
Consolidated Aid				22,327	22,327
Total Categorical Aid	2,433,478	-	2,433,478	2,147,223	(286,255)
Revenues From Other Sources:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				350,864	350,864
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				92,171	92,171
On-Behalf TPAF Long Term Disability Contributions (Non-Budgeted)				289	289
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				93,587	93,587
Other Local Sources	100,000		100,000	12,292	(87,708)
Interest Income				76	76
Miscellaneous Revenue				4,241	4,241
Total Revenues From Other Sources	100,000	-	100,000	553,520	453,520
Total Revenues	2,785,216	-	2,785,216	2,827,036	41,820
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	624,500	(102,335)	522,165	483,075	39,090
Other Salaries for Instruction	450,500	21,000	471,500	332,835	138,665
Purchased Prof/Tech Services	30,000	(15,000)	15,000	5,982	9,018
Other Purchased Services	32,000		32,000	5,707	26,293
General Supplies	142,432	(123,100)	19,332	14,416	4,916
Other Objects	5,000	2,335	7,335	7,335	-
Total Instruction	1,284,432	(217,100)	1,067,332	849,350	217,982
Administration:					
Salaries - General Administration					
Salaries - Technical	305,000	(88,507)	216,493	210,441	6,052
Salaries of Secretarial/Clerical Assistants	115,000		115,000	52,957	62,043
Total Benefits Cost	388,000	(21,889)	366,111	268,451	97,660
Purchases Prof/Tech Services	41,100	67,049	108,149	108,148	1
Other Purchased Services	43,700	13,900	57,600	42,317	15,283
Communications/Telephone	11,000		11,000	5,502	5,498
Supplies and Materials	6,500	1,224	7,724	7,724	-
Miscellaneous Expenses	3,000	2,053	5,053	5,053	-
Total Administration	913,300	(26,170)	887,130	700,593	186,537

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



**HOPE COMMUNITY CHARTER SCHOOL**  
General Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from Prior Page)					
Support Services:					
Salaries	20,000	27,869	47,869	47,869	-
Salaries - Nurse	59,000	92,000	151,000	120,145	30,855
Salaries - Custodial	65,000		65,000	36,751	28,249
Purchased Prof/Tech Services	119,000	88,906	207,906	207,906	-
Rental of Land and Buildings	256,484	4,497	260,981		260,981
Debt Service - Principal and Interest				256,485	(256,485)
Transportation-Other Than To/From School		1,700	1,700	1,700	-
Insurance for Property, Liability and Fidelity	11,000	21,000	32,000	4,477	27,523
Supplies and Materials	14,000	2,634	16,634	12,817	3,817
Energy Costs (Heat and Electricity)	43,000	5,564	48,564	48,563	1
<b>Total Support Services</b>	<b>587,484</b>	<b>244,170</b>	<b>831,654</b>	<b>736,713</b>	<b>94,941</b>
On-Behalf TPAF Pension Contributions (Non-Budgeted)				350,864	(350,864)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				92,171	(92,171)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				93,587	(93,587)
On Behalf TPAF Long-Term Disability Contributions (Non-Budgeted)				289	(289)
<b>Total Expenditures</b>	<b>2,785,216</b>	<b>900</b>	<b>2,786,116</b>	<b>2,823,567</b>	<b>55,009</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(900)	(900)	3,469	4,369
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(900)	(900)	3,469	4,369
<b>FUND BALANCE, JULY 1</b>	<b>738,709</b>	<b>-</b>	<b>738,709</b>	<b>706,925</b>	<b>31,784</b>
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 738,709</b>	<b>\$ (900)</b>	<b>\$ 737,809</b>	<b>\$ 710,394</b>	<b>\$ 36,153</b>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures Budgeted Fund Balance	\$ 738,709	\$ (900)	737,809	\$ 710,394	\$ (27,415)
<b>Total</b>	<b>\$ 738,709</b>	<b>\$ (900)</b>	<b>\$ 737,809</b>	<b>\$ 710,394</b>	<b>\$ (27,415)</b>

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

**HOPE COMMUNITY CHARTER SCHOOL**  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Federal Sources	\$ 1,590,906	\$ -	\$ 1,590,906	897,704	\$ (693,202)
Local Sources			-		-
<b>Total Revenues</b>	<u>1,590,906</u>	<u>-</u>	<u>1,590,906</u>	<u>897,704</u>	<u>(693,202)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	926,033		926,033	442,149	483,884
Purchased Prof/Tech Services	27,751		27,751	5,500	22,251
General Supplies	198,855		198,855	80,359	118,496
<b>Total Instruction</b>	<u>1,152,639</u>	<u>-</u>	<u>1,152,639</u>	<u>528,008</u>	<u>624,631</u>
Support Services:					
Salaries of Supervisors of Instruction	211,747		211,747	168,680	43,067
Personal Services - Employee Benefits	418,394		418,394	139,519	278,875
Other Purchased Professional Services	156,350		156,350	59,497	96,853
Other Purchased Professional Services	104,296		104,296		104,296
Supplies and Materials	15,806		15,806		15,806
Miscellaneous Expenditures	(3,360)	5,360	2,000	2,000	-
<b>Total Support Services</b>	<u>903,233</u>	<u>5,360</u>	<u>908,593</u>	<u>369,696</u>	<u>538,897</u>
Capital Outlay:					
Buildings	94,250		94,250		94,250
<b>Total Capital Outlay</b>	<u>94,250</u>	<u>-</u>	<u>94,250</u>		<u>94,250</u>
<b>Total Expenditures</b>	<u>2,150,122</u>	<u>5,360</u>	<u>2,155,482</u>	<u>897,704</u>	<u>1,257,778</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (559,216)</u>	<u>\$ (5,360)</u>	<u>\$ (564,576)</u>	<u>\$ -</u>	<u>\$ (564,576)</u>

