

**ACHIEVE COMMUNITY CHARTER SCHOOL**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JUNE 30, 2023**

**PREPARED BY  
Achieve Community Charter School**

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

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(COUNTY OF ESSEX, NEW JERSEY)**

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ACHIEVE COMMUNITY  
CHARTER SCHOOL  
BRICK EDUCATION NETWORK

Achieve Community  
Charter School

534 Clinton Avenue  
Newark, NJ 07108

(973) 556.7070

Honorable President and  
Members of the Board of  
Trustees  
Achieve Community Charter School  
County of Essex  
Newark, New Jersey

Dear Board Members:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the Achieve Community Charter School (Charter School) for the fiscal year ended June 30, 2023. This ACFR includes the Charter School's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34.

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

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

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 Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the New Jersey State Office of Management and Budget (OMB) Circular Letter 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.

## Charter School Organization

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

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

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

The Charter School provides a full range of educational services appropriate to grade levels K through 8. These include both regular and special education programs. As of June 30, 2023, the Charter School's final head count was 441 students.

2. **MAJOR INITIATIVES**: The following are the major initiatives successfully implemented at the Charter School for 2022-2023 school year:

The major initiatives are ensuring our K-4 ELA program is aligned to the Science of Reading research as well as continuing to address unfinished learning that continues to linger as a result of virtual instruction and the pandemic. For our ELA program, we conducted research into Science of Reading research and aligned our program against the tenets. After this research, we shifted to adopt a new foundational reading program (CKLA Skills) and language comprehension program (Wit and Wisdom). In addition, we trained leaders in the science and coached and developed teachers to implement the new curriculum with a focus on the why. In addition, we adopted a new foundational reading assessment called mCLASS that focuses on foundational reading. For unfinished learning, we continued to provide accelerated learning in math through our individualized learning time block as well as our Math Power Up and expanded access to our use of iREADY for math support.

In addition, we continued to strengthen our social emotional learning and support through the third year of implementation of the SEL Curriculum Positive Action. Additional support services to students were provided through the MTSS system along with resources for staff to utilize to transition back to in person learning. We also worked to decrease our chronic absenteeism rate by providing individual plans for students through our success mentors.

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

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year.

5. **ACCOUNTING SYSTEM AND REPORTS:** The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds each of which maintains a self-balancing set of accounts. These funds are explained in the "Notes to the Basic Financial Statements."

6. **DEBT ADMINISTRATION:** At June 30, 2023, the Charter School has no outstanding debt.

7. **CASH MANAGEMENT:** The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Basic Financial Statement" Notes 1 and 3. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance and fidelity bonds.



**9. OTHER INFORMATION:**

**Independent Audit**

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

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

- 10. ACKNOWLEDGMENTS:** I would like to express my appreciation to the Board of Trustees of Achieve Community Charter School for their concern in providing fiscal accountability to the Charter School and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



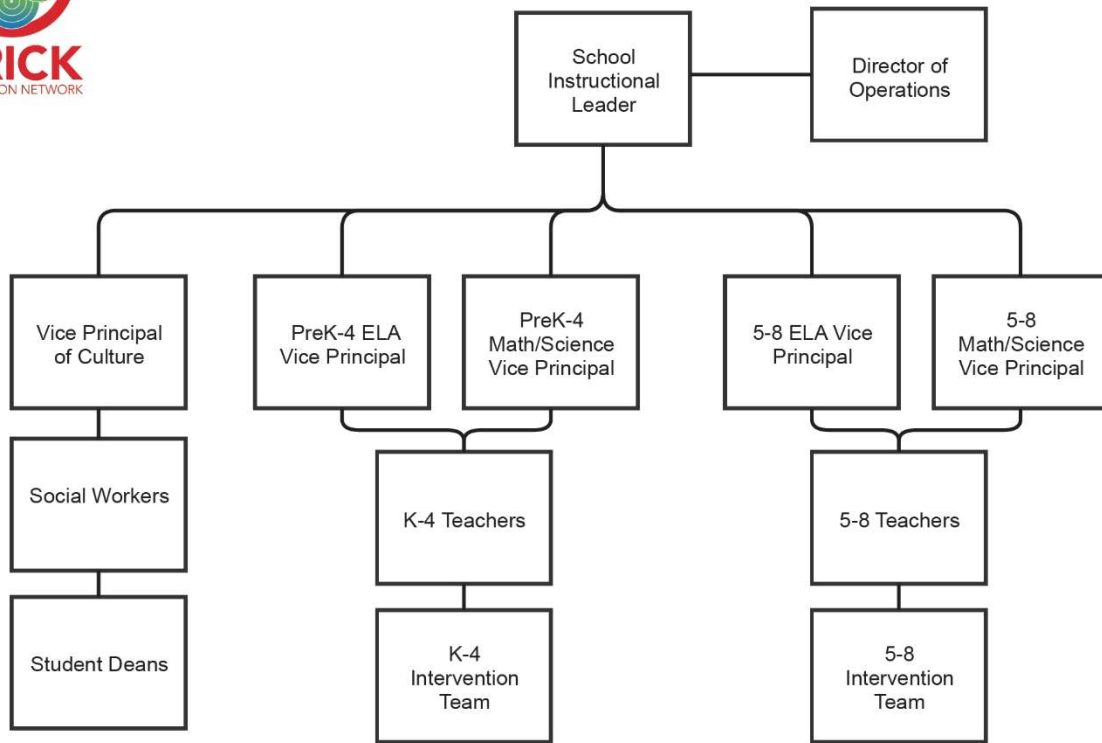
Priscilla Everhart, School Business Administrator  
Achieve Community Charter School

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**ORGANIZATIONAL CHART**



**BRICK Education Network PreK-8 School Leadership Structure**





Achieve Community  
Charter School

534 Clinton Avenue  
Newark, NJ 07108

(973) 556.7070

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**ROSTER OF OFFICIALS**

**JUNE 30, 2023**

**Board of Trustees**

<b>MEMBERS OF THE BOARD OF TRUSTEES</b>	<b>TERM</b>
Ronald Augustin, Chair	June 30, 2023
Sonia Rodrigues-Martó, Trustee	June 30, 2023
Dana Murray, Trustee	June 30, 2023
Wynda Garcia, Trustee	June 30, 2023
Yossy Montecinos, Trustee	June 30, 2023
Ayanah Harris, Trustee	June 30, 2023

**OTHER OFFICIALS**

Dominique Lee, Founder and Chief Executive Officer

Christopher Perpich, Chief School Administrator

Priscilla Everhart, Business Administrator

Chaleeta N. Hines, Board Secretary

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**CONSULTANTS AND ADVISORS**

**Independent Auditors**

Galleros Robinson CPAs, LLP  
115 Davis Station Road  
Cream Ridge, NJ 08514

**Attorneys**

Johnston Law Firm LLC  
75 Midland Avenue, Suite 1  
Montclair, NJ 07042

**Official Depositories**

TD Bank  
356 Springfield Avenue  
Newark, NJ 07103

M&T Bank  
45 Eisenhower Dr  
Paramus, NJ 07012

# **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Trustees  
Achieve Community Charter School  
County of Essex  
Newark, New Jersey

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Achieve Community Charter School (the Charter School), in the County of Essex, 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, each major fund, and the aggregate remaining fund information of the Achieve Community Charter School in the County of Essex, State of New Jersey as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 the 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.

#### *Change in Accounting Principle*

As discussed in Note 2 to the financial statements during the fiscal year ended June 30, 2023, the Charter School adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

## **INDEPENDENT AUDITOR'S REPORT - CONTINUED**

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 generally accepted auditing standards, the *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, the *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 the 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 the Charter School's ability to continue as a going concern for a reasonable period of time.

## **INDEPENDENT AUDITOR'S REPORT - CONTINUED**

### ***Auditor's Responsibilities for the Audit of the Financial Statements - Continued***

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 and the information listed under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. 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 responses 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 performed for the purpose of forming an opinion on the financial statements that collectively comprise the Charter School's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are also presented for purposes of additional analysis 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 New Jersey OMB's Letter Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



## INDEPENDENT AUDITOR'S REPORT - CONTINUED

### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2023. 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***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2024 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Charter School's internal control over financial reporting and compliance.



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Leonora Galleros, CPA  
Public School Accountant  
PSA No. 20CS00239400



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Galleros Robinson CPAs, LLP  
Certified Public Accountants

January 23, 2024  
Cream Ridge, New Jersey

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The discussion and analysis of Achieve Community Charter School's (the Charter School) financial performance provides an overall review of the Charter School's financial activities for the fiscal period 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.

The Management's Discussion and Analysis (MD&A) provides an analysis of the Charter School's overall financial position and results of operations.

**Introduction**

This section of the Charter School's annual financial report presents our discussion and analysis of the Charter School's financial performance and provides an overview of the Charter School's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the transmittal letter at the front of this report and the Charter School's financial statements, which follow this section.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB).

**Financial Highlights**

Key Financial highlights for the fiscal year 2023 are as follows:

- In total, net position increased by \$0.1 million in 2023.
- General revenues accounted for \$7.53 million or 70% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$3.23 million or 30% of total revenues of \$10.76 million.
- The Charter School had \$10.76 million in expenses; only \$3.23 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$7.53 million was adequate to provide for these programs.
- Among governmental funds, the General Fund had \$8.43 million in revenues and \$8.11 million in expenditures and other financing uses. The General Fund's fund balance increased by \$0.32 million in 2023.
- On July 1, 2023, the Charter School merged with People's Preparatory Charter School (PPCS) which served senior high school in Newark. The Charter School's assets, liabilities and equity as of that date was combined with the PPCS to create a new K-12 school, People's Achieve Community Charter School (PACCS). The NJ DOE approved the merger on February 1, 2023.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

**Basic Financial Statements**

This annual report consists of a series of basic financial statements, required supplementary information, other supplementary information and notes to those statements and information.

The report is organized so the reader can understand the Achieve Community Charter School as a financial whole, or as an entire operating entity. The first two basic financial statements, the Statement of Net Position and the Statement of Activities, are governmental-wide financial statements and provide overall information about the activities of the entire Charter School, presenting both an aggregate view of the Charter School's finances and a long-term view of those finances.

**Fund Financial Statements**

The remaining basic financial statements are fund financial statements that focus on the individual parts of the government, reporting the Charter School's operation in more detail than the government-wide statements. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in a single column. For the Achieve Community Charter School, the General Fund is the most significant fund.

The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short and long-term financial information about the activities; the government operates like a business, such as food service.

Fiduciary fund statements provide information about financial relationship in which the Charter School acts solely as a trustee or agent for the benefits of other, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

**Statement of Net Position and Statements of Activities**

While this report contains the 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 asks the question, "how did we do financially during fiscal year 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all the Charter School's assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. These bases of accounting take into account all of the current year's revenues and expenses regardless of when cash was received or paid.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED**

These two statements report the Charter School’s net position and changes in the net position. This change in net position is important because it identifies whether the financial position of the Charter School has improved or diminished for the Charter School as a whole. This change is the result of many factors some financial, some not. Financial factors represent increases in federal and state funding that resulted from the increase in enrollment noted for the fiscal year ended June 30, 2023. These factors are presented in our discussions on the Charter School as a whole. Non-financial factors include the property tax base of the School District where the Charter School is located, current educational funding laws in New Jersey, facilities conditions, required educational programs, and other factors. In the Statements of Net Position and the Statements of Activities, the Charter School is divided into two distinct kinds of activities:

**Governmental Activities** – Most of the Charter School’s programs and services are reported here including instructional, extracurricular activities, curriculum, staff development, special education and other support services, operation and maintenance of plant, pupil transportation, health services and general administration.

**Business-Type Activity** – Services are provided on a charge for goods or services or reimbursement basis to recover the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

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

**Fund Financial Statements**

Fund financial reports provide detailed information about the Charter School’s major funds, not the Charter School as a whole. Funds are accounting devices that the Charter School uses to keep track of a multitude of financial transactions. The Charter School’s only major governmental fund is the General Fund.

**Governmental Funds**

Most of the Charter School’s activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. 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 statement provides a detailed short-term view of the Charter School’s general government operations and the basic services it provides.

Governmental fund information helps determine whether there are sufficient 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 the governmental funds are reconciled in the financial statements.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

**Enterprise Fund**

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

**The Charter School as a Whole**

The perspective of the Statement of Net Position is of the Charter School as a whole. The table below provides a summary of the Charter School's net position at June 30, 2023.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Current Assets	\$ 3,344,541	\$ -	\$ 3,344,541
Right-of-use assets, net	371,350	-	371,350
Total Assets	<u>3,715,891</u>	<u>-</u>	<u>3,715,891</u>
<b>Deferred Outflow of Resources</b>			
	<u>1,937,155</u>	<u>-</u>	<u>1,937,155</u>
<b>Liabilities</b>			
Current Liabilities	765,915	-	765,915
Noncurrent liabilities	<u>2,607,062</u>	<u>-</u>	<u>2,607,062</u>
Total Liabilities	<u>3,372,977</u>	<u>-</u>	<u>3,372,977</u>
<b>Deferred Inflow of Resources</b>			
	<u>322,776</u>	<u>-</u>	<u>322,776</u>
<b>Net Position</b>			
Net investment in right-of-use assets, net of related debt	(65,292)	-	(65,292)
Unrestricted	<u>2,022,585</u>	<u>-</u>	<u>2,022,585</u>
Total Net Position	<u>\$ 1,957,293</u>	<u>\$ -</u>	<u>\$ 1,957,293</u>

The total net position of the Charter School has increased by \$0.11 million during the current fiscal year. The table that follows reflects the change in net position for fiscal year 2023.

