

**TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TEANECK COMMUNITY CHARTER SCHOOL

***Teaneck Community Charter School
Board of Trustees
Teaneck, New Jersey***

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

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

Prepared by

***Teaneck Community Charter School
Finance Department***

And

Meshinsky & Associates LLC, CPAs

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State Board of Education**

**TEANECK COMMUNITY CHARTER SCHOOL
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INTRODUCTORY SECTION



TEANECK COMMUNITY CHARTER SCHOOL

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E-Mail: tccs@tccsnj.org

Teaneck, NJ 07666
Fax: (201)833-9225
Website: www.tccsnj.org

October 9, 2023

Honorable President and
Members of the Board of Trustees
Teaneck Community Charter School
County of Bergen, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Teaneck Community Charter School for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the general-purpose financial statements. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

1.) **REPORTING ENTITY AND ITS SERVICES:** The Teaneck Community Charter School is an independent reporting entity within the criteria adopted by the GASB as established by NCGA ST. No. 3. All funds and account groups of the District are included in this report. The Teaneck Community Charter School constitutes the school's entire reporting entity. The school provides a full range of educational services appropriate to grade levels K through 8. These include regular and vocational, as well as special education students.

2.) MAJOR INITIATIVES: Teaneck Community Charter School plans to deliver learning along three broad themes: Student-centered learning: teaching children in accordance with their development and interests, rather than age groupings; Expeditionary learning beyond the school walls: learning that takes place through extended classroom experiences: hands-on projects and community service; and nurturing of diverse populations: promoting academic and personal growth through cooperation, compassion and enthusiasm for fellow students and members of the community. Partnerships with community-based organizations are planned to help the school provide students with access to mentors, career education, support and experiential “extended classroom” activities.

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

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

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

4.) BUDGETARY CONTROLS: In addition to internal accounting controls, the school maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

5.) ACCOUNTING SYSTEMS AND REPORTS: The school's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Basic Financial Statements".

6.) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

7.) CASH MANAGEMENT: The investment policy of the school is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 4. The school has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units for 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 on property and contents, and fidelity bonds.

9.) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the State Treasury Circular 15-08-OMB. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

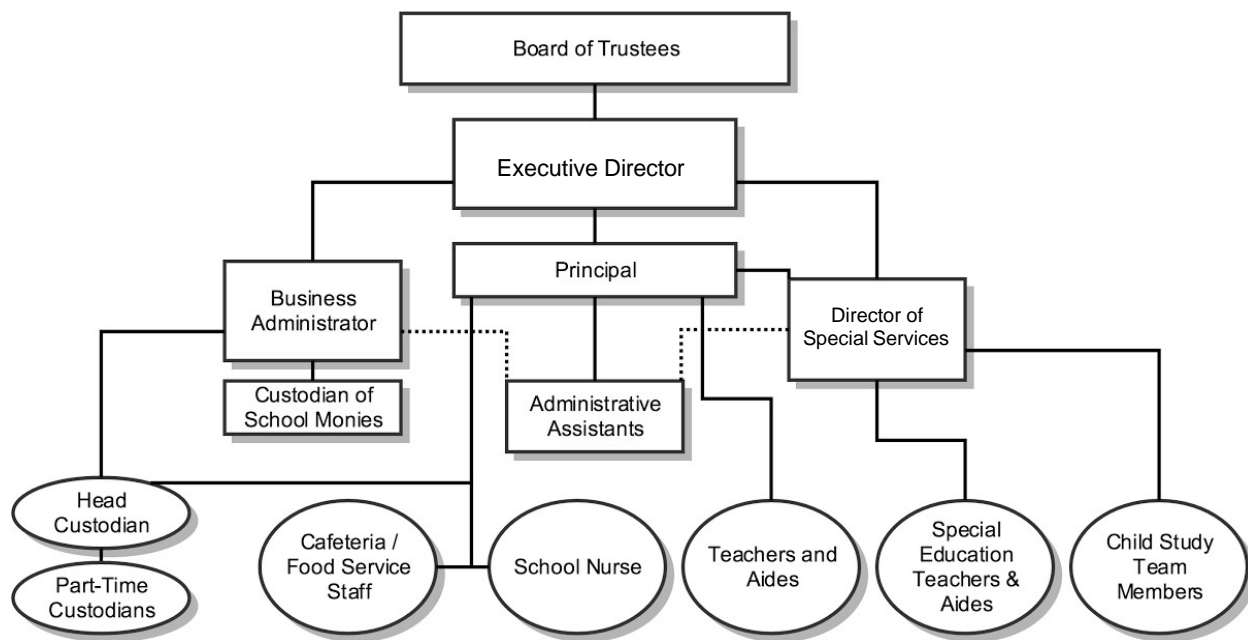
10.) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Teaneck Community Charter School for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ralph Gallo". The signature is written in a cursive style with a large initial "R".