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

**HOPE COMMUNITY CHARTER SCHOOL**  
 Budgetary Comparison Schedule  
 Budget-To-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2023

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

		General Fund		Special Revenue Fund
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	<b>[C-1]</b>	\$ 3,363,947	<b>[C-2]</b>	897,704
 Difference - Budget to GAAP				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				(10,770)
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	<b>[B-2]</b>	\$ 3,363,947	<b>[B-2]</b>	\$ 886,934
 <b>Uses/Outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 3,360,478	<b>[C-2]</b>	897,704
 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.				(10,770)
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b>[B-2]</b>	\$ 3,360,478	<b>[B-2]</b>	\$ 886,934

***REQUIRED SUPPLEMENTARY INFORMATION – PART III***

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

HOPE COMMUNITY CHARTER SCHOOL  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Charter School's proportion of the net pension liability	0.00055808%	0.00186527%	0.21020510%	0.00673806%	0.00679193%	0.00128474%	0.000692090%	0.00139092%	0.00141907%	0.00145355%
Charter School's proportionate share of the net pension liability	\$ 106,660	\$ 349,229	\$ 199,562	\$ 158,105	\$ 158,105	\$ 252,959	\$ 124,704	\$ 226,823	\$ 238,060	\$ 314,681
Charter School's covered employees payroll	\$ 333,924	\$ 304,858	\$ 47,050	\$ 90,221	\$ 421,140	\$ 100,661	\$ 104,000	\$ 107,120	\$ 134,800	\$ 125,316
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	32%	115%	424%	175%	38%	251%	120%	212%	177%	251%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	45.37%	51.55%	51.55%	53.60%	58.32%	51.52%	62.91%

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

HOPE COMMUNITY CHARTER SCHOOL  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 4,205	\$ 15,377	\$ 18,072	\$ 5,986	\$ 6,292	\$ 12,894	\$ 6,732	\$ 15,217	\$ 23,634	\$ 26,295
Contributions in relation to the contractually required contribution	(4,205)	(15,377)	(18,072)	(5,986)	(6,292)	(12,894)	(6,732)	(15,217)	(23,634)	(26,295)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered employee payroll	\$ 333,924	\$ 304,858	\$ 47,050	\$ 90,221	\$ 421,140	\$ 100,661	\$ 104,000	\$ 107,120	\$ 134,800	\$ 125,316
Contributions as a percentage of covered employee payroll	1.26%	5.04%	38.41%	6.63%	1.49%	12.81%	6.47%	14.21%	17.46%	20.98%

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



HOPE COMMUNITY 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 TEN FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable of the Charter School	0.129349%	0.0059533%	0.6613500%	0.00731900%	0.00868632%	0.00822581%	0.00720464%	0.00760740%	0.00764337%	0.00748244%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 2,295,341	\$ 3,181,852	\$ 4,180,014	\$ 5,757,625	\$ 5,856,633	\$ 5,233,080	\$ 4,421,555	\$ 5,009,378	\$ 4,446,492	\$ 4,442,543
Charter School's covered employees payroll	\$ 496,674	\$ 672,394	\$ 796,246	\$ 806,243	\$ 832,557	\$ 666,931	\$ 875,490	\$ 925,360	\$ 878,400	\$ 899,310
Charter School's proportionate share of the net pension liability as a percentage of its covered employee payroll	462.14%	473.21%	524.97%	714.13%	703.45%	784.65%	505.04%	541.34%	506.20%	493.99%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	22.33%	22.33%	26.95%	24.48%	35.52%	35.52%

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

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

**Hope Community Charter School  
Required Supplementary Information Schedules  
Schedule of Changes in the Charter School's Net OPEB Liability and Related Ratios  
Last Six Fiscal Years  
(Unaudited)**

	Measurement Date Ending					
	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
OPEB Liability at Beginning of Measurement Period	\$ 1,123,526	\$ 1,243,223	\$ 992,698	\$ 976,827	\$ 1,879,844	\$ 1,214,305
Service cost	323,935	267,438	192,286	271,797	416,486	265,995
Interest on Total OPEB Liability	40,860	53,627	45,301	43,151	31,500	31,973
Effect on Changes of Benefit Terms	-	-	-	-	(1,292)	-
Difference between expected and actual experience	(217,362)	(432,046)	(238,926)	276,421	(1,089,423)	48,516
Effect of Changes of Assumptions	1,060	(113,917)	14,565	343,383	1,198	(323,650)
Contributions - Employee	-	917	889	992	805	1,016
Gross Benefits Paid by the State	(28,796)	(26,544)	(29,986)	(32,727)	(24,813)	(31,670)
Net Change in Total OPEB Liability	119,697	(250,525)	(15,871)	903,017	(665,539)	(7,820)
OPEB Liability at Beginning of Measurement Period	1,123,526	1,243,223	992,698	976,827	1,879,844	1,214,305
Expected OPEB Liability at End of Measurement Period	1,243,223	992,698	976,827	1,879,844	1,214,305	1,206,485
Total OPEB Liability at End of Measurement Period	1,243,223	992,698	976,827	1,879,844	1,214,305	1,206,485

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 increase in the liability from June 30, 2021 to June 30, 2022 is due to the combined effect of the following:

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

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
Mortality Projection Scale Update	(2,690,739,174)
Discount Rate Change	(12,829,941,765)
Total Changes in Assumption	\$ (13,586,368,097)

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III***

**HOPE COMMUNITY 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 unchanged from 7.00% as of June 30, 2021 and as of June 30, 2022 in accordance with Paragraph 44 of GASB Statement No. 67.