In 2023, total revenues amounted to \$10.76 million and total expenses amounted to \$10.65 million.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charge for Services	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 1
Grants and Contributions	3,229,244	3,428,037	-	-	3,229,244	3,428,037
Total Program Revenues	<u>3,229,244</u>	<u>3,428,037</u>	<u>-</u>	<u>-</u>	<u>3,229,244</u>	<u>3,428,038</u>
General Revenues:						
Local sources	980,394	1,021,888	-	-	980,394	1,021,888
State aid	6,490,263	6,283,891	-	-	6,490,263	6,283,891
Transfer	-	(19,343)	-	19,343	-	-
Other	64,026	69,024	-	-	64,026	69,024
Total General Revenues	<u>7,534,683</u>	<u>7,355,460</u>	<u>-</u>	<u>19,343</u>	<u>7,534,683</u>	<u>7,374,803</u>
Total Revenues	<u>10,763,927</u>	<u>10,783,497</u>	<u>-</u>	<u>19,343</u>	<u>10,763,927</u>	<u>10,802,841</u>
Expenses:						
Instruction	5,402,148	5,160,496	-	-	5,402,148	5,160,496
Support Services:						
Administrative expenses	3,035,882	1,948,402	-	-	3,035,882	1,948,402
Other support expenses	1,771,693	2,115,294	-	-	1,771,693	2,115,294
Amortization of right-of-use assets	371,349	371,348	-	-	371,349	371,348
Capital outlay	69,060	41,532	-	-	69,060	41,532
Food service	-	-	-	19,343	-	19,343
Total Expenses	<u>10,650,132</u>	<u>9,637,072</u>	<u>-</u>	<u>19,343</u>	<u>10,650,132</u>	<u>9,656,415</u>
Changes in Net Position	<u>113,795</u>	<u>1,146,425</u>	<u>-</u>	<u>-</u>	<u>113,795</u>	<u>1,146,426</u>
Net position at beginning of year, as reported	1,843,498	818,382	-	-	1,843,498	818,382
Prior period adjustment	-	(121,309)	-	-	-	(121,309)
Net position at beginning of year, as restated	<u>1,843,498</u>	<u>697,073</u>	<u>-</u>	<u>-</u>	<u>1,843,498</u>	<u>697,073</u>
Net position at end of year (A-1)	<u>\$ 1,957,293</u>	<u>\$ 1,843,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,957,293</u>	<u>\$ 1,843,499</u>

**Governmental Activities**

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted state entitlements for the fiscal year ended June 30, 2023.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED**

	<u>Total Cost of Services</u>	<u>Grants/ Contributions</u>	<u>Net Cost of Services</u>
Instruction	\$ 5,402,148	\$ 1,904,588	\$ (3,497,560)
Administrative	3,035,882	316,554	(2,719,328)
Support services	1,771,693	939,042	(832,651)
Unallocated:			
Capital outlay	69,060	69,060	-
Amortization of right-of-use assets	371,349	-	(371,349)
Total Expenses	<u>\$ 10,650,132</u>	<u>\$ 3,229,244</u>	<u>\$ (7,420,888)</u>

**Business-Type Activity**

Beginning July 1, 2020, the Charter School’s food service is administered by the Marion P. Thomas Charter School (Sponsoring SFA). The financial transactions, and statistical records related to the school food service are maintained by the Sponsoring SFA. The business-type activities of the Charter School are related to the food service operation. No revenue and operating expense recognized in 2023.

**The Charter School’s Funds**

The Charter School’s governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$10.68 million and expenditures and other financing uses of \$10.36 million.

**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.

During the course of fiscal year 2023, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid and other revenue-based budgets. The budgeting systems are designed to tightly control total budget but provide flexibility for Charter School management teams.

For the General Fund, final budgeted revenues were \$7.72 million. Expenditures and other financing uses were budgeted at \$7.39 million. The Charter School anticipated an excess of revenues over expenditures of \$0.32 million in fiscal year 2023. During the fiscal year ended June 30, 2023, actual revenues were \$8.43 million and expenditures and other financing uses were \$8.11 million.

Reimbursement from the State of New Jersey during the year ended June 30, 2023 for the employer’s share of social security contributions amounted to \$0.18 million and the TPAF on-behalf TPAF payments for pensions, post-retirement medical benefits, and long-term disability Insurance from the State amounted to \$0.72 million.



**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

**Capital Assets**

At the end of fiscal year 2023, the Charter School had no investment in capital assets.

**Right-of-Use Assets**

At the end of fiscal year 2023, the Charter School had right-of-use assets, net amounting to \$0.37 million for the Charter School building.

**Long-term Liabilities**

At the end of fiscal year 2023, long-term liabilities are as follow:

	<b>Balance at July 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at June 30, 2023</b>	<b>Due within One Year</b>
Governmental activities:					
Net pension liability	\$ 1,580,081	\$ 660,388	\$(172,778)	\$ 2,067,691	\$205,290
Compensated absences	116,606	-	(13,877)	102,729	10,273
Sublease liabilities	<u>847,946</u>	<u>-</u>	<u>(411,304)</u>	<u>436,642</u>	<u>436,642</u>
Total	<u>\$ 2,544,633</u>	<u>\$ 660,388</u>	<u>\$(597,959)</u>	<u>\$ 2,607,062</u>	<u>\$652,205</u>

**Economic Factors and Next Year's Budget**

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

**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 reflect the Charter School's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to: People's Achieve Community Charter School, Business Office, 534 Clinton Ave, Newark, NJ 07108.

# **BASIC FINANCIAL STATEMENTS**

## **CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS**

This Statement of Net Position and the Statement of Activities display information about the Charter School as a whole. The Statement of Net Position presents the financial condition of the government and business-type activities of the Charter School at fiscal year-end. The Statement of Activities presents a comparison between direct expense and program revenues for each program or function of the Charter School's governmental and business-type activities.

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

## STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,133,814	\$ -	\$ 1,133,814
Accounts receivable	999,002	-	999,002
Other receivables	1,206,025	-	1,206,025
Security deposit	5,700	-	5,700
Other current assets			
Total current assets	<u>3,344,541</u>	<u>-</u>	<u>3,344,541</u>
Right-of-use assets:			
School building lease	2,228,094	-	2,228,094
Less: Accumulated amortization	<u>(1,856,744)</u>	<u>-</u>	<u>(1,856,744)</u>
Right-of-use assets, net	<u>371,350</u>	<u>-</u>	<u>371,350</u>
Total assets	<u>3,715,891</u>	<u>-</u>	<u>3,715,891</u>
<b>Deferred Outflow of Resources</b>	<u>1,937,155</u>	<u>-</u>	<u>1,937,155</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	674,776	-	674,776
Intergovernmental payable:			
State	41,036	-	41,036
Deferred revenues	50,103	-	50,103
Total current liabilities	<u>765,915</u>	<u>-</u>	<u>765,915</u>
Noncurrent Liabilities:			
Due within one year	652,205	-	652,205
Due in more than one year	1,954,857	-	1,954,857
	<u>2,607,062</u>	<u>-</u>	<u>2,607,062</u>
Total liabilities	<u>3,372,977</u>	<u>-</u>	<u>3,372,977</u>
<b>Deferred Inflow of Resources</b>	<u>322,776</u>	<u>-</u>	<u>322,776</u>
Net position			
Net investment in right-of-use assets, net of related debt	(65,292)	-	(65,292)
Unrestricted	2,022,585	-	2,022,585
Total net position	<u>\$ 1,957,293</u>	<u>\$ -</u>	<u>\$ 1,957,293</u>

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Totals
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>						
Instruction	\$ 5,402,148	\$ -	\$ 1,904,588	\$ (3,497,560)	\$ -	\$ (3,497,560)
Administrative cost	3,035,882	-	316,554	(2,719,328)	-	(2,719,328)
Support services	1,771,693	-	939,042	(832,651)	-	(832,651)
Unallocated:						
Capital outlay	69,060	-	69,060	-	-	-
Amortization of right-of-use assets	<u>371,349</u>	-	-	<u>(371,349)</u>	-	<u>(371,349)</u>
Total governmental activities	10,650,132	-	3,229,244	(7,420,888)	-	(7,420,888)
<b>Business-type activities:</b>						
Food Service	-	-	-	-	-	-
Total primary government	<u>\$ 10,650,132</u>	<u>\$ -</u>	<u>\$ 3,229,244</u>	<u>\$ (7,420,888)</u>	<u>\$ -</u>	<u>\$ (7,420,888)</u>
<b>General revenues, transfers and special items:</b>						
Local sources				\$ 980,394	\$ -	\$ 980,394
State sources				6,490,263	-	6,490,263
Miscellaneous				<u>64,026</u>	-	<u>64,026</u>
Total general revenues, transfers and special items				<u>7,534,683</u>	-	<u>7,534,683</u>
Changes in net position				113,795	-	113,795
Net position at beginning of year				<u>1,843,498</u>	-	<u>1,843,498</u>
Net position at end of year (A-1)				<u>\$ 1,957,293</u>	<u>\$ -</u>	<u>\$ 1,957,293</u>

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

GOVERNMENTAL FUNDS  
BALANCE SHEET

JUNE 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 1,133,814	\$ -	\$ 1,133,814
Interfund accounts receivable	1,081,965	-	1,081,965
Accounts receivables:			
Federal	33,674	246,995	280,669
State	718,333	-	718,333
Other receivables	250,000	956,025	1,206,025
Other current assets	<u>5,700</u>	<u>-</u>	<u>5,700</u>
Total assets	<u>\$ 3,223,486</u>	<u>\$ 1,203,020</u>	<u>\$ 4,426,506</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 603,824	\$ 70,952	\$ 674,776
Interfund accounts payable	-	1,081,965	1,081,965
State	41,036	-	41,036
Deferred revenue	<u>-</u>	<u>50,103</u>	<u>50,103</u>
Total liabilities	<u>644,860</u>	<u>1,203,020</u>	<u>1,847,880</u>
Fund balances:			
Unassigned	<u>2,578,626</u>	<u>-</u>	<u>2,578,626</u>
Total fund balances	<u>2,578,626</u>	<u>-</u>	<u>2,578,626</u>
Total liabilities and fund balances	<u>\$ 3,223,486</u>	<u>\$ 1,203,020</u>	

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

Capital assets and right-of-use assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Right-of-use assets	\$ 2,228,094
Accumulated amortization	<u>(1,856,744)</u>
	<u>371,350</u>

Governmental funds do not report the effect of assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities.

Deferred amounts on net pension liability	<u>1,614,379</u>
---	------------------

Long-term liabilities, including pensions, lease liabilities and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Net pension liability	(2,067,691)
Compensated absences payable	(102,729)
Lease liability	<u>(436,642)</u>
	<u>(2,607,062)</u>

Net position of governmental activities - A-1 \$ 1,957,293



**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total</b>
<b>Revenues</b>			
Local sources:			
Local tax levy	\$ 980,394	\$ -	\$ 980,394
Grant and contributions	-	21,000	21,000
Miscellaneous	64,026	-	64,026
Total revenues - local sources	<u>1,044,420</u>	<u>21,000</u>	<u>1,065,420</u>
Federal sources	-	2,147,051	2,147,051
State sources	6,490,263	81,060	6,571,323
Reimbursed TPAF - Social Security (non-budgeted)	180,830	-	180,830
On-behalf Teachers' Pension and Annuity Fund pension contributions (non-budgeted)	568,403	-	568,403
On-Behalf Teachers' Pension and Annuity Fund post-retirement medical (non-budgeted)	149,318	-	149,318
On-Behalf Teachers' Pension and Annuity Fund non-contributory insurance (non-budgeted)	611	-	611
Total revenues	<u>8,433,845</u>	<u>2,249,111</u>	<u>10,682,956</u>
<b>Expenditures</b>			
Current expense:			
Regular instruction	2,563,818	1,342,346	3,906,164
Support services and undistributed costs:			
Student and instruction-related services	382,468	679,797	1,062,265
Other administrative services	296,537	-	296,537
School administrative services	1,897,075	-	1,897,075
Plant operations and maintenance	400,091	-	400,091
Personal services - employee benefits	2,122,033	160,523	2,282,556
Capital Outlay	-	69,060	69,060
Total expenditures	<u>7,662,022</u>	<u>2,251,726</u>	<u>9,913,748</u>
Excess of revenues over expenditures	771,823	(2,615)	769,208
Other financing sources (uses):			
Principal payments on leases	(411,304)	-	(411,304)
Interest payments on leases	(39,704)	-	(39,704)
Total other financing sources (uses)	<u>(451,008)</u>	<u>-</u>	<u>(451,008)</u>
Excess revenues over expenditures and other financing uses	320,815	(2,615)	318,200
Fund balances, beginning of the year	<u>2,257,811</u>	<u>2,615</u>	<u>2,260,426</u>
Fund balance, end of year	<u>\$ 2,578,626</u>	<u>\$ -</u>	<u>\$ 2,578,626</u>

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2023**

**Total net change in fund balances - governmental funds (B-2)** \$ 318,200

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period. Additionally, in the Statement of Activities gains or (losses) are recognized upon disposition.

Amortization expense (371,349)

Repayment of capital lease obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and are not reported in the Statement of

Principal payment of lease liability 411,304

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension costs (258,237)  
Compensated absences 13,877

**Change in net position of governmental activities (A-2)** \$ 113,795

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Charter School is an instrumentality of the State of New Jersey, established to function as an educational institution. The 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.