Ralph Gallo
Lead Person / Director

TEANECK COMMUNITY CHARTER SCHOOL ORGANIZATIONAL CHART



Revised May 8, 2023

**TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>MEMBERS OF THE BOARD OF TRUSTEES</u>	<u>TERM EXPIRES</u>
Heather Goodrich	6/30/2023
Yvette Gonzalez	6/30/2023
Xiomara Hadnot	6/30/2023
Anthony McGilchrist	6/30/2024
Keisha Carter	6/30/2024
Kirk Mitchell	6/30/2024
Enid Vallejo-Juste	6/30/2025
Lorelle Hollway	6/30/2025
Natalie Lazu	6/30/2025

CONSULTANTS AND ADVISORS

Audit Firm

Meshinsky & Associates LLC
Certified Public Accountants
1155 W. Chestnut Street, Suite 2D
Union, New Jersey 07083

Attorney

Johnston Law Firm, LLC
75 Midland Avenue
Montclair, New Jersey 07042

Official Depository

Lakeland Bank
250 Oak Ridge Road
Oakridge, New Jersey 07436

FINANCIAL SECTION



MESHINSKY &
ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS,
CONSULTANTS & INDEPENDENT TRUSTEES

Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Teaneck Community Charter School
County of Bergen
Teaneck, 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 Teaneck Community Charter School in the County of Bergen, State of New Jersey, as of and for the 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 Teaneck Community Charter School in the County of Bergen, State of New Jersey as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Teaneck Community Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Teaneck Community Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Teaneck Community Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Teaneck Community Charter School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedules related to accounting and reporting for pensions and the schedules related to accounting and reporting for postemployment benefits other than pensions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise of Teaneck Community Charter School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and 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 October 12, 2023 on our consideration of Teaneck Community 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Teaneck Community Charter School 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 Teaneck Community Charter School's internal control over financial reporting and compliance.

Meshinsky & Associates, LLC, CPA's



Philip T. Meshinsky
Licensed Public-School Accountant
No. CS00233400
Meshinsky & Associates LLC, CPA's
Union, New Jersey

October 12, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY**

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

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- ❖ General revenues accounted for \$8,692,454 in revenue or 87% percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,251,103 or 13% percent of total revenues of \$9,943,557.
- ❖ The Charter School had \$9,383,880 in expenses; only \$1,251,103 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$8,692,454 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$8,488,734 in revenues and \$8,218,825 in expenditures. The General Fund's fund balance increased \$269,909 from 2022. This increase was anticipated by the Board of Trustees.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

**TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY**

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

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

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

Statement of Net Position and the Statement of Activities

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

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

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

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

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

**TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY**

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Basic Financial Statements

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

The Charter School as a Whole

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

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

The Charter School's combined net position were \$2,200,236 for 2023 and \$1,640,559 for 2022.

Governmental Activities

The Charter School's total revenues were \$8,807,897 for 2023 and \$8,126,792 for 2022, this includes \$1,435,319 for 2023 and \$1,346,712 for 2022 of state reimbursed TPAF social security pension contributions and post/retirement benefits.

The total cost of all program and services was \$8,921,950 for 2023 and \$8,428,684 for 2022. Instruction comprises 64% for 2023 and 64% for 2022 of Charter School expenditures.

**TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY**

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

Business-Type Activities

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

- ❖ Revenues exceeded expenditures by \$59,254 for 2023 and \$36,194 for 2022.
- ❖ Charges for services represent \$521,184 for 2023 and \$367,163 for 2022 of revenue. This represents amounts paid by patrons for daily food.

Governmental Activities

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

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

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

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

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$8,807,897 for 2023 and \$8,126,792 for 2022 and expenditures were \$8,542,867 for 2023 and \$7,720,788 for 2022. The net change in fund balance was most significant in the general fund, an increase of \$269,909 for 2023 and an increase of \$402,329 for 2022.

**TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY**

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

The Charter School's Funds (Continued)

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

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Local Sources	\$ 6,610,201	75.05%	\$ 583,253	9.68%
State Sources	1,982,645	22.51%	176,822	9.79%
Federal Sources	215,051	2.44%	(78,970)	(26.86%)
Total	<u>\$ 8,807,897</u>	<u>100.00%</u>	<u>\$ 681,105</u>	

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

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Instruction	\$ 3,265,350	38.22%	\$ 217,959	7.15%
Administration	2,932,857	34.33%	303,037	11.52%
Support Services	2,183,621	25.56%	255,077	13.23%
Capital Outlay	161,039	1.89%	46,006	39.99%
Total	<u>\$ 8,542,867</u>	<u>100.00%</u>	<u>\$ 822,079</u>	

Changes in expenditures were the results of varying factors.

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.

**TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY**

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

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

Capital Assets (Net of Depreciation)

At the end of the fiscal year 2023, the Charter School had \$457,406 invested in capital assets and \$416,228 for 2022.

For the Future

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

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

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary at Teaneck Community Charter School, 563 Chestnut Ave, Teaneck, New Jersey 07666.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL–WIDE FINANCIAL STATEMENTS

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

TEANECK COMMUNITY CHARTER SCHOOL
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,669,412	\$ 135,168	\$ 2,804,580
Cash - Escrow	125,000	-	125,000
Interfund Receivables	37,720	-	37,720
Receivables	150,245	-	150,245
Prepaid Expenses	68,533	-	68,533
Capital Assets, Net	457,406	-	457,406
Total Assets	3,508,316	135,168	3,643,484
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	237,015	-	237,015
Deferred Outflows of Resources	237,015	-	237,015
LIABILITIES:			
Cash Overdraft	86,154	-	86,154
Interfund Payable	37,720	-	37,720
Payroll Deductions and Withholdings Payable	59,976	-	59,976
Unearned Revenue	-	11,000	11,000
Due Beyond One Year			
Net Pension Liability - PERS	1,115,475	-	1,115,475
Long-Term Liabilities	119,291	-	119,291
Total Liabilities	1,418,616	11,000	1,429,616
DEFERRED INFLOWS OF RESOURCES:			
Pensions	250,647	-	250,647
Deferred Inflows of Resources	250,647	-	250,647
NET POSITION:			
Net Investment in Capital Assets, Net of Related Debt	338,115	-	338,115
Restricted For			
Maintenance	50,000	-	50,000
Other Purposes	75,000	-	75,000
Student Activities	1,173	-	1,173
Unrestricted	1,611,780	124,168	1,735,948
Total Net Position	\$ 2,076,068	\$ 124,168	\$ 2,200,236

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

TEANECK COMMUNITY CHARTER SCHOOL
Statement of Activities
For The Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 3,265,350	\$ 1,499,239	\$ -	\$ 115,443	\$ -	\$ (4,649,146)	\$ -	\$ (4,649,146)
Administration	656,366	353,987	-	-	-	(1,010,353)	-	(1,010,353)
Support Services	2,183,621	229,050	-	-	-	(2,412,671)	-	(2,412,671)
Capital Outlay	8,453	-	-	-	-	(8,453)	-	(8,453)
Unallocated								
Depreciation	111,408	-	-	-	-	(111,408)	-	(111,408)
Employee Benefits	614,476	-	-	614,476	-	-	-	-
Total Governmental Activities	6,839,674	\$ 2,082,276	-	729,919	-	(8,192,031)	-	(8,192,031)
BUSINESS-TYPE ACTIVITIES:								
Enterprise Funds	461,930		521,184	-	-	-	59,254	59,254
Total Business-Type Activities	461,930		521,184	-	-	-	59,254	59,254
Total Primary Government	\$ 7,301,604		\$ 521,184	\$ 729,919	\$ -	\$ (8,192,031)	\$ 59,254	\$ (8,132,777)
GENERAL REVENUES								
General Purposes						\$ 6,581,198	\$ -	\$ 6,581,198
Federal and State Aid Not Restricted						2,082,253	-	2,082,253
Miscellaneous Revenue						29,003	-	29,003
Total General Revenues						8,692,454	-	8,692,454
Change in Net Position						500,423	59,254	559,677
Net Position - Beginning of Year						1,575,645	64,914	1,640,559
Net Position - Ending						\$ 2,076,068	\$ 124,168	\$ 2,200,236