**HOPE COMMUNITY 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 5.40% 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 expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.***



**HOPE COMMUNITY CHARTER SCHOOL**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2023

	Title I Part A	Title II Part A	IDEA Part B	CRRSA Essex II	CRRSA Learning Acceleration Grant	CRRSA Mental Health Grant	ARP Essex	ARP Summer Learning	ARP Beyond School Day	ARP Mental Health	Total
<b>Revenues:</b>											
Federal Sources	\$ 188,474	\$ 5,500	\$ 37,585	\$ 323,730	\$ 32,173	\$ 25,370	\$ 245,740	\$ 5,500	\$ 9,883	\$ 23,749	\$ 897,704
<b>Total Revenues</b>	<b>\$ 188,474</b>	<b>\$ 5,500</b>	<b>\$ 37,585</b>	<b>\$ 323,730</b>	<b>\$ 32,173</b>	<b>\$ 25,370</b>	<b>\$ 245,740</b>	<b>\$ 5,500</b>	<b>\$ 9,883</b>	<b>\$ 23,749</b>	<b>\$ 897,704</b>
<b>Expenditures:</b>											
Instruction:											
Salaries of Teachers	\$ 150,000	\$ -	\$ 36,255	\$ 159,052	\$ 22,598	\$ -	\$ 64,669	\$ -	\$ -	\$ -	\$ 432,574
Purchased Prof/Tech Services	7,756	5,500		63,093	9,575		9,510				15,075
General Supplies											80,359
Textbooks											-
<b>Total Instruction</b>	<b>157,756</b>	<b>5,500</b>	<b>36,255</b>	<b>222,145</b>	<b>32,173</b>	<b>-</b>	<b>74,179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528,008</b>
Support Services:											
Salaries of Supervisors of Instruction						25,370	119,253		9,883	23,749	178,255
Personal Services/Employee Benefits				99,585			39,934				139,519
Other Purchased Professional Services			1,330				12,374	5,500			49,922
Supplies and Materials											-
Indirect Costs											-
Miscellaneous Expenditures				2,000							2,000
<b>Total Support Services</b>	<b>30,718</b>	<b>-</b>	<b>1,330</b>	<b>101,585</b>	<b>-</b>	<b>25,370</b>	<b>171,561</b>	<b>5,500</b>	<b>9,883</b>	<b>23,749</b>	<b>369,696</b>
<b>Total Expenditures</b>	<b>188,474</b>	<b>5,500</b>	<b>37,585</b>	<b>323,730</b>	<b>32,173</b>	<b>25,370</b>	<b>245,740</b>	<b>5,500</b>	<b>9,883</b>	<b>23,749</b>	<b>897,704</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SECTION G – PROPRIETARY FUNDS  
DETAIL STATEMENTS**

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

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

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

**STATISTICAL SECTION  
(UNAUDITED)**

*Hope Community Charter School has been in operation for ten (10) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for ten (10) years is available and has been presented. Each year thereafter, an additional year's data will be included until ten years.*

**Contents**

**Financial Trends**

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

**Revenue Capacity (Not Applicable To Charter School)**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

***FINANCIAL TRENDS***

**HOPE COMMUNITY CHARTER SCHOOL**  
 Net Position by Component  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*  
 Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental Activities</b>										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,999	\$ 10,210	\$ -
Restricted	-	-	75,202	75,203	75,137	75,137	75,000	75,000	-	-
Unrestricted	189,457	130,523	27,448	(336,972)	330,844	345,933	602,725	485,246	667,916	234,473
<b>Total Governmental Activities Net Assets/ Position</b>	<b>\$ 189,457</b>	<b>\$ 130,523</b>	<b>\$ 102,650</b>	<b>\$ (261,769)</b>	<b>\$ 405,981</b>	<b>\$ 421,070</b>	<b>\$ 677,725</b>	<b>\$ 585,245</b>	<b>\$ 678,126</b>	<b>\$ 234,473</b>
<b>Business-Type Activities</b>										
Unrestricted	\$ (22,217)	\$ (2,899)	\$ (5,735)	\$ (3,071)	\$ 3,110	\$ 5,718	\$ 15,913	\$ 12,351	15,068	506
<b>Total Business-Type Activities Net Assets/Position</b>	<b>\$ (22,217)</b>	<b>\$ (2,899)</b>	<b>\$ (5,735)</b>	<b>\$ (3,071)</b>	<b>\$ 3,110</b>	<b>\$ 5,718</b>	<b>\$ 15,913</b>	<b>\$ 12,351</b>	<b>\$ 15,068</b>	<b>\$ 506</b>
<b>Charter School-Wide</b>										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,999	\$ 10,210	\$ -
Restricted	-	-	75,202	75,203	75,137	75,137	75,000	75,000	-	-
Unrestricted	167,240	127,624	21,713	(340,043)	333,954	351,651	618,638	497,597	682,984	234,979
<b>Total Charter School Net Position</b>	<b>\$ 167,240</b>	<b>\$ 127,624</b>	<b>\$ 96,915</b>	<b>\$ (264,840)</b>	<b>\$ 409,091</b>	<b>\$ 426,788</b>	<b>\$ 693,638</b>	<b>\$ 597,596</b>	<b>\$ 693,194</b>	<b>\$ 234,979</b>