**B. Component Units**

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB's Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Charter School management. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School. Based on the aforementioned criteria, the Charter School has no component units.

**C. Basis of Presentation**

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

The Charter School also applies Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund unless they conflict with or contradict GASB pronouncements. The most significant of the Charter School's accounting policies are described below:

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**C. Basis of Presentation - Continued**

In June 1999, the Governmental Accounting Standards Boards unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the financial statements include the following:

The financial statements include:

- i) A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Charter School’s overall financial position and results of operations.
- ii) Financial statements prepared using full accrual accounting for all of the Charter School’s activities.
- iii) A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

**D. Basic Financial Statements**

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

**Government-wide Financial Statements**

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

The statement of net position presents the financial condition of the governmental and business-type activities of the Charter School at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School’s governmental and business-type activities. The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Basic Financial Statements - Continued**

**Fund Financial Statements**

Fund financial statements of the Charter School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Charter School.

The Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Charter School at a more detailed level.

**E. Governmental Funds**

**General Fund** - The General Fund is the primary operating fund of the Charter School and is always classified as a major fund. It is used to account for all financial resources except those that are legally or administratively 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.

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

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

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**E. Governmental Funds - Continued**

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2023, there was no Capital Projects Fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on, bonds issued to finance major property acquisitions, construction, and improvement programs. As of June 30, 2023, there was no debt service fund.

**F. Proprietary Funds**

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

**Enterprise Funds:**

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

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

**Internal Service (Self-Insurance) Fund:**

The Self-Insurance Fund is used to cover the self-insured limits of the various insurance policies for all funds. Charter School does not use self-insurance fund.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**G. Fiduciary Funds**

Fiduciary funds are classified as follows:

Trust Fund. Accounts for assets held in a trustee capacity for others and therefore cannot be used to support the Charter School's own programs. Three trust fund types discussed below are used to account for resources held and administered by the Charter School when it is acting in a fiduciary capacity for individuals, private organizations or other governmental units. These funds are distinguished from custodial funds generally by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

- a. Pension and Other Employee Benefit Trust. Accounts for resources held in trust for the members and beneficiaries of various employee benefit plans.
- b. Investment Trust Fund. Accounts for the portion of investment pools reported by the sponsoring district.
- c. Private Purpose Trust Fund. Accounts for all other trust arrangements, such as a scholarship fund to benefit individual students.

Custodial Fund. Accounts for resources held by the Charter School in a purely custodial capacity that involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Charter School must maintain the financial integrity of the individual agencies through a separate accounting of each activity for which the Charter School is acting as an agent. Custodial funds would include parent-teacher organizations.

As of June 30, 2023, the Charter School do not have any fund that is classified as fiduciary fund.

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

**Measurement Focus** - Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. On the government-wide statements of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance



**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**H. Measurement Focus and Basis of Accounting - Continued**

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

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

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

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available.

"Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

**I. Budgets/Budgetary Control**

Annual appropriated budgets are prepared prior to July 1, for the General Fund. The budget is 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 N.J.A.C. 6:20-2A. 2(m)1. All budget amendments must be approved by the State Department of Education. 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 Special Revenue Fund as noted below.

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**I. Budgets/Budgetary Control - Continued**

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 special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of 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 recognized encumbrances as expenditures and also recognized the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow of the presentation of GAAP basis financial report. As presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenue Fund and Debt Service Funds to the GAAP basis of accounting as presented in the Statements of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.

**J. Assets, Liabilities, and Equity**

***Deposits, Investments and Risk Disclosure***

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

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

GASB Statement No. 40 replaces in part, and otherwise modifies the prior GASB Statement No. 3, in addressing the requirements for disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Custodial credit risk disclosures are limited to deposits that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**J. Assets, Liabilities, and Equity - Continued**

***Deposits***

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Charter Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows: The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%. All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

***Investments***

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal national Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the Charter School.
- d. New Jersey Cash Management Fund, New Jersey Arbitrage Rebate Management Fund and MBIA CLASS.

As of June 30, 2023, the Charter School did not hold any investments.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**J. Assets, Liabilities, and Equity - Continued**

***Risk Category***

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

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

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

***Prepaid Expenses***

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

The Charter School does not have prepaid expenses as of June 30, 2023.

***Interfund Assets/Liabilities***

On the fund financial statements, receivables and payables resulting from short-term Interfund loans are classified as Interfund Receivable/Payable. Interfund balanced within governmental activities and within business-type activities are eliminated on the government-wide Statement of Net Position.

***Fixed Assets***

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Charter School as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**J. Assets, Liabilities, and Equity - Continued**

***Fixed Assets - Continued***

The valuation based for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the governmental fund capital assets.

Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. The Charter School does not have capital assets as of June 30, 2023.

***Right-of-Use Assets***

Right-of-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized over the lease term or the life of the asset, whichever is shorter.

***Subscription Assets***

In the charter school-wide financial statements, subscription assets are measured as the sum of (1) present value of subscription payments expected to be made during the subscription term plus (2) payments made before commencement of the subscription term, and (3) any capitalizable implementation costs, less any incentives received at or before the commencement of the subscription term in the charter school-wide and proprietary fund financial statements and is amortized on a straight-line basis over the subscription term. Short-term SBITAs, which have a maximum possible term of 12 months, including any options to extend, regardless of their probability of being exercised are recognized as outflows of resources in the period paid. The Charter School does not have subscription assets at June 30, 2023.

***Compensated Absences***

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

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**J. Assets, Liabilities, and Equity – Continued**

***Compensated Absences - continued***

Charter School employees are granted sick and vacation leave in varying amounts under the Charter School's personnel policies and according to negotiated contracts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave. Vacation days not used during the year may only be carried forward with approval from the Head of School.

In the charter school-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, the Charter School has \$102,729 liabilities for compensated absences.

***Pensions***

In government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The Charter School recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the Charter School's fiscal year-end or the Charter School's proportionate share thereof in the case of a cost-sharing multi-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience, are amortized over the weighted average remaining service life of all participants, including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense.

Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**J. Assets, Liabilities, and Equity – Continued**

***Deferred Revenue***

Deferred revenue in special revenue fund represent cash that has been received but not yet earned.

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

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payable, accrued liabilities, and long-term obligations payable from the enterprises fund are reported and the enterprises fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payments during the current year.

***Lease Liabilities***

Lease liabilities are measured at the present value of payments expected to be made during the lease term (less any lease incentives).

***Subscription Liabilities***

In the charter school-wide financial statements, subscription liabilities are reported are measured as the present value of subscription payments at the charter school's incremental borrowing rate. The Charter School does not have subscription liabilities at June 30, 2023.

***Deferred Outflows of Resources and Deferred Inflows of Resources***

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

The deferred outflows of resources and deferred inflows of resources in the Charter School-wide governmental activities pertain to pensions.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**J. Assets, Liabilities, and Equity – Continued**

***Fund Balance and Equity***

Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law.

*Committed* fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision-making authority. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the entity's governing board.

*Assigned* fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision-making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

*Unassigned* fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already



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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – CONTINUED

J. **Assets, Liabilities, and Equity** – Continued

***Fund Balance and Equity - continued***

classified as nonspendable, restricted and committed would exceed the fund's assets.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Charter School's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Charter School's policy to use fund balance in the following order: committed, assigned, and unassigned.

***Net Position***

Net Position on the *Statement of Net Position* include the following:

**Investments in Capital Assets and Right-of-use Assets, net of Related Debt** - the component of net position there reports the differences between capital assets and right-of-use assets less both the accumulated depreciation and amortization, and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributed to the acquisition, construction or improvement of those assets.

**Restricted for Specific Purposes** – the component of net position that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on their use by either external parties and /or enabling legislation.

**Restricted for Debt Service** – the component of net position that reports the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by creditors.

**Unrestricted** - the difference between the assets and liabilities that is not reported in Net Position Invested in Capital Assets, net of Related Debt, Net Position Restricted for Specific Purposes or Net Position Restricted for Debt Services.

***Contributed Capital***

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**K. Interfund Transactions**

Interfund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as “Due from/to Other Funds” on the accompanying financial statements. All other interfund transfers are reported as operating transfers.

**L. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**M. Accounting for Uncertainty in Income Taxes**

The Charter School recognizes the effect of income tax positions only of those positions are more likely than not of being sustained. Management has determined that the Charter School had no uncertain tax positions that would require financial statement recognition. The Charter School is no longer subject to audits by the applicable taxing jurisdictions for tax periods prior to 2020.

**N. On-Behalf Payments**

Revenues and expenditures of the General Fund include payment made by the State of New Jersey for Pension and social security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund, and for post-retirement medical benefits of members. The amounts are not required to be included in the Charter School’s annual budget.

**O. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 23, 2024.

On July 1, 2023, the Charter School merged with People's Preparatory Charter School (PPCS) which served senior high school in Newark. The Charter School's assets, liabilities and equity as of that date was combined with the PPCS to create a new K-12 school, People's Achieve Community Charter School. The NJ DOE approved the merger on February 1, 2023.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 2 ACCOUNTING PRONOUNCEMENTS**

*A. Accounting Pronouncements Adopted During the Year*

GASB Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Charter School is not a party to a conduit debt obligation, and therefore, the adoption of this standard did not have an effect on the Charter School's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* provides new definitions and guidance for accounting and financial reporting for public-private, public-public partnerships (PPPs) and availability payment arrangements (APAs).

A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time, in an exchange or exchange-like transaction.

An APA is an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time, in an exchange or exchange-like transaction. In an APA, a government procures a capital asset or service, rather than receiving compensation to allow another entity to provide public services. During the process of evaluating the impact of this statement, it was confirmed that the Charter School is not involved in APA arrangements.

The Charter School do not have a PPP nor APA type of agreements, and thus the adoption of Statement No. 93 had no impact on the Charter School's current accounting practices nor its financial reporting.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The Statement is based on the principle that SBITAs are financings of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 2 ACCOUNTING PRONOUNCEMENTS - CONTINUED**

*A. Accounting Pronouncements Adopted During the Year - Continued*

that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangements on a government's resources.

All of Charter School's SBITA are for a term of 12 months or less. Thus, the adoption did not have an effect on the Charter School's financial statements.

GASB Statement No. 92, *Omnibus 2022*, addresses a variety of practice issues, such as requirements related to derivatives, leases, PPPs and SBITAs that were identified during implementation and application of certain GASB Statements. The effective periods of Statement No. 99 covered multiple fiscal years. The Charter School implemented some of the requirements of this statement in its fiscal year ended June 30, 2022 financials, and the residual items in the current fiscal year and found that there were no material impacts to the Charter School's financial statements. Additionally, the Charter School does not have derivative or hedging instruments and other investment instruments as defined by Statement No. 99.

*B. Accounting Pronouncements Issued but not Yet Adopted*

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Charter School upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
99	Omnibus 2022	2024
100	Accounting Changes and Error Corrections— an amendment of GASB Statement No. 62	2024
101	Compensated Absences	2024

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 3 CASH AND CASH EQUIVALENTS**

The Charter School's cash and cash equivalents are classified below to inform financial statement users about the extent to which the Charter School's deposits and investments are exposed to custodial credit risk.

As of June 30, 2023, the Charter School's deposits are summarized as follows:

	General Fund	Special Revenue Fund	Total
Operating Account	\$ 1,133,814	\$ -	\$ 1,133,814
Restricted cash	-	-	-
Total	<u>\$ 1,133,814</u>	<u>\$ -</u>	<u>\$ 1,133,814</u>

Operating cash accounts are held in the Charter School's name by several banking institutions. At June 30, 2023, the Charter School's carrying amount and bank balance of deposits was \$1,133,814. Of the bank balance, up to a maximum of \$250,000 of the Charter School's cash deposits on June 30, 2023 were secured by federal deposit insurance (FDIC) and \$883,814 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey GUDPA.

*Restricted Cash*

The Charter School has established and funded an Escrow Account pursuant to an agreement signed with the New Jersey Department of Education. The agreement stipulates that the intended use of the escrow amount is "to pay for legal and audit expenses and any other outstanding pension benefits that would be associated with a dissolution should it occur." The required minimum is \$75,000, of which, the Charter School obtained a surety bond.

**NOTE 4. LEASES**

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Charter School subleases the Charter School building with lease contract ending June 30, 2024. Subsequently, on July 1, 2023, the Charter School merged with PPCS and accordingly, the building lease agreement was transferred to PACCS, the new charter school. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As a sublessee, the associated right-of-use asset as of June 30, 2023 on the government-wide Statement of Net Position is as follow:

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 4. LEASES - CONTINUED**

<b>Right-of-use assets being depreciated:</b>	Beginning Balance	Net Additions (Deletions)	Ending Balance
Governmental Activities:			
Leased building	\$ 2,228,094	\$ -	\$ 2,228,094
Less: accumulated amortization	<u>(1,485,395)</u>	<u>(371,349)</u>	<u>(1,856,744)</u>
Right-of-use assets, net	<u>\$ 742,699</u>	<u>\$ (371,349)</u>	<u>\$ 371,350</u>

The amortization of right-of-use assets for the year ended June 30, 2023, recognized in the Charter School-wide statement of activities amounted to \$371,349.

The sublease liabilities as of June 30, 2023, recognized in the Charter School-wide statement of financial position amounted to \$436,642.