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

SECTION B – FUND FINANCIAL STATEMENTS

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

**GOVERNMENTAL
FUNDS**

TEANECK COMMUNITY CHARTER SCHOOL
 Governmental Funds
 Balance Sheet
 June 30, 2023

	General Fund	Special Revenue Fund	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,668,239	\$ 1,173	\$ 2,669,412
Cash - Escrow	125,000	-	125,000
Interfund Receivables	37,720	-	37,720
Receivables From Other Governments	26,371	123,874	150,245
Prepaid Expenses	68,533	-	68,533
 Total Assets	 \$ 2,925,863	 \$ 125,047	 \$ 3,050,910
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Cash Overdraft	\$ -	\$ 86,154	\$ 86,154
Interfund Payable	-	37,720	37,720
Payroll Deductions and Withholdings Payable	59,976	-	59,976
 Total Liabilities	 59,976	 123,874	 183,850
 Fund Balances:			
Restricted			
Maintenance Reserve	50,000	-	50,000
Other Purposes	75,000	-	75,000
Student Activities	-	1,173	1,173
Unassigned:			
General Fund	2,740,887	-	2,740,887
 Total Fund Balances	 2,865,887	 1,173	 2,867,060
 Total Liabilities and Fund Balances	 \$ 2,925,863	 \$ 125,047	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of the assets is \$1,804,474 and the accumulated depreciation is \$1,347,068. 457,406

Net pension liability of \$1,115,475 deferred inflows of resources of \$250,647 less deferred outflows of resources of \$237,015 related to pensions are not reported in the governmental funds (1,129,107)

Long-Term Liabilities, including Bonds Payable, are not due and Payable in the current period and therefore are not reported as Liabilities in the fund (119,291)

Net Position of Governmental Activities \$ 2,076,068

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

TEANECK COMMUNITY CHARTER SCHOOL
 Governmental Funds
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 For The Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 6,581,198	\$ -	\$ 6,581,198
Miscellaneous	4,980	24,023	29,003
Total Local Sources	6,586,178	24,023	6,610,201
State Sources	1,902,556	80,089	1,982,645
Federal Sources	-	215,051	215,051
Total Revenues	8,488,734	319,163	8,807,897
EXPENDITURES:			
Current:			
Instruction	3,134,082	131,268	3,265,350
Administration	2,932,857	-	2,932,857
Student Related Services	-	24,762	24,762
Support Services	1,990,847	168,012	2,158,859
Capital Outlay	161,039	-	161,039
Total Expenditures	8,218,825	324,042	8,542,867
NET CHANGE IN FUND BALANCE	269,909	(4,879)	265,030
FUND BALANCE, JULY 1	2,470,978	6,052	2,477,030
FUND BALANCE, JUNE 30	\$ 2,740,887	\$ 1,173	\$ 2,742,060

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

TEANECK COMMUNITY CHARTER SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For The Fiscal Year Ended June 30, 2023

Total net change in fund balances - governmental fund (from B-2)	\$	265,030
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
A decrease of compensated absences is not an expenditure in the governmental funds, but the increase does increase long-term liabilities in the statement of net assets and is reported in the statement of activities.		
		73,606
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets if capitalized is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current fiscal year.		
Depreciation Expense	111,408	
Capital Outlays	<u>(152,586)</u>	41,178
Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized		
		<u>120,609</u>
Change in net position of governmental activities	\$	<u>500,423</u>

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

PROPRIETARY FUNDS

TEANECK COMMUNITY CHARTER SCHOOL
 Proprietary Funds
 Combining Statement of Fund Net Position
 June 30, 2023

	Business-Type Activities Enterprise Funds		
	School Nutrition	After School Program	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ (9,962)	\$ 145,130	\$ 135,168
Total Current Assets	<u>(9,962)</u>	<u>145,130</u>	<u>135,168</u>
Noncurrent Assets:			
Machinery and Equipment	-	-	-
Accumulated Depreciation Machinery and Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets:	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ (9,962)</u>	<u>\$ 145,130</u>	<u>\$ 135,168</u>
LIABILITIES AND NET POSITION:			
Liabilities:			
Current Liabilities:			
Unearned Income	\$ -	\$ 11,000	\$ 11,000
Total Current Liabilities	<u>-</u>	<u>11,000</u>	<u>11,000</u>
Total Liabilities	<u>-</u>	<u>11,000</u>	<u>11,000</u>
NET POSITION:			
Unassigned	<u>(9,962)</u>	<u>134,130</u>	<u>124,168</u>
Total Net Position	<u>(9,962)</u>	<u>134,130</u>	<u>124,168</u>
Total Liabilities and Net Position	<u>\$ (9,962)</u>	<u>\$ 145,130</u>	<u>\$ 135,168</u>