Source: Annual Comprehensive Financial Report

**HOPE COMMUNITY CHARTER SCHOOL**  
 Changes in Net Position  
 Last Time Fiscal Years  
 (accrual basis of accounting)  
 Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$ 849,350	\$ 1,124,971	\$ 932,657	\$ 1,005,852	\$ 956,850	\$ 1,551,019	\$ 1,303,179	\$ 1,400,792	\$ 919,627	\$ 643,994
Administration	923,258	689,636	698,151	1,118,752	785,187	582,580	459,356	495,785	369,880	341,603
Support Services	1,386,835	1,228,018	1,108,544	1,126,569	1,175,764	1,157,861	842,433	752,617	775,048	392,059
Capital Outlay	-	-	-	-	-	5,074	27,856	1,955	22,602	-
On Behalf TPAF Pension and Social Security Contribution	-	-	-	-	-	-	134,473	-	-	-
Interest on Long-Term Debt	67,149	79,033	-	-	-	-	-	-	-	-
Unallocated Amortization and Depreciation	439,214	219,607	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	407,030	341,524	-	37,248
<b>Total Governmental Activities Expenses</b>	<b>3,665,806</b>	<b>3,341,265</b>	<b>2,739,352</b>	<b>3,251,173</b>	<b>2,917,801</b>	<b>3,296,534</b>	<b>3,174,327</b>	<b>2,992,673</b>	<b>2,087,157</b>	<b>1,414,904</b>
<b>Business-Type Activities:</b>										
Food Service	137,233	107,586	26,272	73,128	106,542	136,174	109,752	117,645	113,893	110,119
<b>Total Business-Type Activities Expenses</b>	<b>137,233</b>	<b>107,586</b>	<b>26,272</b>	<b>73,128</b>	<b>106,542</b>	<b>136,174</b>	<b>109,752</b>	<b>117,645</b>	<b>113,893</b>	<b>110,119</b>
<b>Total Charter School Expenses</b>	<b>\$ 3,803,039</b>	<b>\$ 3,448,851</b>	<b>\$ 2,765,624</b>	<b>\$ 3,324,301</b>	<b>\$ 3,024,343</b>	<b>\$ 3,432,708</b>	<b>\$ 3,284,079</b>	<b>\$ 3,110,318</b>	<b>\$ 2,201,050</b>	<b>\$ 1,525,023</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 683,522	532,108	410,766	296,387
<b>Total Governmental Activities Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>683,522</b>	<b>532,108</b>	<b>410,766</b>	<b>296,387</b>
<b>Business-Type Activities:</b>										
Charges for Services	-	-	-	-	-	-	-	-	5,761	459
Operating Grants and Contributions	100,435	110,422	23,608	66,947	103,933	116,127	113,314	114,928	122,694	74,271
Transfers	-	-	-	-	-	-	-	-	-	25,895
<b>Total Business-Type Activities Expenses</b>	<b>100,435</b>	<b>110,422</b>	<b>23,608</b>	<b>66,947</b>	<b>103,933</b>	<b>116,127</b>	<b>113,314</b>	<b>114,928</b>	<b>128,455</b>	<b>100,625</b>
<b>Total Charter School Program Revenue</b>	<b>\$ 100,435</b>	<b>\$ 110,422</b>	<b>\$ 23,608</b>	<b>\$ 66,947</b>	<b>\$ 103,933</b>	<b>\$ 116,127</b>	<b>\$ 796,836</b>	<b>\$ 647,036</b>	<b>\$ 539,221</b>	<b>\$ 397,012</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (3,665,806)	\$ (3,341,265)	\$ (2,739,352)	\$ (3,251,173)	\$ (2,917,801)	\$ (3,938,344)	\$ (2,490,805)	\$ (2,460,565)	\$ (1,676,391)	\$ (1,118,517)
Business-Type Activities	(36,798)	2,836	(2,664)	(6,181)	(2,609)	(20,047)	3,562	(2,717)	14,562	(9,494)
<b>Total Charter School Net Expense</b>	<b>\$ (3,702,604)</b>	<b>\$ (3,338,429)</b>	<b>\$ (2,742,016)</b>	<b>\$ (3,257,354)</b>	<b>\$ (2,920,410)</b>	<b>\$ (3,958,391)</b>	<b>\$ (2,487,243)</b>	<b>\$ (2,463,282)</b>	<b>\$ (1,661,829)</b>	<b>\$ (1,128,011)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
General Purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,824	\$ 79,186	\$ 72,474	\$ 42,748
Federal and State Aid Not Restricted	3,581,838	3,197,373	2,928,430	2,476,653	2,774,406	3,566,981	2,462,328	2,250,796	2,232,360	1,325,584
Miscellaneous Income	142,902	171,765	177,876	104,235	128,306	219,005	28,133	27,702	25,883	10,553
Transfers	-	-	-	-	-	-	-	-	-	(25,895)
<b>Total Governmental Activities</b>	<b>3,724,740</b>	<b>3,369,138</b>	<b>3,106,306</b>	<b>2,580,888</b>	<b>2,902,712</b>	<b>3,785,986</b>	<b>2,583,285</b>	<b>2,357,684</b>	<b>2,330,717</b>	<b>1,352,990</b>
<b>Business-Type Activities:</b>										
Miscellaneous Income	-	-	-	-	-	9,852	-	-	-	-
<b>Total Business-Type Activities Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Charter School Wide</b>	<b>\$ 3,724,740</b>	<b>\$ 3,369,138</b>	<b>\$ 3,106,306</b>	<b>\$ 2,580,888</b>	<b>\$ 2,902,712</b>	<b>\$ 3,795,838</b>	<b>\$ 2,583,285</b>	<b>\$ 2,357,684</b>	<b>\$ 2,330,717</b>	<b>\$ 1,352,990</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 58,934	\$ 27,873	\$ 366,954	\$ (670,285)	\$ (15,089)	\$ (152,358)	\$ 92,480	\$ (102,881)	\$ 453,653	\$ 234,473
Business-Type Activities	(36,798)	2,836	(2,664)	(6,181)	(2,609)	(10,195)	3,562	(2,717)	14,562	(9,494)
<b>Total Charter School</b>	<b>\$ 22,136</b>	<b>\$ 30,709</b>	<b>\$ 364,290</b>	<b>\$ (676,466)</b>	<b>\$ (17,698)</b>	<b>\$ (162,553)</b>	<b>\$ 96,042</b>	<b>\$ (105,598)</b>	<b>\$ 468,215</b>	<b>\$ 224,979</b>