The Charter School does not have variable payment clauses, within its lease arrangements. The Charter School did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a sublessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

Key estimates and judgements related to leases include how the Charter School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Charter School uses the interest rate charged by the lessor as the discount rate when available. In the absence of the lessor's interest rate, the Charter School uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease, limited to the Charter School's charter license term. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the Charter School is reasonably certain to exercise.

The Charter School monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the right-of-use asset and lease liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Furthermore, the Charter School has no commitment for leases that have not commenced as of June 30, 2023.

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 5 LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2023, noncurrent liabilities are reported in the statement of net position, pertain to the following:

	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2023</u>	<u>Due within One Year</u>
Governmental activities:					
Net pension liability	\$ 1,580,081	\$ 660,388	\$ (172,778)	\$ 2,067,691	\$205,290
Compensated absences	116,606	-	(13,877)	102,729	10,273
Sublease liabilities	<u>847,946</u>	<u>-</u>	<u>(411,304)</u>	<u>436,642</u>	<u>436,642</u>
Total	<u>\$ 2,544,633</u>	<u>\$ 660,388</u>	<u>\$ (597,959)</u>	<u>\$ 2,607,062</u>	<u>\$652,205</u>

***Net Pension Liability***

The net pension liability classified as due within one year amounting to \$205,290 represents pension contributions for fiscal year 2023 due and payable on April 1, 2024.

***Sublease Liabilities***

As of June 30, 2023, the Charter School's minimum principal and interest payment requirements for its leasing activities with a remaining term in excess of one year, is as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 436,642</u>	<u>\$ 14,366</u>	<u>\$ 451,008</u>

**NOTE 6 NET POSITION**

As of June 30, 2023, the net position consisted of the following components:

<b>INVESTMENT IN RIGHT-OF-USE ASSETS,</b>			
<u>NET OF RELATED DEBT</u>	<u>Governmental</u>	<u>Business Type</u>	<u>Total</u>
Right-of-use assets, net	\$ 371,350	\$ -	\$ 371,350
Less: sublease liabilities	<u>(436,642)</u>	<u>-</u>	<u>(436,642)</u>
(All long-term debt relates to capital assets)	<u>(65,292)</u>	<u>-</u>	<u>(65,292)</u>
 <b><u>UNRESTRICTED</u></b>			
Net position not restricted above	<u>2,022,585</u>	<u>-</u>	<u>2,022,585</u>
<b>NET POSITION</b>	<u>\$ 1,957,293</u>	<u>\$ -</u>	<u>\$ 1,957,293</u>

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS**

**A. Description of Plans**

All eligible employees of the Charter School are covered by either the Public Employee's Retirement System (PERS) or the Teacher's Pension and Annuity Fund (TPAF) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and the TPAF. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625.

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

The Public Employees' Retirement Systems (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county municipality, Charter School, or public agency provided the employee is not a member of another state-administered retirement system. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, Charter School, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

**ii. Teachers Pension and Annuity Fund (TPAF)**

The Teachers' Pension and Annuity Fund was established in January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. The Teacher's Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the systems other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional, and certified.



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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**B. Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by N.J.S.A 43:15a and 4303B and N.J.S.A. 18A: for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determine to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

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

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

**C. Significant Legislation**

Two pieces of legislation passed during fiscal year 2001 having significant impact on the benefit provisions under PERS and TPAF. Chapter 133, P.L.2001, increases retirement benefits for service, deferred and early retirements by changing the formula from 1/60 to 1/55 of final compensation for each year of service. The legislation also increases the retirement benefit for veteran member with 35 years or more of service and reduces age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements are effective with the November 1, 2001 benefit checks. Chapter 120, P.L 2001, established an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the death of the retiree) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

Chapter 4, P.L 2001 provides increased benefit to certain members of PERS who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of the increase is 5 percent the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65 to 71 percent of final compensation.

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**C. Significant Legislation - continued**

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2001, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

**D. Contribution Requirement**

The contribution policy is set by laws of the State of New Jersey and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS and 7.06% for TPAF of the employee's annual compensation. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustment, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a non-contributing employer of the TPAF. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Charter School.

The actuarially determined contribution includes funding for cost-of-living adjustment, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a non-contributing employer of the TPAF.

In accordance with N.J.S.A 18A:66-66 the State of New Jersey reimbursed the Charter School \$180,830 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

For the year ended June 30, 2023, PERS contributions are of \$172,778 recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contribution for TPAF members are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure amounted to \$718,332 for the year ended June 30, 2023.

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**E. GASB 68 Disclosures**

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

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

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

At June 30, 2023, the Charter School reported in the Charter School-wide statement of net position a liability of \$2,067,691 for its proportionate share of the PERS net pension liability. The total pension liability was measured as of June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Charter School's proportionate share of the net pension liability was based on the ration of contributions as an individual employer to the total contributions to the PERS as of June 30, 2022 measurement date. The results of the June 30, 2022 measurement date was used to determine pension values for fiscal year 2023 as allowed by GASB Statement No. 68.

At June 30, 2022 measurement date, the Charter School's proportionate share was 0.0137011436% which is an increase from the proportionate share of 0.0133379588% at June 30, 2021 measurement date.

For the year ended June 30, 2023, the Charter School recognized pension expense of \$431,015. The Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,924	\$ 13,161
Changes of assumptions	6,406	309,615
Net difference between projected and actual earnings on pension plan investments	85,580	-
Change in proportion and differences between Charter School contributions and proportionate share contributions	1,830,245	-
	<u>\$ 1,937,155</u>	<u>\$ 322,776</u>

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**E. GASB 68 Disclosures – Continued**

**i. Public Employees’ Retirement System (PERS) - continued**

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

Year Ending	Amount
June 30	
2024	\$ 417,939
2025	417,939
2026	417,939
2027	359,370
2028	1,192
Total	<u>1,614,379</u>

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

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

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**E. GASB 68 Disclosures – Continued**

**i. Public Employees’ Retirement System (PERS) - continued**

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

*Long-term Expected Rate of Return.* In accordance with the State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding 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 measurement date, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**E. GASB 68 Disclosures – Continued**

**i. Public Employees’ Retirement System (PERS) - continued**

*Discount rate.* The discount rate used to measure the total pension liability was 7% as of June 30, 2022 measurement date. 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 nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions from 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 all 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 net pension liability calculated using the discount rate as disclosed above, as well as what the 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Charter School's proportionate share of the net pension liability	<u>\$ 2,678,874</u>	<u>\$ 2,067,691</u>	<u>\$ 1,579,964</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report.

**ii. Teachers Pension and Annuity Fund (TPAF)**

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

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**E. GASB 68 Disclosures – Continued**

**ii. Teachers Pension and Annuity Fund (TPAF) – continued**

In accordance with N.J.S.A. 18:66-33, the employer contributions for the Charter School is legally required to be funded by the State. This is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. As such, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School.

For the year ended June 30, 2023, the Charter School recognized pension expense and related revenue of \$208,741 in the Charter School-wide financial statements for its proportionate share in the special funding support provided by the State for its TPAF members. The results of the June 30, 2022 measurement date was used to determine pension values for fiscal year 2023 as allowed by GASB Statement No. 68.

The State's proportionate share of the net pension liability attributable to the Charter School was based on the ratio on the State's contribution as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF for the June 30, 2022 and 2021 measurement dates, respectively. At June 30, 2023, the State's proportion of the net pension liability attributable to Charter School was 0.0150330491%.

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

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 were based on Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, ad 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

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**E. GASB 68 Disclosures – Continued**

**ii. Teachers Pension and Annuity Fund (TPAF) – continued**

with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equipments	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	



**ACHIEVE COMMUNITY CHARTER SCHOOL  
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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 7 PENSION PLANS - CONTINUED**

**E. GASB 68 Disclosures – Continued**

**ii. Teachers Pension and Annuity Fund (TPAF) – continued**

Discount rate. The discount rate used to measure the total pension liability was 7.0% June 30, 2022 measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of all 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 Net Pension Liability. The following presents the Charter School's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability attributable to the Charter School	\$ 9,108,810	\$ 7,756,214	\$ 6,639,581

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**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 8 POST-RETIREMENT BENEFITS**

***General Information about the OPEB Plan***

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED**

Additional information on Pensions and OPEB can be accessed on the Division of Pensions and Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

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

Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR at <https://www.nj.gov/treasury/omb/fr.shtml>

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial valuation 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:

	TPAF/ABP	PERS	PFRS
Salary increases:	2.75% to 4.25%	2.75% to 4.25%	2.75% to 4.25%
	Based on years of service	Based on years of service	Based on years of service

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

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

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED**

(a) Health Care Trend Assumptions

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

(b) Discount rate

The discount rate for used for June 30, 2022 measurement dates was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Changes in the Total OPEB liability of the State for Charter School retirees:*

Balance at 6/30/21 Measurement date	\$	876,548
Changes for the year		
Service cost		259,107
Interest		41,925
Changes in assumptions		(424,392)
Difference between expected and actual experience		869,033
Benefit payments		(41,528)
Contributions from the member		1,332
Net Change		<u>705,477</u>
Balance at 6/30/22 Measurement date	\$	<u><u>1,582,025</u></u>

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED**

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

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total Nonemployer OPEB Liability - State	\$ 1,859,504	\$ 1,582,025	\$ 1,359,639

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

	1% Decrease	Current Health Cost Trend Rate	1% Increase
Total Nonemployer OPEB Liability	\$ 1,307,640	\$ 1,582,025	\$ 1,942,446

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

For the year ended June 30, 2023, the Charter School recognize OPEB revenue and expense of \$440,633 as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Charter School's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 8 POST-RETIREMENT BENEFITS - CONTINUED**

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired Charter School employees' OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 273,808	\$ 538,435
Differences between expected and actual experience	282,454	483,011
Changes in proportion	<u>1,685,714</u>	<u>-</u>
	<u>\$2,241,976</u>	<u>\$ 1,021,446</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB of retired Charter School employees will be recognized in OPEB expense as follows:

	<u>Year Ended June 30</u>
2024	\$ 160,742
2025	160,742
2026	160,742
2027	160,742
2028	160,742
Thereafter	416,820

**NOTE 9 DEFERRED COMPENSATION**

The Charter School offered its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Service 403(b). The Plan which are administered by the Charter School and various insurance companies, permits participants to defer apportion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, death or unforeseeable emergency.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 10 MANAGEMENT AGREEMENT**

On July 1, 2019, the Charter School entered into a two-year operating agreement with BRICK Education Network (BRICK), a New Jersey not-for-profit corporation, which was renewed for another two-year term until June 30, 2023. The fee for the services is equal to 10% of the total federal, state, and local public revenue actually received by the Charter School.

Total management fee incurred by the Charter School for the fiscal year ended June 30, 2023 amounted to \$965,629. Outstanding management fee payable as of June 30, 2023 to BRICK amounted to \$147,399.

In addition, as of June 30, 2023, the Charter School has an outstanding receivable from BRICK amounting to \$291,970 related to its pass-through federal awards in the Special Revenue Fund and \$250,000 in the General Fund pertaining to a reimbursable construction cost from FY 2022.

**NOTE 11 RISK MANAGEMENT**

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

**A. Property and Liability Insurance**

The Charter School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Unaudited) of this Annual Comprehensive Financial Report (Schedule J-20).

**B. New Jersey Unemployment Compensation**

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

**NOTE 12 INTERFUND RECEIVABLES AND PAYABLES**

Amount reported in the governmental funds as interfund receivable and payable from/to other governmental funds pertains to expenses that were paid from the general fund which are eliminated in the governmental activities' column. The remaining internal receivable and payable between the governmental funds have been eliminated in the total Charter School-wide Statement of Net Position.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 12 INTERFUND RECEIVABLES AND PAYABLES - CONTINUED**

At June 30, 2023, the interfund balances consisted of the following:

	<u>RECEIVABLE (PAYABLE)</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>
General fund	\$ 1,081,965	\$(1,081,965)
GASB No 34 mandated eliminations within governmental activities	<u>(1,081,965)</u>	<u>1,081,965</u>
Net interfund balances reported as follows:		
Entity-wide (eliminated in total column)	<u>\$ -</u>	<u>\$ -</u>

**NOTE 13 CONTINGENCIES**

**State and Federal Aid Receipts**

State and Federal awards are generally subject to review by the responsible governmental agencies for compliance with the agency's regulations governing the aid. In the opinion of the Charter School's management and legal counsel, any potential adjustments to the Federal or State aid recorded by the Charter School through June 30, 2023, resulting from a review by a responsible government agency will not have a material effect on the Charter School financial statements at June 30, 2023.