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

TEANECK COMMUNITY CHARTER SCHOOL
 Proprietary Funds
 Combining Statement of Revenues, Expenses, and Changes in Net Position
 For The Fiscal Year Ended June 30, 2023

	Business-Type Activities Enterprise Funds		
	Food Service	After-School Program	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales Program	\$ 63,848	\$ -	\$ 63,848
After-School Revenues	-	457,336	457,336
Total Operating Revenues	<u>63,848</u>	<u>457,336</u>	<u>521,184</u>
OPERATING EXPENSES:			
Salaries	50	129,675	129,725
Repairs	15,977	-	15,977
After-School Expenses	-	255,370	255,370
Cost of Sales	60,858	-	60,858
Total Operating Expenses	<u>76,885</u>	<u>385,045</u>	<u>461,930</u>
OPERATING INCOME (LOSS)	<u>(13,037)</u>	<u>72,291</u>	<u>59,254</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	-	-	-
Federal Sources:			
National School Lunch Program	-	-	-
National School Breakfast Program	-	-	-
National Snack Program	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(13,037)	72,291	59,254
TOTAL NET POSITION, JULY 1	<u>3,075</u>	<u>61,839</u>	<u>64,914</u>
TOTAL NET POSITION, JUNE 30	<u>\$ (9,962)</u>	<u>\$ 134,130</u>	<u>\$ 124,168</u>

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

TEANECK COMMUNITY CHARTER SCHOOL
Proprietary Fund
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2023

	Business-Type Activities Enterprise Funds		
	School Nutrition	After School Program	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 63,848	\$ 457,336	\$ 521,184
Cash Payments to Suppliers and Employees	(76,885)	(385,045)	(461,930)
Net Cash (From) To Operating Activities	(13,037)	72,291	59,254
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash Received from State and Federal Reimbursements	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(13,037)	72,291	59,254
Cash and Cash Equivalents, Beginning of the Year	3,075	72,839	75,914
Cash and Cash Equivalents, End of the Year	\$ (9,962)	\$ 145,130	\$ 135,168
Reconciliation of Operating (Loss) Revenue to Net Cash (Used For) Provided By Operating Activities:			
Operating (Loss) Income (Used For) Provided By Operating Activities	\$ (13,037)	\$ 72,291	\$ 59,254
Changes in Assets and Liabilities:			
Decrease in Unearned Income	-	-	-
Net Cash (From) To Operating Activities	\$ (13,037)	\$ 72,291	\$ 59,254

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

FIDUCIARY FUNDS- NOT APPLICABLE

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NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For fiscal year 2016, the Charter School implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources and expense/expenditure.

A. Reporting Entity

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation. Basis of Accounting

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

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

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

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Charter School. *Fund Financial Statements:* During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the Charter School's funds, including its fiduciary funds. Separate statements for each fund category — *governmental, proprietary, and fiduciary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting models.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation. Basis of Accounting (Continued)

The Charter School reports the following governmental funds:

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

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

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

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: Not applicable.

The Charter School reports the following proprietary fund:

Enterprise (Food Service and Aftercare) Fund: The enterprise fund accounts for all revenues and expenses pertaining to the cafeteria operations. The food service fund and after school program are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation. Basis of Accounting (Continued)

Additionally, the Charter School reports the following fund type:

Fiduciary Funds: The Fiduciary Activities are no longer applicable.

Basis of Accounting

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

Charter School-wide, Proprietary, and Fiduciary Fund Financial Statements: The financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

All governmental and business-type activities and enterprise funds of the Charter School follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. Budgets are prepared using the modified accrual basis of accounting except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

The following presents a reconciliation of the Special Revenue Funds from the budgetary basis of accounting to the GAAP basis of accounting:

Total Revenues & Expenditures (Budgetary Basis)	\$ 319,163
Adjustments:	
Less Encumbrances at June 30,2023	-
Plus Encumbrances at June 30,2022	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 319,163</u>

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Encumbrances Accounting

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

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

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

E. Assets, Liabilities, and Equity

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Capital Assets:

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Office & Computer Equipment	5-10

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

Unearned Revenue:

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

Accrued Liabilities and Long-term Obligations:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves:

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. There is no fund balance reserve for the current year.