Source: Annual Comprehensive Financial Report

**HOPE COMMUNITY CHARTER SCHOOL**  
 Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
 Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Restricted	\$ 75,203	\$ 75,219	\$ 75,203	\$ 75,137	\$ 75,000	\$ 75,000	\$ 75,000	\$ 7,500	\$ -	\$ -
Assigned								24,999	10,210	
Unassigned	635,191	631,706	575,672	368,692	619,722	550,353	602,725	485,246	677,916	234,473
<b>Total General Fund</b>	<b>\$ 710,394</b>	<b>\$ 706,925</b>	<b>\$ 650,875</b>	<b>\$ 443,829</b>	<b>\$ 694,722</b>	<b>\$ 625,353</b>	<b>\$ 677,725</b>	<b>\$ 517,745</b>	<b>\$ 688,126</b>	<b>\$ 234,473</b>

Source: Annual Comprehensive Financial Report



**HOPE COMMUNITY CHARTER SCHOOL**  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Local Sources	\$ 142,902	\$ 171,765	178,319	104,235	128,306	218,821	120,957	106,888	98,357	53,301
State Sources	2,684,134	2,536,907	2,376,431	2,072,480	2,395,583	2,961,427	2,700,154	2,344,174	2,293,500	1,332,377
Federal Sources	897,704	660,466	551,999	206,716	378,823	239,382	445,696	438,730	349,626	289,594
<b>Total Revenues</b>	<b>3,724,740</b>	<b>3,369,138</b>	<b>3,106,749</b>	<b>2,383,431</b>	<b>2,902,712</b>	<b>3,419,630</b>	<b>3,266,807</b>	<b>2,889,792</b>	<b>2,741,483</b>	<b>1,675,272</b>
<b>Expenditures:</b>										
Instruction	1,377,358	1,082,916	1,082,348	857,796	936,238	1,310,673	1,303,179	1,400,792	919,627	629,619
Administration	1,237,504	818,617	668,520	806,967	798,010	1,046,633	459,356	495,785	369,880	341,603
Support Services	1,099,511	1,411,556	1,073,254	1,044,651	1,099,463	1,109,485	842,433	752,617	775,048	392,059
Capital Outlay	6,898	1,317,643	-	-	-	5,074	27,856	1,955	22,602	14,375
Unallocated Benefits	-	-	-	-	-	-	541,503	341,524	200,673	37,248
<b>Total Expenditures</b>	<b>3,721,271</b>	<b>4,630,732</b>	<b>2,824,122</b>	<b>2,709,414</b>	<b>2,833,711</b>	<b>3,471,865</b>	<b>3,174,327</b>	<b>2,992,673</b>	<b>2,287,830</b>	<b>1,414,904</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,469	(1,261,594)	282,627	(325,983)	69,001	(52,235)	92,480	(102,881)	453,653	260,368
<b>Other Financing Sources (Uses):</b>										
Transfers In	-	1,317,643	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Uses</b>	<b>-</b>	<b>1,317,643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 3,469</b>	<b>\$ 56,049</b>	<b>\$ 282,627</b>	<b>\$ (325,983)</b>	<b>\$ 69,001</b>	<b>\$ (52,235)</b>	<b>\$ 92,480</b>	<b>\$ (102,881)</b>	<b>\$ 453,653</b>	<b>\$ 260,368</b>

Source: Annual Comprehensive Financial Report

**HOPE COMMUNITY CHARTER SCHOOL**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
 Unaudited

Fiscal Year Ending June 30,	Interest	Miscellaneous Revenue	Total
2023	\$ 76	\$ 16,533	\$ 16,609
2022	54	16,714	16,768
2021	54	56,492	56,546
2020	85	5,023	5,108
2019	196	11,493	11,689
2018	638	108,635	109,273
2017	-	28,133	28,133
2016	-	-	-
2015	-	-	-
2014	-	-	-

**Source: Charter School records**

***OPERATING INFORMATION***

**HOPE COMMUNITY CHARTER SCHOOL**  
Full-Time Equivalent Charter School Employees by Function  
Last Ten Fiscal Years

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	19	14	16	15	27	31	27	23	23	13
Administrative	4	5	3	3	3	5	2	1	2	2
Support Services	6	8	6	6	5	3	5	2	1	1
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>29</u>	<u>27</u>	<u>25</u>	<u>24</u>	<u>35</u>	<u>39</u>	<u>34</u>	<u>26</u>	<u>26</u>	<u>16</u>