**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**BUDGETARY COMPARISON SCHEDULES**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers Adjustment	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 1,057,520	\$ (77,126)	\$ 980,394	\$ 980,394	\$ -
Miscellaneous	-	64,026	64,026	64,026	-
Total - local sources	1,057,520	(13,100)	1,044,420	1,044,420	-
State sources:					
Equalization aid	6,992,655	(936,410)	6,056,245	6,056,245	-
Categorical special education aid	269,849	(66,926)	202,923	202,923	-
Categorical security aid	274,326	(43,231)	231,095	231,095	-
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	-	-	-	568,403	568,403
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)	-	-	-	149,318	149,318
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	-	-	-	611	611
Reimbursed T.P.A.F. social security contributions (non-budgeted)	30,000	150,830	180,830	180,830	-
Total - state sources	7,566,830	(895,737)	6,671,093	7,389,425	718,332
Total revenues	8,624,350	(908,837)	7,715,513	8,433,845	718,332
<b>Expenditures</b>					
Current expense:					
Regular programs - instruction:					
Kindergarten	228,290	(119,442)	108,848	108,848	-
Grade 1-5	1,005,144	(96,041)	909,103	909,103	-
Grade 6-8	477,911	(76,981)	400,930	400,930	-
Regular programs - Undistributed Instruction:					
Other salaries for instruction	363,758	49,471	413,229	413,229	-
Purchased professional - educational services	987,392	(392,714)	594,678	594,678	-
Other Purchased Services (400-500 Series)	40,000	(40,000)	-	-	-
General supplies	166,457	(41,270)	125,187	125,187	-
Textbooks	80,892	(80,892)	-	-	-
Other objects	6,000	5,843	11,843	11,843	-
Total Regular Programs - Instruction	3,355,844	(792,026)	2,563,818	2,563,818	-
Total Instruction	3,355,844	(792,026)	2,563,818	2,563,818	-
Cognitive - Mild					
Salaries	451,263	(239,228)	212,035	212,035	-
Total - Cognitive - Mild	451,263	(239,228)	212,035	212,035	-
Undistributed Expenditures - Health Services:					
Salaries	153,000	(72,495)	80,505	80,505	-
Purchased Professional and Technical Services	16,000	(12,000)	4,000	4,000	-
Supplies and materials	2,500	1,224	3,724	3,724	-
Total Undistributed Expenditures - Health Services	171,500	(83,271)	88,229	88,229	-
Undistributed Expenditures - Child Study Team:					
Salaries of other professional staff	157,771	(75,567)	82,204	82,204	-
Purchased Professional - Educational Services	35,874	(35,874)	-	-	-
Supplies and Materials	200	(200)	-	-	-
Total Undistributed Expenditures - Child Study Team	193,845	(111,641)	82,204	82,204	-
Undistributed Expenditures - Improvement of Instruction Services:					
Other Purchased Services (400-500 Series)	2,500	(2,500)	-	-	-
Total Undistributed Expenditures - Improvement of Instruction Services	2,500	(2,500)	-	-	-
Undistributed Expenditures - Support Services - General					
Administration:					
Purchased Professional Services	84,050	11,253	95,303	95,303	-
Legal services	32,000	(25,701)	6,299	6,299	-
Audit fees	16,000	(3,500)	12,500	12,500	-
Communications/telephone	38,500	(5,601)	32,899	32,899	-
Miscellaneous Expenditures	75,000	(43,286)	31,714	31,714	-
BOE Membership Dues and Fees	2,500	-	2,500	2,500	-
Total Undistributed Expenditures - Support services - General Administration	248,050	(66,835)	181,215	181,215	-
Undistributed Expenditures - Support services - School					
Administration:					
Salaries of principals/assistant principals	760,208	533,772	1,293,980	1,293,980	-
Salaries of secretarial and clerical assistants	237,152	(48,861)	188,291	188,291	-
Other purchased services (400-500 Series)	500,643	(98,965)	401,678	401,678	-
Supplies and materials	12,400	(9,243)	3,157	3,157	-
Other objects	11,400	(1,431)	9,969	9,969	-
Total Undistributed Expenditures - Support Services - School Administration	1,521,803	375,272	1,897,075	1,897,075	-
Undistributed Expenditures - Administration Information					
Technology:					
Purchased Professional Services	59,050	36,665	95,715	95,715	-
Supplies and Materials	10,245	9,362	19,607	19,607	-
Total Undistributed Expenditures - Administration Information Technology	69,295	46,027	115,322	115,322	-

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers Adjustment	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Custodial services:					
Salaries	83,385	(10,723)	72,662	72,662	-
Cleaning, Repair, and Maintenance Services	248,925	(198,107)	50,818	50,818	-
Insurance	38,517	14,147	52,664	52,664	-
General Supplies	3,500	4,971	8,471	8,471	-
Energy (Electricity)	87,000	(17,027)	69,973	69,973	-
Total Undistributed Expenditures - Custodial Services	<u>461,327</u>	<u>(206,739)</u>	<u>254,588</u>	<u>254,588</u>	<u>-</u>
Undistributed Expenditures - Security:					
Purchased professional and technical services	78,000	67,503	145,503	145,503	-
Total undistributed expenditures - security	<u>78,000</u>	<u>67,503</u>	<u>145,503</u>	<u>145,503</u>	<u>-</u>
Undistributed expenditures - Student Transportation Services:					
Contracted Services - (Other than Between Home and School) - Vendors	10,200	(10,200)	-	-	-
Other purchased prof. and technical serv.	250,000	(250,000)	-	-	-
Total undistributed expenditures - student transportation services	<u>260,200</u>	<u>(260,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unallocated Benefits - Employee Benefits:					
Social security contributions	322,864	16,678	339,542	158,712	180,830
Other Retirement Contributions - PERS	168,818	20,056	188,874	188,874	-
Unemployment compensation	21,102	55,533	76,635	76,635	-
Workmen's compensation	42,204	49,495	91,699	91,699	-
Health benefits	535,920	171,031	706,951	706,951	-
Other Employee Benefits	21,102	(21,102)	-	-	-
Total Unallocated Benefits - Employee Benefits	<u>1,112,010</u>	<u>291,691</u>	<u>1,403,701</u>	<u>1,222,871</u>	<u>180,830</u>
On-behalf T.P.A.F. pension contributions - normal cost (non-budgeted)	-	-	-	568,403	(568,403)
On-behalf T.P.A.F. pension contributions - post-retirement medical (non-budgeted)	-	-	-	149,318	(149,318)
On-behalf T.P.A.F. pension contributions - long-term disability insurance (non-budgeted)	-	-	-	611	(611)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	-	-	-	180,830	(180,830)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>899,162</u>	<u>(899,162)</u>
Total Personal Services - Employee Benefits	<u>1,112,010</u>	<u>291,691</u>	<u>1,403,701</u>	<u>2,122,033</u>	<u>(718,332)</u>
Total Undistributed Expenditures	<u>4,118,530</u>	<u>49,307</u>	<u>4,167,837</u>	<u>4,886,169</u>	<u>(718,332)</u>
Total General Current Expense	<u>7,925,637</u>	<u>(981,947)</u>	<u>6,943,690</u>	<u>7,662,022</u>	<u>(718,332)</u>
Total Expenditures	<u>7,925,637</u>	<u>(981,947)</u>	<u>6,943,690</u>	<u>7,662,022</u>	<u>(718,332)</u>
Excess of revenues over expenditures	<u>698,713</u>	<u>73,110</u>	<u>771,823</u>	<u>771,823</u>	<u>-</u>
Other financing sources (uses):					
Principal payments on leases	(411,304)	-	(411,304)	(411,304)	-
Interest payments on leases	(39,704)	-	(39,704)	(39,704)	-
Total other financing uses	<u>(451,008)</u>	<u>-</u>	<u>(451,008)</u>	<u>(451,008)</u>	<u>-</u>
Excess of revenues over expenditures and other financing uses	<u>247,705</u>	<u>73,110</u>	<u>320,815</u>	<u>320,815</u>	<u>-</u>
Fund balances at beginning of year	<u>2,257,811</u>	<u>-</u>	<u>2,257,811</u>	<u>2,257,811</u>	<u>-</u>
Fund balances at end of year	<u>\$ 2,505,516</u>	<u>\$ 73,110</u>	<u>\$ 2,578,626</u>	<u>\$ 2,578,626</u>	<u>\$ -</u>
Recapitulation:					
Unassigned				\$ 2,578,626	
Reconciliation to governmental funds statements (GAAP):					
Fiscal year 2023 last state aid payments not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				<u>\$ 2,578,626</u>	

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
<b>Revenues</b>					
Local	\$ -	\$ 21,000	\$ 21,000	\$ 21,000	\$ -
Federal	2,834,350	(637,196)	2,197,154	2,147,051	50,103
State	-	81,060	81,060	81,060	-
Total Revenues	<u>2,834,350</u>	<u>(535,136)</u>	<u>2,299,214</u>	<u>2,249,111</u>	<u>50,103</u>
<b>Expenditures</b>					
Instruction:					
Salaries	190,000	533,767	723,767	723,767	-
Salaries of teachers	12,315	(12,315)	-	-	-
Other salaries for instruction	206,769	(129,938)	76,831	76,831	-
Purchased professional and technical services	295,000	(55,541)	239,459	239,459	-
Instructional supplies	389,763	(108,697)	281,066	281,066	-
Textbooks	13,000	(13,000)	-	-	-
Other objects	10,000	(10,000)	-	-	-
Total Instruction	<u>1,116,847</u>	<u>225,499</u>	<u>1,342,346</u>	<u>1,342,346</u>	<u>-</u>
Support Services:					
Salaries - support	1,093,600	(1,066,492)	27,108	27,108	-
Employee benefits	86,442	74,081	160,523	160,523	-
Professional technical services	164,319	122,939	287,258	287,258	-
Other purchased professional and technical services	30,000	19,880	49,880	49,880	-
Transportation	309,000	41,466	350,466	300,363	50,103
Supplies and materials	6,000	3,625	9,625	9,625	-
Student activities	-	-	-	2,615	(2,615)
Other objects	28,142	(25,194)	2,948	2,948	-
Total Support Services	<u>1,717,503</u>	<u>(829,695)</u>	<u>887,808</u>	<u>840,320</u>	<u>47,488</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	69,060	69,060	69,060	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>69,060</u>	<u>69,060</u>	<u>69,060</u>	<u>-</u>
Total Expenditures	<u>2,834,350</u>	<u>(535,136)</u>	<u>2,299,214</u>	<u>2,251,726</u>	<u>47,488</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,615)</u>	<u>\$ 2,615</u>
Fund Balance at beginning of year				<u>2,615</u>	
Fund Balance at end of year				<u>\$ -</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>-</u>	
Total Fund Balance				<u>\$ -</u>	

**NOTES TO THE REQUIRED  
SUPPLEMENTARY INFORMATION**

**PART II**

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY GAAP RECONCILIATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(REISSUED)

YEAR ENDED JUNE 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule:	[C-1] \$ 8,433,845	[C-2] 2,249,111
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
Last State aid payment recognized for budgetary purposes only.	-	-
General Fund contribution to Early Childhood Program Aid.	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2] <u>8,433,845</u>	[B-2] <u>2,249,111</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 8,113,030	[C-2] 2,249,111
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 reporting purposes.	-	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfer (outflows) to general fund	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 8,113,030</u>	[B-2] <u>\$ 2,249,111</u>

Note A -The general fund budget basis of the use/outflow of resources is GAAP, therefore no reconciliation is required.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART III**

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

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**EXHIBIT L-1**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHARTER SCHOOL'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY - PERS  
Last Ten Fiscal Years (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Charter School's proportion of the net pension liability (asset)	0.0137011436%	0.0133379588%	0%	0%	0%	0%
Charter School's proportionate share of the net pension liability (asset)	\$ 2,067,691	\$ 1,580,081	\$ -	\$ -	\$ -	\$ -
Charter School's covered-employee payroll	\$ 1,175,906	\$ 57,485	\$ -	\$ -	\$ -	\$ -
Charter School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	175.84%	2748.68%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	0.00%	0.00%	0.00%	0.00%

Note - The amounts presented for the fiscal year was determined as of June 30 measurement date of the prior fiscal year.

(1) The Charter School implemented GASB 68, Accounting and Financial Reporting for Pension in fiscal year 2018, the same year that the Charter School was formed.



**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**EXHIBIT L-2**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHARTER SCHOOL'S CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
Last Ten Fiscal Years (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 172,778	\$ 156,203	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(172,778)</u>	<u>(156,203)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered-employee payroll	\$ 1,175,906	\$ 57,485	\$ 57,485	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	14.69%	271.73%	0.00%	0.00%	0.00%	0.00%

(1) The Charter School implemented GASB 68, *Accounting and Financial Reporting for Pension* in fiscal year 2018, the same year that the Charter School was formed.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**EXHIBIT L-3**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHARTER SCHOOL'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY - TPAF  
Last Ten Fiscal Years (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
State's proportion of the net pension liability (asset) attributable to the Charter School	0.0150330491%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%
State's proportionate share of the net pension liability (asset) attributable to the Charter School	\$ 7,756,214	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered-employee payroll	\$ 2,388,423	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) attributable to the Charter School as a percentage of its covered-employee payroll	324.74%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	0.00%	0.00%	0.00%	0.00%	0.00%

Note - The amounts presented for the fiscal year was determined as of June 30 measurement date of the prior fiscal year.

(1) The Charter School implemented GASB 68, Accounting and Financial Reporting for Pension in fiscal year 2018, the same year that the Charter School was formed.

**NOTES TO THE REQUIRED  
SUPPLEMENTARY INFORMATION**

**PART III**

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III  
YEAR ENDED JUNE 30, 2023**

**Public Employees Retirement System (PERS)**

*Change in benefit terms.* There was no change in the benefit terms.

*Change in assumptions.* The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. The discount rate used to measure the total pension liability did not change at 7.00%.

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

*Change in benefit terms.* There is no change in the benefit terms.

*Change in assumptions.* The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. The discount rate used to measure the total pension liability did not change at 7.00%.

**Other Post-employment Benefits (OPEB)**

*Change in benefit terms.* There is no change in the benefit terms.

*Change in assumptions.* The calculation of the discount rate used to measure the total nonemployer OPEB liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. The discount rate used to measure the total pension liability changed from 2.16% to 3.54% in the current measurement date. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 75. 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.