Revenues — Exchange and Nonexchange Transactions:

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: state and local revenues available as an advance, interest, and tuition.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

Accrued Salaries and Wages:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Pensions

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

B. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2023, the Charter School implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Charter School is required to measure certain investments at fair value for financial reporting purposes. In addition, the Charter School is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Charter School's financial statements.

The Charter School implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the Charter School's financial statements.

The Charter School implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Charter School's financial statements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles (Continued)

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which became effective for the year ended June 30, 2023.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2023. Management does not expect this Statement to impact the Charter School's financial statements.

Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68,

Accounting and Financial Reporting for Pensions. This Statement is effective for the year ended June 30, 2023. Management does not expect this Statement to impact the Charter School's financial statements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles (Continued)

Recently Issued and Adopted Accounting Pronouncements (Continued)

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2023. Management does not expect this Statement to impact the Charter School's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement is effective for the year ended June 30, 2023. Management does not expect this Statement to impact the Charter School's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement is effective for the year ended June 30, 2023. Management does not expect this Statement to impact the Charter School's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within The Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for the year ended June 30, 2023. Management has not yet determined the potential impact on the Charter School's financial statements.

NOTE 2: CASH AND CASH EQUIVALENTS

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have

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

NOTE 2: CASH AND CASH EQUIVALENTS

original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

Deposits

New Jersey statutes require that charter schools deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Charter schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

Investments

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

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Investments (Continued)

c. Bonds or other obligations of the charter school.

The Charter School had no investments as of June 30, 2023. Cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Special Revenue	Proprietary Fund	Fiduciary Funds	Total
Operating Account	\$ 2,793,239	\$ (84,981)	\$ 135,168	\$ -	\$ 2,843,426

The carrying amount of the Board’s cash and cash equivalents at June 30, 2023 was \$2,843,426 and the bank balance was \$3,168,233. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. The required \$75,000 cash escrow deposit by NJDOE is covered by an insurance policy.

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. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board’s name.

Category 2 — Collateralized with securities held by the pledging public depository’s trust department or agent in the Board’s name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board’s name.

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 are classified as Category 1, both at year-end and throughout the year.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Risk Category (Continued)

New Jersey Cash Management Fund (Continued)

securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

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

NOTE 3: RECEIVABLES

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

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

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 32,971	\$ 32,971
Federal Aid	117,274	117,274
Other	-	-
Total Receivables, Net	\$ 150,245	\$ 150,245

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

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

	Interfund Receivable	Interfund Payable
General Fund	\$ 37,720	\$ -
Special Revenue Fund	-	37,720
Total	\$ 37,720	\$ 37,720

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

NOTE 5: CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 911,436	\$ 144,778	\$ -	\$ 1,056,214
Machinery and Equipment	740,452	7,808	-	748,260
Totals at Historical Cost	<u>1,651,888</u>	<u>152,586</u>	<u>-</u>	<u>1,804,474</u>
Less Accumulated Depreciation For:				
Building Improvements	630,994	48,400	-	679,394
Machinery and Equipment	604,666	63,008	-	667,674
Total Accumulated Depreciation	<u>1,235,660</u>	<u>111,408</u>	<u>-</u>	<u>1,347,068</u>
Government Activity Capital Assets, Net	<u>\$ 416,228</u>	<u>\$ 41,178</u>	<u>\$ -</u>	<u>\$ 457,406</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ -	\$ -	\$ -	\$ -
Less Accumulated Depreciation	-	-	-	-
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Depreciation expense of \$111,408 was charged to an unallocated function.