Source: Charter School's Records

**HOPE COMMUNITY CHARTER SCHOOL**

Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil / Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2023	133	\$ 3,714,373	\$ 27,928	21.38%	19	1:7	129	113.2	-10.42%	87.75%
2022	144	3,313,090	23,008	7.54%	14	1:10	144	126.1	5.96%	87.57%
2021	132	2,824,122	21,395	-6.82%	16	1:9	136	119.0	15.17%	87.56%
2020	118	2,709,414	22,961	28.03%	15	1:8	118	117.2	-25.32%	99.36%
2019	158	2,833,711	17,935	6.57%	27	1:6	158	156	-20.00%	98.73%
2018	206	3,466,791	16,829	14.03%	31	1:7	197.5	177.4	6.18%	89.82%
2017	183	2,700,775	14,758	11.04%	28	1:7	186	161	-2.11%	86.56%
2016	192	2,551,988	13,292	37.84%	27	1:8	190	186	7.95%	97.89%
2015	201	1,938,204	9,643	-6.03%	12	1:17	176	149	66.04%	84.66%
2014	109	1,118,517	10,262	0.00%	6	1:17	106	86	100.00%	81.13%

**HOPE COMMUNITY CHARTER SCHOOL**  
School Building Information  
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b><u>Charter School Building</u></b>										
Square Feet	16,821	16,821	16,821	16,821	16,821	16,821	16,821	16,821	16,821	16,821
Capacity (students)	320	320	320	320	320	320	320	320	320	320
Enrollment	132	132	132	118	158	206	183	192	201	109

Number of Schools at June 30, 2023  
School Building - 1

**Source: Charter School Facilities Office**

**HOPE COMMUNITY CHARTER SCHOOL**  
 Insurance Schedule  
 June 30, 2023

	Coverage	Deductible
<b>PACKAGE POLICY (NJSBAIG)</b>		
<b>Property Section</b>		
Location #1	\$ 3,977,200	
Location #1 Contents	475,000	
Location #2	1,729,800	
Location #2 Contents	50,000	
Blanket Extra Expense	50,000,000	
Blanket Records	10,000,000	
Flood	25,000,000	\$ 500,000
Earthquake	50,000,000	
Terrorism	1,000,000	
<b>EDP</b>		
Blanket Hardware/Software	\$ 475,000	
Transit	25,000	
Loss of Income	10,000	
<b>Boiler &amp; Machinery</b>		
Property Damage & Business Income	\$ 100,000,000	
<b>Crime</b>		
Public Employee Dishonesty	\$ 250,000	\$ 500
Loss of Money	50,000	500
Forgery or Alteration	250,000	500
Computer Fraud	250,000	500
<b>General Liability</b>		
Each Occurrence	\$ 16,000,000	
Sexual Abuse	16,000,000	
Personal & Advertising	16,000,000	
Employment Benefits	16,000,000	
Medical Payments	10,000	
<b>Business Auto Section</b>		
Hired & Non-Owned Auto Liability	\$ 16,000,000	
<b>WORKERS COMPENSATION (NJSBAIG)</b>		
Bodily Injury by Accident	\$ 2,000,000	
Bodily Injury by Disease	2,000,000	

**HOPE COMMUNITY CHARTER SCHOOL**  
 New Jersey Performance Framework Financial Ratios  
 Audited Performance Indicators  
 Last Three Fiscal Years

	2021 Audit	2022 Audit	2023 Audit	Source
Cash	686,427	292,949	512,507	Audit: Exhibit A-1
Current Assets (include cash)	851,638	1,022,352	1,098,739	Audit: Exhibit A-1
Current Liabilities	206,497	300,846	410,562	Audit: Exhibit A-1
Total Expenses	2,765,624	3,448,851	3,803,039	Audit: Exhibit A-2
Change in Net Position	364,290	30,709	22,136	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	132.00	144.00	133.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	136	144	133	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation and Amortization Expense	-	-	439,214	Auditor/Workpapers
Interest Expense	-	-	67,149	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

	2021			2022			2023			3 YR CUM			Calculation****			Target****		
<b>Performance Indicators</b>																		
<b>Near Term Indicators</b>																		
1a.	Current Ratio (working capital ratio)	4.12	3.40	2.68										Current Assets/Current Liabilities			> 1.1 or between 1.0-1.1 with positive trend	
1b.	Unrestricted days cash on hand	91	31	49										Cash/(Total Expenses/365)			60 days or 30-60 days with positive trend	
1c.	Enrollment Variance	97%	100%	100%					99%					Average Daily Enrollment/Budgeted Enrollment			>95% or >95% for 3 yr cum	
1d.**	Default on loans or delinquent in debt payments	NO	NO	NO										Auditor			not in default	
<b>Sustainability Indicators</b>																		
2a***	3 Year Cumulative Cash Flow	43,786	(393,478)	219,558					(130,134)					Net change in cash flow from prior years			3 Yr cum negative with most two recent years positive	
2b	Debt Service Coverage Ratio	N/A	N/A	N/A										N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)			>1.10	

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





***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  
“GOVERNMENTAL AUDITING STANDARDS”**

***INDEPENDENT AUDITOR’S REPORT***

The Honorable President and  
Members of the Board of Trustees  
Hope Community Charter School  
County of Camden  
Camden, 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 and business-type activities, and each major fund of Hope Community Charter School (Charter School), in the County of Camden, 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 and have issued our report thereon dated November 27, 2023, which contains an emphasis of matter paragraph describing the adoption of a new accounting principle, and consistency of financial statements.

***Internal Control over Financial Reporting***

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

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

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

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


### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free 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 matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### ***Purpose of this Report***

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

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

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

Union, New Jersey  
November 27, 2023

**BARRE & COMPANY LLC**  
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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**

The Honorable President and  
Members of the Board of Trustees  
Hope Community Charter School  
County of Camden  
Camden, New Jersey

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

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

We have audited The Hope Community Charter School's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey Circular 15-08- OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2023. The Hope Community 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 Hope Community Charter School, in the State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state and Federal programs for the fiscal year ended June 30, 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 Hope Community 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 program. Our audit does not provide a legal determination of Hope Community 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 Hope Community Charter School's State 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 The Hope Community 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 The Hope Community 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 Hope Community 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 Hope Community 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 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 Hope Community 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 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.