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CHARTER SCHOOL'S TOTAL  
OPEB LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS (1)

	Fiscal Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
Charter School's proportion of the Total OPEB Liability (Asset)	0.003123663%	0.001460727%	0%	0%	0%	0%
Charter School's proportionate share of the Total OPEB Liability (Asset)	\$ 1,582,025	\$ 876,548	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the Total OPEB Liability (Asset) associated with the Charter School	\$ 1,582,025	\$ 876,548	\$ -	\$ -	\$ -	\$ -
Charter School Covered-employee payroll <sup>(2)</sup>						
Charter School's proportionate share of the Total OPEB Liability (Asset) as a percentage of its covered-employee payroll	\$ 3,564,329	\$ 57,485	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total OPEB Liability	0%	0%	0%	0%	0%	0%
Total State OPEB Liability Attributable to Charter School						
Service cost	259,107	-	-	-	-	-
Interest	41,925	22,739	-	-	-	-
Change of benefit term	-	(933)	-	-	-	-
Difference between expected and actual experience	869,033	871,208	-	-	-	-
Changes in assumptions and other inputs	(424,392)	865	-	-	-	-
Benefit payments	1,332	(17,912)	-	-	-	-
Contributions from the member	(41,528)	581	-	-	-	-
Net Change in Total State OPEB Liability Attributable to Charter School	705,477	876,548	-	-	-	-
Total State OPEB Liability Attributable to Charter School:						
At beginning of year	876,548	-	-	-	-	-
At end of year	\$ 1,582,025	\$ 876,548	\$ -	\$ -	\$ -	\$ -
Total State OPEB liability as a percentage of Charter School covered-employee payroll						
	44.38%	1524.83%	0.00%	0.00%	0.00%	0.00%

Note - The amounts presented for the fiscal year was determined as of June 30 measurement date of the prior fiscal year.

(1) The Charter School implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2018. No data is available prior to fiscal year 2018.

(2) Covered payroll was based on the Charter School's payroll for the year ended June 30.

Source: GASB 75 report on State of New Jersey State Health Benefits Program; Charter School records.

## **OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS

YEAR ENDED JUNE 30, 2023

	Every Student Succeeds Act (E.S.S.A.)				COVID-19 GRANTS										Total			
	Title I, Part A ESEA	Title III- English Language Enhancement	Title IV	I.D.E.A. Part B (Handicapped)	CRRSA ESSER II	CRRSA ESSER II Learning Acceleration Grant	CRRSA ESSER II Mental Health	ARP – ESSER	ESSER III Learning Acceleration Grant	ESSER III Homeless Children and Youth	Restorative Justice Education Funds	NJCF	SDA Emergent Needs and Capital Maintenance	Project Neighborhood		CMO Developer Grant	Student Activities	
<b>Revenues</b>																		
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,000	\$ -	\$ -	\$ -	\$ -	\$ 21,000	
Federal sources	428,090	4,365	24,593	112,532	560,676	28,066	37,951	245,259	1,000	5,242	-	-	-	552,707	146,570	-	2,147,051	
State sources	-	-	-	-	-	-	-	-	-	-	12,000	-	69,060	-	-	-	81,060	
<b>Total revenues</b>	<b>428,090</b>	<b>4,365</b>	<b>24,593</b>	<b>112,532</b>	<b>560,676</b>	<b>28,066</b>	<b>37,951</b>	<b>245,259</b>	<b>1,000</b>	<b>5,242</b>	<b>12,000</b>	<b>21,000</b>	<b>69,060</b>	<b>552,707</b>	<b>146,570</b>	<b>-</b>	<b>2,249,111</b>	
<b>Expenditures</b>																		
<b>Instruction:</b>																		
Salaries	259,044	-	-	-	-	-	-	-	-	-	-	-	-	426,223	38,500	-	723,767	
Salaries - other	-	-	-	-	76,831	-	-	-	-	-	-	-	-	-	-	-	76,831	
Purchased professional and technical Services	-	-	5,975	-	12,725	-	-	155,221	-	-	-	-	-	65,538	-	-	239,459	
Other purchased services (400-500 series)	-	-	-	-	-	-	-	21,223	-	-	-	-	-	-	-	-	21,223	
Instructional supplies	15,000	4,365	-	-	47,955	-	-	19,556	-	-	-	-	-	60,946	95,750	-	281,065	
<b>Total instruction</b>	<b>274,044</b>	<b>4,365</b>	<b>5,975</b>	<b>-</b>	<b>137,511</b>	<b>-</b>	<b>-</b>	<b>196,000</b>	<b>-</b>	<b>4,494</b>	<b>12,000</b>	<b>21,000</b>	<b>-</b>	<b>552,707</b>	<b>134,250</b>	<b>-</b>	<b>1,342,346</b>	
<b>Support services:</b>																		
Salaries	-	-	-	-	-	-	27,108	-	-	-	-	-	-	-	-	-	27,108	
Employee benefits	132,112	-	-	-	5,248	-	10,843	-	-	-	-	-	-	-	12,320	-	160,523	
Professional technical services	21,934	-	5,424	112,532	117,554	28,066	-	-	1,000	748	-	-	-	-	-	-	287,258	
Other purchased professional and technical services	-	-	10,271	-	-	-	-	39,609	-	-	-	-	-	-	-	-	49,880	
Transportation	-	-	-	-	300,363	-	-	-	-	-	-	-	-	-	-	-	300,363	
Supplies and materials	-	-	2,923	-	-	-	-	6,702	-	-	-	-	-	-	-	-	9,625	
Student activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,615	2,615	
Other objects	-	-	-	-	-	-	-	2,948	-	-	-	-	-	-	-	-	2,948	
<b>Total support services</b>	<b>154,046</b>	<b>-</b>	<b>18,618</b>	<b>112,532</b>	<b>423,165</b>	<b>28,066</b>	<b>37,951</b>	<b>49,259</b>	<b>1,000</b>	<b>748</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,320</b>	<b>2,615</b>	<b>840,320</b>	
<b>Facilities Acquisition and Construction Services:</b>																		
Non-instructional equipment	-	-	-	-	-	-	-	-	-	-	-	-	69,060	-	-	-	69,060	
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,060</b>	
<b>Total expenditures</b>	<b>428,090</b>	<b>4,365</b>	<b>24,593</b>	<b>112,532</b>	<b>560,676</b>	<b>28,066</b>	<b>37,951</b>	<b>245,259</b>	<b>1,000</b>	<b>5,242</b>	<b>12,000</b>	<b>21,000</b>	<b>69,060</b>	<b>552,707</b>	<b>146,570</b>	<b>2,615</b>	<b>2,251,726</b>	
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,615)	\$ (2,615)	
Fund balance at beginning of the year																	2,615	2,615
Fund balance at end of year																	\$ -	\$ -



## **CAPITAL PROJECTS FUND**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by propriety funds.

At June 30, 2023, there was no capital project fund.

## **ENTERPRISE FUNDS**

Enterprise 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 is that the costs of providing goods and services be financed through user charges. The Charter School has the Food Service and After Care in its Enterprise Fund to account for the operation of food services and after care.

At June 30, 2023, there was no enterprise fund.

## **FIDUCIARY FUNDS**

Trust Fund. Accounts for assets held in a trustee capacity for others and therefore cannot be used to support the Charter School's own programs which are as follow:

- a. Pension and Other Employee Benefit Trust. Accounts for resources held in trust for the members and beneficiaries of various employee benefit plans.
- b. Investment Trust Fund. Accounts for the portion of investment pools reported by the sponsoring district.
- c. Private Purpose Trust Fund. Accounts for all other trust arrangements, such as a scholarship fund to benefit individual students.

Custodial Fund. Accounts for resources held by the Charter School in a purely custodial capacity that involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Charter School must maintain the financial integrity of the individual agencies through a separate accounting of each activity for which the Charter School is acting as an agent. Custodial funds would include parent-teacher organizations.

At June 30, 2023, the Charter School do not have a Trust Fund nor Custodial Fund.

## **LONG-TERM DEBT**

The long-term debt is used to record the outstanding principal balances of the long-term liabilities of the charter school. This includes the outstanding principal balance on leases, subscription liabilities the accrued liability for insurance claims and the liability for compensated absences and the outstanding principal balance on certificates of participation outstanding or mortgage note payable.

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

EXHIBIT I-2

LONG-TERM DEBT

SCHEDULE OF OBLIGATIONS UNDER LEASES

YEAR ENDED 30, 2023

Purpose	Date of Original Issue	Term of Lease	Amount of Original Lease		Interest Rate	Balance at 6/30/2022	Issued Current year	Retired Current Year	Balance at 6/30/2023
			Principal	Interest					
School building	7/1/2018	6 years	\$ 2,228,094	\$ 436,950	6.00%	\$ 847,946	\$ -	\$ 411,304	\$ 436,642

# **STATISTICAL SECTION (UNAUDITED)**

Unless otherwise noted, the information in these Schedules was derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**INTRODUCTION TO THE STATISTICAL SECTION**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>  These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>72</b>
<b>Revenue Capacity</b>  These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>N/A</b>
<b>Debt Capacity</b>  These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>N/A</b>
<b>Demographic and Economic Information</b>  These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>76</b>
<b>Operating Information</b>  These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>78</b>

**Note (1):** *Fiscal year ended June 30, 2018 is the first operating year of the Charter School; schedules presenting charter-wide information include information beginning in that year.*

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NET POSITION BY COMPONENT  
Last Ten Fiscal Years (1)**

*(Accrual basis of accounting)*

	<b>Fiscal Year Ending June 30,</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Governmental activities						
Invested in right-of-use assets, net of related debt	\$ (65,292)	\$ (105,247)	\$ 121,309	\$ -	\$ -	\$ -
Restricted	-	2,615	2,643	2,643	-	-
Unrestricted	<u>2,022,585</u>	<u>1,946,130</u>	<u>694,430</u>	<u>46,969</u>	<u>3,400</u>	<u>38,537</u>
Total governmental activities net position	<u>\$ 1,957,293</u>	<u>\$ 1,843,498</u>	<u>\$ 818,382</u>	<u>\$ 49,612</u>	<u>\$ 3,400</u>	<u>\$ 38,537</u>
Business-type activities						
Unrestricted	\$ -	\$ -	\$ -	\$ (25,971)	\$ (34,392)	\$ -
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,971)</u>	<u>\$ (34,392)</u>	<u>\$ -</u>
School-wide						
Invested in right-of-use assets, net of related debt	\$ (65,292)	\$ (105,247)	\$ 121,309	\$ -	\$ -	\$ -
Restricted	-	2,615	2,643	2,643	-	-
Unrestricted	<u>2,022,585</u>	<u>1,946,130</u>	<u>694,430</u>	<u>20,998</u>	<u>(30,992)</u>	<u>38,537</u>
Total charter school net position	<u>\$ 1,957,293</u>	<u>\$ 1,843,498</u>	<u>\$ 818,382</u>	<u>\$ 23,641</u>	<u>\$ (30,992)</u>	<u>\$ 38,537</u>



**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**CHANGES IN NET POSITION**

**Last Ten Fiscal Years (1)**

*(Accrual basis of accounting)*

	<b>Fiscal Year Ending June 30,</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Expenses</b>						
Governmental activities						
Instruction	\$ 5,402,148	\$ 5,160,496	\$ 2,877,453	\$ 3,333,485	\$ 2,370,936	\$ 724,567
Administrative	3,035,882	1,948,402	1,127,612	906,773	533,889	167,020
Support Services	1,771,693	2,115,295	1,036,908	1,114,357	868,343	145,896
Unallocated:						
Capital outlay	69,060	41,532	-	-	135,934	6,280
Amortization of right-of-use asset	371,349	371,348	-	-	-	-
Total governmental activities expenses	<u>10,650,132</u>	<u>9,637,073</u>	<u>5,041,973</u>	<u>5,354,615</u>	<u>3,909,102</u>	<u>1,043,763</u>
Business-type activities:						
Food service	-	19,343	36,115	116,770	158,263	-
Total business-type activities expense	-	<u>19,343</u>	<u>36,115</u>	<u>116,770</u>	<u>158,263</u>	-
Total charter school expenses	<u>10,650,132</u>	<u>9,656,416</u>	<u>5,078,088</u>	<u>5,471,385</u>	<u>4,067,365</u>	<u>1,043,763</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:	-	1	-	-	-	-
Operating grants and contributions	3,229,244	3,428,037	1,067,413	962,610	794,015	217,693
Total governmental activities program revenues	<u>3,229,244</u>	<u>3,428,038</u>	<u>1,067,413</u>	<u>962,610</u>	<u>794,015</u>	<u>217,693</u>
Business-type activities:						
Charges for services						
Food service	-	-	-	45	254	-
Operating grants and contributions	-	-	-	125,147	123,617	-
Total business-type activities program revenues	-	-	-	<u>125,192</u>	<u>123,871</u>	-
Total charter school program revenues	<u>3,229,244</u>	<u>3,428,038</u>	<u>1,067,413</u>	<u>1,087,802</u>	<u>917,886</u>	<u>217,693</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities	(7,420,888)	(6,209,035)	(3,974,560)	(4,392,005)	(3,115,087)	(826,070)
Business-type activities	-	(19,343)	(36,115)	8,422	(34,392)	-
Total charter school-wide net expense	<u>(7,420,888)</u>	<u>(6,228,378)</u>	<u>(4,010,675)</u>	<u>(4,383,583)</u>	<u>(3,149,479)</u>	<u>(826,070)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Local	980,394	1,021,888	566,328	925,620	432,026	131,141
Grants and contributions	6,490,263	6,283,891	3,833,659	3,417,789	2,618,526	728,034
Other financing sources (uses)	-	-	340,090	-	-	-
Miscellaneous income	64,026	69,024	39,368	83,744	63,790	5,432
Transfers	-	(19,343)	(62,086)	-	-	-
Total governmental activities	<u>7,534,683</u>	<u>7,355,460</u>	<u>4,717,359</u>	<u>4,427,153</u>	<u>3,114,342</u>	<u>864,607</u>
Business-type activities:						
Transfers	-	19,343	62,086	-	-	-
Total business-type activities	-	<u>19,343</u>	<u>62,086</u>	-	-	-
Total charter school-wide	<u>7,534,683</u>	<u>7,374,803</u>	<u>4,779,445</u>	<u>4,427,153</u>	<u>3,114,342</u>	<u>864,607</u>
<b>Changes in Net Position</b>						
Governmental activities	113,795	1,146,425	742,799	35,148	(745)	38,537
Business-type activities	-	-	25,971	8,422	(34,392)	-
Total charter school	<u>\$ 113,795</u>	<u>\$ 1,146,425</u>	<u>\$ 768,770</u>	<u>\$ 43,570</u>	<u>\$ (35,137)</u>	<u>\$ 38,537</u>

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**FUND BALANCES - GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years (1)**

*(Modified accrual basis of accounting)*

	Fiscal Year Ending June 30,					
	2023	2022	2021	2020	2019	2018
General Fund						
Assigned	\$ -	\$ -	\$ -	\$ -	\$ 264,007	\$ -
Restricted	-	2,615	2,643	-	-	-
Unassigned	<u>2,578,626</u>	<u>2,257,811</u>	<u>815,739</u>	<u>72,940</u>	<u>(226,215)</u>	<u>38,537</u>
Total general fund	<u>\$ 2,578,626</u>	<u>\$ 2,260,426</u>	<u>\$ 818,382</u>	<u>\$ 72,940</u>	<u>\$ 37,792</u>	<u>\$ 38,537</u>

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Last Ten Fiscal Years (1)  
(Unaudited)

Function	2023	2022	2021	2020	2019	2018
<b>Revenues</b>						
Local Sources:						
Local tax levy	\$ 980,394	\$ 1,021,888	\$ 566,328	\$ 518,300	\$ 432,026	\$ 215,161
Miscellaneous	85,026	69,025	110,043	419,740	183,790	5,432
State sources	7,470,485	7,216,999	3,875,179	3,194,352	2,598,411	756,321
Federal sources	2,147,051	2,390,976	955,218	850,051	694,130	105,386
Total Revenues	<u>10,682,956</u>	<u>10,698,888</u>	<u>5,506,768</u>	<u>4,982,443</u>	<u>3,908,357</u>	<u>1,082,300</u>
Current expense						
Instruction	3,906,164	3,601,013	2,459,851	2,767,277	2,017,731	671,300
Administrative cost	3,577,006	2,307,961	1,333,049	1,277,999	788,250	188,199
Support services	1,462,356	1,939,448	1,136,878	1,196,780	867,302	148,897
Capital outlay	69,060	41,532	-	-	135,934	6,280
TPAF - FICA Reimbursement	180,830	121,634	112,195	112,559	99,885	28,287
TPAF - On-behalf payments	718,332	774,905	-	-	-	-
Total Expenditures	<u>9,913,748</u>	<u>8,786,493</u>	<u>5,041,973</u>	<u>5,354,615</u>	<u>3,909,102</u>	<u>1,042,963</u>
Excess (deficiency) of revenues over expenditures	769,208	1,912,395	464,795	(372,172)	(745)	39,337
Other financing sources (uses):						
Transfer to food program	-	(19,343)	(62,086)	-	-	-
Paycheck Protection Program loan forgiven	-	-	343,878	-	-	-
Interest expense forgiven (non-budgeted)	-	-	(3,788)	-	-	-
Interest payments on leases	(39,704)	(63,598)	-	-	-	-
Principal payments on leases	(411,304)	(387,410)	-	-	-	-
Total other financing sources (uses)	<u>(451,008)</u>	<u>(470,351)</u>	<u>278,004</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ 318,200	\$ 1,442,044	\$ 742,799	\$ (372,172)	\$ (745)	\$ 39,337
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Charter school's records.

Note: Noncapital expenditures are total expenditures less capital outlay.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years (1)**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2023	**	**	**	**
2022	305,344	**	**	5.80%
2021	307,220	\$ 22,829,518,200	\$ 74,310	10.60%
2020	282,520	19,916,812,440	70,497	14.70%
2019	282,903	18,650,946,081	65,927	6.00%
2018	282,223	17,927,087,183	63,521	7.00%
2017	281,340	17,628,483,060	62,659	7.50%

\*\* Data not available

**Source:**

<sup>a</sup> U.S. Census Bureau, Population Division

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income was computed using Census Bureau midyear population estimates. All dollar estimates are in thousands of current dollars (not adjusted for inflation). Estimates for 2010-2018 reflect county population estimates available as of March 6, 2019.

<sup>d</sup> Unemployment data provided by the New Jersey Department of Labor and Workforce Development

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**PRINCIPAL EMPLOYERS  
Current Year and Four Years Ago**

Employer	2023		2019	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
St. Barnabas Health Care System	23,000	**	23,000	**
Verizon	17,100	**	17,100	**
Prudential Ins. Co. of America	16,850	**	16,850	**
Rutgers University - Newark Campus	15,500	**	15,500	**
Continental Airlines	11,000	**	11,000	**
Newark Board of Education	7,050	**	7,050	**
Automatic Data Processing	5,649	**	5,649	**
New Jersey Transit	4,000	**	4,000	**
City of Newark	4,000	**	4,000	**
Essex County	3,500	**	3,500	**
PSE&G	-		-	
JP Morgan Chase	-		-	
Horizon Blue Cross/Blue Shield	-		-	
Roche	-		-	
KPMG	-		-	
Ricoh American Corp	-		-	
	<u>107,649</u>		<u>107,649</u>	

Note - Principal employers are that of Essex County

\*\* - Information not available

Source: Essex County Economic Development Corporation

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**FULL-TIME EQUIVALENT CHARTER SCHOOL EMPLOYEES BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years (1)**

(Unaudited)

<b>Function/Program</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Instruction	58	40	37	35	35	4
Administrative	5	6	4	10	10	3
Support Services	8	4	10	5	5	7
Total	71	50	51	50	50	14

**Source:** Charter School's personnel records

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

## OPERATING STATISTICS

Last Ten Fiscal Years (1)  
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2023	441	\$ 10,364,756	23,503	108.37%	58	8:1	443.7	411.0	-4%	92.63%
2022	450	9,237,501	20,528	81.99%	40	11:1	454.6	427.1	15%	93.93%
2021	447	5,041,973	11,280	-35.54%	37	12:1	380.6	370.9	41%	97.44%
2020	306	5,354,615	17,499	2.49%	35	9:1	374.0	263.2	21%	70.36%
2019	221	3,773,168	17,073	0.38%	35	6:1	221.2	217.9	262%	98.51%
2018	61	1,037,483	17,008	N/A	5	12:1	62.8	60.1	N/A	95.77%

Source: Charter School's Records

Note: Enrollment based on annual October Charter School count.

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

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**SCHOOL BUILDING INFORMATION  
Last Ten Fiscal Years (1)**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<u>Charter School Building</u>						
<u>Elementary School</u>						
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000
Capacity (students)	900	900	900	900	900	900
Enrollment	411	450	447	306	221	61
Number of Schools	1	1	1	1	1	1

**Source:** Charter School's Records



**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**INSURANCE SCHEDULE**

**June 30, 2023  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>Accident-Health <sup>(1)</sup></b>		
Maximum Benefit	\$25,000	
Accidental Death	25,000	
Accidental Dismemberment	up to 50,000	
Accidental Paralysis	50,000	
<b>Package <sup>(2)</sup></b>		
<b>Property Coverage</b>		
Building Limit	1,102,400	1,000
Business Income/EE	1,082,000	
Valuation	Replacement Cost	
Co-Insurance	90%	
Covered Cause of Loss	Special Incl Theft	
<b>General Liability Limits</b>		
General Aggregate	3,000,000	
Products/Comp Ops	3,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence	1,000,000	
Premises Rented to You	100,000	
Med Pay	5,000	
<b>Employee Benefits</b>		
Aggregate Limit	3,000,000	
Each Claim Limit	1,000,000	1,000
<b>Abuse/Molestation</b>		
Aggregate Limit	3,000,000	
Each Abuse Limit	1,000,000	
<b>Crime/Fidelity</b>		
Employee Theft	200,000	\$ 2,500
<b>Auto Liability (Hired/Non-owned Autos)</b>		
Combined Single Limit	1,000,000	

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**INSURANCE SCHEDULE**

**June 30, 2023  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>Educators Legal Liability &amp; Employment Practices Liability <sup>(3)</sup></b>		
Aggregate - All Lines	1,000,000	
Educators Legal Liability (ELL)	1,000,000	
Employment Practices Liability (EPL)	1,000,000	
Self-Insured Retentions		
Aggregate - All Lines	10,000	
Educators Legal Liability (ELL)	10,000	
Employment Practices Liability (EPL)	25,000	
<b>Worker's Compensation <sup>(4)</sup></b>		
Workers Comp	State Statutory	
Employers Liability	\$1M/\$1M/\$1M	
Total Estimated Payroll	1,960,000	
Retention	None	
<b>Umbrella <sup>(2)</sup></b>		
Aggregate	1,000,000	
Each Occurrence	1,000,000	
Products-Completed Operations	1,000,000	
<b>Cyber Liability <sup>(5)</sup></b>		
Cyber Incident Response	1,000,000	
Cyber Crime	250,000	
System Damage & BI	1,000,000	
Network Security & Privacy	1,000,000	
Media Liability	1,000,000	
Deductible/Retention		\$ 5,000

**Source:** Charter School's Records

<sup>(1)</sup> Philadelphia Indemnity Insurance

<sup>(2)</sup> Great American Insurance Company

<sup>(3)</sup> Greenwich Insurance Company

<sup>(4)</sup> AmTrust Financial Services

<sup>(5)</sup> CFC/Vanbridge

ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)

CHARTER SCHOOL PERFORMANCE FRAMEWORK  
FINANCIAL PERFORMANCE  
FISCAL RATIOS

Multi-Year Information

	2021 Audit	2022 Audit	2023 Audit	Source
Cash	\$ 470,300	\$ 1,310,117	\$ 1,133,814	Audit: Exhibit A-1
Current Assets	1,391,958	3,384,364	3,344,541	Audit: Exhibit A-1
Current Liabilities	573,576	1,123,938	765,915	Audit: Exhibit A-1
Total Expenses	5,078,088	9,656,416	10,650,132	Audit: Exhibit A-2
Change in Net Assets	(4,010,675)	(6,228,378)	(7,420,888)	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	447	450	441	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	470	470	491	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	-	-	-	Auditor/Workpapers
Interest Expense	-	-	-	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators		2021	2022	2023	3 YR CUM	Calculation****	Target****
<b>Near Term Indicators</b>							
1a.	Current Ratio (working capital ratio)	2.43	3.01	4.37		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	34	50	39		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	95%	96%	90%	182%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payment	NO	NO	NO		Auditor	not in default
<b>Sustainability Indicators</b>							
2a***	3 Year Cumulative Cash Flow	\$ 150,649	\$ 990,466	\$ 814,163	\$ 2,252,915	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	N/A		N/A		N/A 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  
 \*\*\* 2021 =2021 Cash - 2020 Cash; 2020 =2020 Cash-2019 Cash; 2019 =2019 Cash-2018 Cash  
 \*\*\*\* Refer to NJ Performance Framework  
 Meets Standard  
 Does Not Meet Standard  
 Falls Far Below Standard

# **SINGLE AUDIT SECTION**



EXHIBIT K-1

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

The Honorable President and  
Members of the Board of Trustees  
Achieve Community Charter School  
County of Essex  
Newark, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Achieve Community Charter School (the Charter School), in the County of Essex, 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 January 23, 2024.

**Report on Internal Control Over Financial Reporting**

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

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.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of 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 financial statements. 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 instance 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.

We also noted certain matters that we have reported to the Board of Trustees of the Achieve Community Charter School in the County of Essex, New Jersey in a separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, dated January 23, 2024.

**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* in considering the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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Leonora Galleros, CPA  
Public School Accountant  
PSA No. 20CS00239400



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Galleros Robinson CPAs, LLP  
Certified Public Accountants

January 23, 2024  
Cream Ridge, New Jersey



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
AND STATE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE  
AS REQUIRED BY THE UNIFORM GUIDANCE AND  
NEW JERSEY OMB CIRCULAR LETTER 15-08**

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

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

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

We have audited the Achieve Community Charter School's (the Charter School) in the County of Essex, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal and state programs for the fiscal year ended June 30, 2023. The Charter School's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Charter School in the County of Essex, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

***Basis of Opinion on Each Major Federal and State Programs***

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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB Circular Letter 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 federal program. Our audit does not provide a legal determination of the Charter School's compliance with the compliance requirements referred to above.

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08**

### ***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, statute, regulations, rules and provisions of contracts or grant agreements applicable to its federal and 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 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the New Jersey OMB Circular Letter 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Charter School's compliance with the requirements of each major federal and state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the New Jersey OMB Circular Letter 15-08, 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 the 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 the Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08**

**Report on Internal Control Over Compliance**

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

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 the Uniform Guidance and New Jersey OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.