**Purpose of this Report**

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

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

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

Union, New Jersey  
November 27, 2023

**HOPE COMMUNITY CHARTER SCHOOL**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	From	To	Grant Period	Balance at June 30, 2022	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Pass Through Subrecipients	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2023 Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>																
<b>Special Revenue Fund:</b>																
<b>Mc Child Left Behind:</b>																
84-010A	S510A180030	N/A	\$ 157,756	7/1/22	6/30/23		\$	-	119,292	\$ (157,756)	-	-	-	\$ (38,524)	\$ -	-
84-010A	S010A180030	N/A	-	7/1/21	6/30/22		(193,695)	-	193,695	(30,718)	-	-	-	(30,718)	-	-
84-010A	S365A180030	NCLB - 22	30,718	7/1/20	6/30/21		(16,013)	-	16,013	(5,500)	-	-	-	(5,500)	-	-
84-010A	S365A180030	NCLB - 22	-	7/1/20	6/30/21		(10,714)	-	10,714	-	-	-	-	-	-	-
84-367	S367A180029	NCLB - 23	5,500	7/1/22	6/30/23		(12,187)	-	14,248	(193,974)	-	-	-	(74,742)	2,061	2,061
84-367	S424A180031	NCLB - 22	-	7/1/21	6/30/22		(232,509)	-	353,802	(37,585)	-	-	-	-	-	-
84-367	S424A180031	NCLB - 22	-	7/1/21	6/30/22		(8,349)	-	8,349	(37,585)	-	-	-	-	-	-
84-027	H027A150100	IDEA - 23	37,585	7/1/22	6/30/23		(8,349)	-	47,298	-	-	-	-	-	-	1,364
84-027	H027A150100	IDEA - 22	-	7/1/21	6/30/22		(8,349)	-	47,298	-	-	-	-	-	-	1,364
<b>Other Special Education Funds:</b>																
84-425	COVID-19, 84.425D	N/A	-	3/13/22	8/31/24		(1,335)	-	-	(1,335)	-	-	-	-	-	-
84-425	COVID-19 CARES Emergency Relief	N/A	-	7/16/22	10/31/22		-	-	-	-	-	-	-	-	-	-
84-425	COVID-19 Digital Divide	N/A	323,730	3/13/20	9/30/23		(137,659)	(5,360)	304,814	(323,730)	-	-	-	(161,938)	-	-
84-425	CRSA ESSER II	N/A	32,173	3/13/20	9/30/23		(5,695)	-	37,743	(32,173)	-	-	-	(1,285)	-	-
84-425	CRSA Learning Acceleration Grant	N/A	245,740	3/13/20	9/30/24		(214,648)	-	214,648	(245,740)	-	-	-	(245,740)	-	-
84-425	CRSA National Health Grant	N/A	5,500	3/13/20	9/30/24		-	-	5,500	(5,500)	-	-	-	-	-	-
84-425	ARP ESSER Summer Learning	N/A	9,883	3/13/20	9/30/24		-	(5,360)	5,500	(9,883)	-	-	-	(9,883)	-	-
84-425	ARP ESSER Beyond School Day	N/A	23,749	3/13/20	9/30/24		(370,256)	(5,360)	597,515	(23,749)	-	-	-	(23,749)	-	-
84-425	ARP ESSER Mental Health	N/A	-	3/13/20	9/30/24		(666,149)	-	-	(666,149)	-	-	-	(444,246)	-	-
<b>Total Other Special Revenue Funds</b>																
									998,615	(897,704)	-	-	-	(518,988)	-	3,425
<b>Total Special Revenue Fund</b>																
									(61,114)	(5,360)	-	-	-	(518,988)	-	3,425
<b>U.S. Department of Agriculture</b>																
<b>Philanthropic State Department of Agriculture</b>																
<b>Enterprise Fund:</b>																
<b>Child Nutrition Cluster:</b>																
10.553	16161NJ0304N099	N/A	33,376	7/1/22	6/30/23		(8,753)	-	31,140	(33,177)	-	-	-	(2,037)	-	-
10.553	16161NJ0304N099	N/A	63,894	7/1/22	6/30/23		(21,562)	-	59,690	(63,894)	-	-	-	(4,204)	-	-
10.555	16161NJ0304N099	N/A	-	7/1/21	6/30/22		(30,315)	-	122,257	(96,193)	-	-	-	(6,241)	-	-
									(981,180)	-	-	-	(6,241)	-	-	
									(5,360)	(895,887)	-	-	(6,241)	-	-	3,425
<b>Total Child Nutrition Cluster</b>																
									1,120,872	(995,887)	-	-	(6,241)	-	-	3,425
<b>Total Enterprise Fund</b>																
									(5,360)	(895,887)	-	-	(6,241)	-	-	3,425



**HOPE COMMUNITY CHARTER SCHOOL**  
 Schedule B  
 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/ (Voucher) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior's Balance	(Accounts Receivable)	Unearned Revenue/ (Voucher) Payable	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<b>State Department of Education</b>																
General Fund:																
State Aid-Public																
Equalization Aid	23-485-034-5120-078	\$ 2,055,196	7/1/22	6/30/23	\$ (64,782)	\$ 16,681	\$ -	\$ 2,075,954	\$ (2,055,196)	\$ -	\$ (43,964)	\$ -	\$ 16,681	\$ (20,818)	\$ 2,055,196	
Special Education	23-485-034-5120-079	71,485	7/1/22	6/30/23				71,485	(71,485)						71,485	
Special Education	23-485-034-5120-084	71,485	7/1/22	6/30/23				71,485	(71,485)						71,485	
Adjustment Aid	20,277	20,277	7/1/22	6/30/23	(64,782)			2,294,368	(2,273,580)		(43,964)				20,277	
Total State Aid-Public Cluster															2,273,580	
TPAF Post-Retirement Medical Contributions	23-485-034-5094-001	92,171	7/1/22	6/30/23				92,171	(92,171)						92,171	
On-Behalf TPAF Pension Contributions	23-485-034-5094-002	350,864	7/1/22	6/30/23				350,864	(350,864)						350,864	
TPAF Long Term Disability Insurance Premium	23-485-034-5094-003	89,289	7/1/22	6/30/23	(7,768)			89,289	(89,289)		(16,896)				89,289	
Reimbursed TPAF - Social Security	22-485-034-5094-003	93,587	7/1/21	6/30/22				84,459	(83,587)					9,128	93,587	
Total General Fund					(72,550)	16,681	-	2,822,181	(2,810,481)	-	(60,860)	-	16,681	(2,562)	2,810,481	
<b>State Department of Agriculture</b>																
Enterprise Fund																
National School Lunch Program (State Share)	23-100-010-3350-023	2,252	7/1/22	6/30/23	(486)			2,109	(2,252)		(143)			143	2,252	
National School Lunch Program (State Share)	22-100-010-3350-023	-	7/1/21	6/30/22				486							-	
Total Enterprise Fund					(486)			2,605	(2,252)		(143)			143	2,252	
Total State Financial Assistance Subject to Major Program Determination for State Single Audit					\$ (73,046)	\$ 16,681	\$ -	\$ 2,824,796	\$ (2,812,743)	\$ -	\$ (61,003)	\$ -	\$ 16,681	\$ (2,419)	\$ 2,812,743	
<b>State Financial Assistance Not Subject to Major Program Determination:</b>																
General Funds (Non-Cash Assistance)																
TPAF Post-Retirement Medical Contributions	23-485-034-5094-001	92,171	7/1/22	6/30/23				(92,171)	92,171						92,171	
On-Behalf TPAF Pension Contributions	23-485-034-5094-002	350,864	7/1/22	6/30/23				(350,864)	350,864						350,864	
TPAF Long Term Disability Insurance Premium	23-485-034-5094-004	289	7/1/22	6/30/23				(289)	289						289	
Total General Funds (Non-Cash Assistance)								(443,324)	443,324						443,324	
Total State Financial Assistance					\$ (73,046)	\$ 16,681	\$ -	\$ 2,381,462	\$ (2,369,419)	\$ -	\$ (61,003)	\$ -	\$ 16,681	\$ (2,419)	\$ 3,256,067	

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

**HOPE COMMUNITY 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, Hope Community 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Charter School's basic financial statements. The information in this schedule is presented in accordance with the requirement of Title 2. U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid*. Therefore, some amounts presented in this schedule 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

**HOPE COMMUNITY CHARTER SCHOOL**  
Notes to the Schedules of Expenditures  
Of Awards and Financial Assistance  
**June 30, 2023**

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

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 2,684,134	\$ 2,684,134
Special Revenue Fund	897,704	-	897,704
Food Service Fund	98,183	2,252	100,435
Total Awards & Financial Assistance	<u>\$ 995,887</u>	<u>\$ 2,686,386</u>	<u>\$ 3,682,273</u>

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

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

**NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING**

Hope Community Charter School has no loan balances outstanding at June 30, 2023.

**NOTE 6. OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long-Term Disability Insurance represents the amount paid by the state on behalf of the charter school for the year ended June 30, 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.

**HOPE COMMUNITY CHARTER SCHOOL**  
Notes to the Schedules of Expenditures  
Of Awards and Financial Assistance  
**June 30, 2023**

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

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

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

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

**NOTE 9. MAJOR PROGRAMS**

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

**HOPE COMMUNITY CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended **June 30, 2023**

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

**Financial Statements**

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   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 NJ Circular Letter 15-08-OMB, as applicable? \_\_\_\_\_ Yes   X   No

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Award Name and Cluster</u>
84.425U	S425U210027	ARP ESSER
84.425D	S425D210027	CRRS Act - ESSER II
84.425D	S425D210027	CRRS Act - Learning Acceleration Grant
84.425D	S425D210027	CRRS Act - Mental Health Grant
84.010A	S010A190030	TITLE I PART A

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

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

**State Awards**

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

Auditee qualified as low-risk auditee?  Yes  No

Internal control over major programs:

1) Material weakness(es) identified?  Yes  No

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

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

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

Identification of major state programs:

**State Grant / Project Numbers**

**Name of State Program**

23-495-034-5120-078

EQUALIZATION AID

23-495-034-5120-089

SPECIAL EDUCATION CATEGORICAL AID

23-495-034-5120-084

SECURITY AID

**HOPE COMMUNITY CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended **June 30, 2023**

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***Section II – Schedule of Financial Statement Findings***

The section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No Current Year Findings

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

This section identifies the significant deficiencies, material weaknesses, material matters of noncompliance, including questioned costs, and significant instances of abuses 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

**HOPE COMMUNITY CHARTER SCHOOL**  
Summary Schedule of Prior Year Audit Findings  
For the Fiscal Year Ended **June 30, 2023**

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**STATUS OF PRIOR-YEAR FINDINGS**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Government Auditing Standards, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

No Prior Year Findings