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Leonora Galleros, CPA  
Public School Accountant  
PSA No. 20CS00239400



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Galleros Robinson CPAs, LLP  
Certified Public Accountants

January 23, 2024  
Cream Ridge, New Jersey

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Federal Grant/ Pass-Through Grantor/ Program Title	Federal Assistance Listing No.	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		
					From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>Special Revenue Fund:</b>														
<b>U.S. Department of Education:</b>														
<b>Passed-through New Jersey State Department Education</b>														
Title I Part A Grants to Local Educational Agencies	84.010	S010A220030	ESEA - 6110 - 23	\$ 428,090	7/1/2022	9/30/2023	\$ -	\$ -	\$ 341,610	\$ (428,090)	\$ -	\$ (86,480)	\$ -	\$ -
Title I Part A Grants to Local Educational Agencies	84.010	S010A210030	ESEA - 6110 - 22	284,455	7/1/2021	9/30/2022	(93,255)	-	93,255	-	-	-	-	-
Subtotal Title I Part A							(93,255)	-	434,865	(428,090)	-	(86,480)	-	-
<b>Special Education Cluster</b>														
Individuals with Disabilities - States Grant (Basic)	84.027A	H027A220100	IDEA - 6110 - 23	109,738	7/1/2022	9/30/2023	-	-	75,624	(112,532)	-	(36,908)	-	-
Preschool Grants for Children with Disabilities	84.173	H173A220114	IDEA - 6110 - 23	2,794	7/1/2022	9/30/2023	-	-	-	-	-	-	-	-
Subtotal Special Education Cluster							-	-	75,624	(112,532)	-	(36,908)	-	-
<b>Title III English Language Acquisition Grant</b>														
Title III English Language Acquisition Grant	84.365	S365A220030	ESEA - 6110 - 23	4,365	7/1/2022	9/30/2023	-	-	-	(4,365)	-	(4,365)	-	-
Title III English Language Acquisition Grant	84.365	S365A210030	ESEA - 6110 - 22	2,753	7/1/2021	9/30/2022	(583)	583	-	-	-	-	-	-
Subtotal Title III							(583)	583	-	(4,365)	-	(4,365)	-	-
<b>Title IV Student Support and Academic Enrichment Grants</b>														
Title IV Student Support and Academic Enrichment Grants	84.424	S424A220030	ESEA - 6110 - 23	25,170	7/1/2022	9/30/2023	-	-	17,277	(24,593)	-	(7,316)	-	-
<b>COVID-19 - Education Stabilization Fund</b>														
<b>COVID-19 - CRRSA Elementary and Secondary School Emergency Relief Fund (ESSER) II</b>														
COVID-19 - CRRSA ESSER II - Learning Acceleration	84.425D	S425D210027	N/A	610,779	3/13/2020	9/30/2023	(5,000)	-	555,676	(560,676)	5,000	(55,103)	50,103	-
COVID-19 - CRRSA ESSER II - Mental Health	84.425D	S425D210027	N/A	51,045	3/13/2020	9/30/2023	(218)	-	28,066	(28,066)	218	-	-	-
COVID-19 - American Rescue Plan (ARP) - ESSER	84.425U	S425U210027	N/A	45,000	3/13/2020	9/30/2023	-	-	37,409	(37,951)	-	(542)	-	-
COVID-19 - American Rescue Plan (ARP) - ESSER - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	N/A	1,787,600	3/13/2021	9/30/2024	(1,226,900)	-	195,221	(245,259)	1,226,899	(50,039)	-	-
COVID-19 - American Rescue Plan (ARP) - ESSER - Homeless Children and Youth	84.425U	S425U210027	N/A	50,000	3/13/2020	9/30/2024	-	-	-	(1,000)	-	(1,000)	-	-
Subtotal COVID-19 - Education Stabilization Fund				8,808	4/23/2021	9/30/2024	(1,232,118)	-	816,372	(878,194)	1,232,117	(111,926)	50,103	-
<b>Total Passed-through New Jersey State Department Education</b>							(1,325,956)	583	1,344,138	(1,447,774)	1,232,117	(246,995)	50,103	-
<b>U.S. Department of Education:</b>														
<b>Passed-through South Ward Alliance</b>														
Project Neighborhood Programs	84.215N	UNKNOWN	UNKNOWN	265,320	1/1/2023	12/31/2023	-	-	-	(265,320)	-	(265,320)	-	-
Project Neighborhood Programs	84.215N	UNKNOWN	UNKNOWN	525,000	1/1/2022	12/31/2022	(81,278)	-	-	(287,387)	-	(368,665)	-	-
Project Neighborhood Programs	84.215N	UNKNOWN	UNKNOWN	295,000	1/1/2021	12/31/2021	(50,000)	-	50,000	-	-	-	-	-
<b>Total Passed-through South Ward Alliance</b>							(131,278)	-	50,000	(552,707)	-	(633,985)	-	-
<b>U.S. Department of Education:</b>														
<b>Passed-through BRICK Education Network</b>														
Charter Schools Program (CSP) Grants to Developers for the Replication and Expansion of High-Quality Charter Schools	84.282	UNKNOWN	UNKNOWN	146,570	10/1/2022	9/30/2023	-	-	-	(146,570)	-	(146,570)	-	-
Charter Schools Program (CSP) Grants to Developers for the Replication and Expansion of High-Quality Charter Schools	84.282	UNKNOWN	UNKNOWN	200,570	10/1/2021	9/30/2022	(72,600)	-	-	-	-	(72,600)	-	-
Charter Schools Program (CSP) Grants to Developers for the Replication and Expansion of High-Quality Charter Schools	84.282	UNKNOWN	UNKNOWN	237,800	10/1/2020	9/30/2021	(92,800)	-	20,000	-	-	(72,800)	-	-
<b>Total Passed-through Building Responsible Intelligent Creative Kids</b>							(165,400)	-	20,000	(146,570)	-	(291,970)	-	-
<b>Total U.S. Department of Education</b>							(1,622,634)	583	1,414,138	(2,147,051)	1,232,117	(1,172,950)	50,103	-
<b>Total Expenditures of Federal Awards</b>							\$ (1,622,634)	\$ 583	\$ 1,414,138	\$ (2,147,051)	\$ 1,232,117	\$ (1,172,950)	\$ 50,103	\$ -

SCHEDULE OF STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2023

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Balance at June 30, 2022			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass-through Funds	Adjustments Repayment Prior Year's Balances	Balance at June 30, 2023			MEMO	
			Award Amount	Deferred Revenue (Accounts Receivable)	Due to Grantor					Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditure
<b>New Jersey State Department of Education</b>														
<b>General Fund:</b>														
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 6,056,245	\$ -	\$ -	\$ -	\$ 5,460,465	\$ (6,056,245)	\$ -	\$ (633,406)	\$ -	\$ 37,626	\$ 633,406	\$ 6,056,245
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	5,809,195	(149,244)	85,725	-	14,549	-	-	(52,380)	-	3,410	52,380	-
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	3,200,710	(10,014)	-	10,014	-	-	-	-	-	-	-	-
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	2,863,368	(1,312)	-	1,312	-	-	-	-	-	-	-	-
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	202,923	-	-	-	202,923	(202,923)	-	-	-	-	-	202,923
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	231,095	-	-	-	231,095	(231,095)	-	-	-	-	-	231,095
Reimbursed Social Security Tax	23-495-034-5094-003	7/1/22-6/30/23	180,830	-	-	-	148,283	(180,830)	-	(32,547)	-	-	-	180,830
Reimbursed Social Security Tax	22-495-034-5094-003	7/1/21-6/30/22	121,634	(10,144)	-	-	10,144	-	-	-	-	-	-	-
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002	7/1/22-6/30/23	568,403	-	-	-	568,403	(568,403)	-	-	-	-	-	568,403
On-Behalf Teachers' Pension and Annuity Fund – Post-Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	149,318	-	-	-	149,318	(149,318)	-	-	-	-	-	149,318
On-Behalf Teachers' Pension & Annuity Fund – Non-contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	611	-	-	-	611	(611)	-	-	-	-	-	611
<b>Total General Fund</b>				<u>(170,714)</u>	<u>85,725</u>	<u>11,326</u>	<u>6,785,791</u>	<u>(7,389,425)</u>		<u>(718,333)</u>		<u>41,036</u>	<u>685,786</u>	<u>7,389,425</u>
<b>Special Revenue Fund:</b>														
Charter and Renaissance School Project Emergent and Capital Maintenance	N/A	7/1/22-6/30/23	69,060	-	-	-	69,060	(69,060)	-	-	-	-	-	69,060
<b>New Jersey State Department of Education Passed-through Kean University</b>														
Restorative Justice Education Funds	21-495-034-5064-006	5/1/21-8/31/24	24,000	(12,000)	-	-	12,000	(12,000)	12,000	-	-	-	12,000	12,000
<b>Total Special Revenue Fund</b>				<u>(12,000)</u>			<u>81,060</u>	<u>(81,060)</u>	<u>12,000</u>				<u>12,000</u>	<u>81,060</u>
<b>Total Expenditures of State Financial Assistance</b>				<u>\$ (182,714)</u>	<u>\$ 85,725</u>	<u>\$ 11,326</u>	<u>\$ 6,866,851</u>	<u>\$ (7,470,485)</u>	<u>\$ 12,000</u>	<u>\$ (718,333)</u>	<u>\$ -</u>	<u>\$ 41,036</u>	<u>\$ 697,786</u>	<u>\$ 7,470,485</u>
<b>Less: On-Behalf TPAF Pension System Contributions</b>														
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002							568,403						
On-Behalf Teachers' Pension and Annuity Fund – Post-Retirement Medical	23-495-034-5094-001							149,318						
On-Behalf Teachers' Pension & Annuity Fund – Non-contributory Insurance	23-495-034-5094-004							611						
								<u>718,332</u>						
<b>Total for State Financial Assistance - Major Program Determination</b>								<u>\$ (6,752,153)</u>						

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)****NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE****YEAR ENDED JUNE 30, 2023****NOTE 1 GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Trustees for Achieve Community Charter School. The Board of Trustees is defined in Note 1 to the Charter School'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 federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of those recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Charter School's basic financial statements. The information in these schedules is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, 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**

Amounts reported in the accompanying schedules agree with the amounts reported in the Charter School's basic financial statements. The basic financial statements present the special revenue fund on both GAAP and budgetary basis. 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. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the Charter School's basic financial statements on a GAAP basis as follows:

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE - CONTINUED**

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS - CONTINUED**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 6,671,093	\$ 6,671,093
Special Revenue Fund	<u>2,147,051</u>	<u>81,060</u>	<u>2,228,111</u>
Total	<u>\$ 2,147,051</u>	<u>\$ 6,752,153</u>	<u>\$ 8,899,204</u>

**NOTE 4 RELATIONSHIP TO STATE FINANCIAL REPORTS**

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

**NOTE 5 ON-BEHALF PAYMENTS**

TPAF Social Security Contributions represents reimbursements in the amount of \$180,830 by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023. The TPAF on-behalf payments for pension contributions, post-retirement medical benefits and long-term disability insurance contributions from the State amounted to \$718,332 for the year ended June 30, 2023.

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

On-behalf State Programs for TPAF pension contributions, post-retirement medical benefits contributions and long-term disability insurance 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 financial statements and the amount subject to State Single Audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST**

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

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2023**

**SECTION I - SUMMARY OF AUDITOR’S RESULTS**

**Financial Statement Section**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:  
 Material weakness(es) identified? \_\_\_\_\_ Yes  No

Significant deficiency(ies) identified not considered to be  
 material weaknesses? \_\_\_\_\_ Yes  No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  No

**Federal Awards**

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

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

Type of auditor’s report on compliance for major programs: Unmodified

Internal control over compliance:  
 Material weakness(es) identified? \_\_\_\_\_ Yes  No

Significant deficiency(ies) identified not considered to be  
 material weakness(es)? \_\_\_\_\_ Yes  No

Any audit findings disclosed that are required to be reported  
 in accordance with 2 CFR 200 section .516 (a)? \_\_\_\_\_ Yes  No

**Identification of Major Programs:**

<u>Assistance Listing No.</u>	<u>Name of Federal Program</u>
84.425	COVID-19 - Education Stabilization Fund
84.425D	COVID-19 - CRRSA (Elementary and Secondary School Emergency Relief Fund (ESSER) II
84.425D	COVID-19 - CRRSA ESSER II - Learning Acceleration
84.425D	COVID-19 - CRRSA ESSER II - Mental Health
84.425U	COVID 19 - American Rescue Plan (ARP) ESSER
84.425U	COVID 19 – ARP ESSER- Accelerated Learning Coach and Educator Support
84.425U	COVID 19 - ARP ESSER – Homeless Children and Youth

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS - CONTINUED**

**State Financial Assistance**

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

Auditee qualified as low-risk auditee?  Yes  No

Type of auditor's report on compliance for major programs: Unmodified

Internal control over compliance:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified not considered to be material weakness(es)?  Yes  No

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

**Identification of Major Programs:**

<u>State or Project No.</u>	<u>Name of State Program</u>
State Aid Public Cluster:	
23-495-034-5120-078	Equalization Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-089	Special Education Categorical Aid

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None.



**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**SECTION III - FEDERAL AND STATE FINANCIAL ASSISTANCE FINDINGS AND  
QUESTIONED COSTS**

None noted.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS  
PREPARED BY MANAGEMENT**

**YEAR ENDED JUNE 30, 2023**

None noted.