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

NOTE 6: RENTAL LEASE

The Charter School entered into a sublease agreement with Friends of Teaneck Community Charter School, Inc., (“Friends”) a non-profit organization for the building located at 3044 Kennedy Boulevard, Jersey City, New Jersey. The Charter School began occupying the new building for the 2011-2012 school year. The sublease with Friends will expire on July 31, 2031. For the fiscal year ended June 30, 2023 rent expense amounted to \$850,825. Future minimum lease rental payments are as follows:

<u>School Year</u>	<u>Rent Expense</u>
2023-2024	\$ 850,000

NOTE 7: GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2023 the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2022	Net Reductions	Retired	Balance June 30, 2023
Compensated Absences Payable	\$ 192,897	\$ 73,606	\$ -	\$ 119,291
Bonds Payable	-	-	-	-
Capital Leases Payable	-	-	-	-
Totals	\$ 192,897	\$ 73,606	\$ -	\$ 119,291

NOTE 8: PENSION PLANS

A substantial number of the Charter School's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund (“TPAF”) and the Public Employees' Retirement System (“PERS”), which are administered by the New Jersey Division of Pensions and Benefits (the “Division”). In addition, employees may participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

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

NOTE 8: PENSION PLANS (CONTINUED)

General Information about the Pension Plans

Plan Descriptions

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional uncertified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Charter School, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

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

NOTE 8: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

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

General Information about the Pension Plans (Cont'd)

The following represents the membership tiers for TPAF and PERS:

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

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

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of

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

NOTE 8: PENSION PLANS (CONTINUED)

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Charter School and all other related non-contributing employers. No normal or accrued liability contribution by the Charter School has been required over the preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The Charter School commenced operations on and the enrollment process of Charter School employees in the TPAF began upon hiring of applicable personnel. As a result of the timing of participation in the pension plan, at June 30, 2023 there are no contractual requirements to contribute.

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

NOTE 8: PENSION PLANS (CONTINUED)

Contributions (Cont'd)

Timing of participation aside, the Charter School would not have been required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019 and the timing of the Charter School's participation in the pension plan, there was no State contractually required contribution, on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2023. Charter School employee contributions to the pension plan during the fiscal year ended June 30, 2023 were \$237,583.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Charter School's contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2023 was 15.73% of the Charter School's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the Charter School's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$93,210 and was paid by April 1, 2023. Charter School employee contributions to the pension plan during the fiscal year ended June 30, 2023 were \$69,407.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Charter School contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the

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

**NOTE 8: PENSION PLANS (CONTINUED)
General Information about the Pension Plans (Cont'd)**

Vesting and Benefit Provisions (Cont'd)

employee is paid for that pay period.

At June 30, 2023, the Charter School had no employees participating in this program.

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

Public Employees' Retirement System - At June 30, 2023, the Charter School reported a liability of \$898,606 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Charter School's proportion was .0095635073%, which was an increase of .0064475550% from its proportion measured as of June 30, 2020. For the fiscal year ended June 30, 2023, the Charter School recognized pension expense of \$93,210, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2021 measurement date.

At June 30, 2023, 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
\$ 237,015	\$ 250,647

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

**NOTE 8: PENSION PLANS (CONTINUED)
ACTUARIAL ASSUMPTIONS**

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on Years of Service
Thereafter	3.00% - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	PUB-2010
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2013 - June 30, 2018 July 1, 2015 - June 30, 2018 Respectively

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method

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

NOTE 8: PENSION PLANS (CONTINUED)

in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following tables:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate Of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.50%
High Yield	2.00%	3.15%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.88%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2020 was 7.00% for PERS. For PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on 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. The projection of cash flows used to determine the discount rates for PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**NOTE 8: PENSION PLANS (CONTINUED)
Sensitivity of Charter School's Proportionate Share of Net Pension Liability
to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the Charter School's proportionate share of the net pension liability at June 30, 2020, the plans measurement date, calculated using a discount rate of 5.00%, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's Proportionate Share of the Net Pension Liability	\$ 3,185,051	\$ 2,337,565	\$ 1,620,744

Pension Plan Fiduciary Net Position

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 respective fiduciary net position of the PERS and additions to/deductions from PERS's respective fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, 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. For additional information about PERS, please refer to the plan's Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions.

NOTE 9: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment medical benefits, and the State contributed \$1.25

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

NOTE 9 STATE POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post- retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a Board of Education, Charter School or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

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

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability \$67,809,962,608

	TPAF/ABP	PERS
Inflation Rate	2.50%	2.50%
	Based on Years of Service	Based on Years of Service
Salary Increases:		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	1.55% - 4.45%	3.00% - 7.00%

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

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

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-2020. 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-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2020 was 2.21%. 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.

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

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2022 Measurement Date	\$ 6,693,878
Changes for the Year:	
Service Cost	593,119
Interest Cost	148,351
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(193,500)
Changes in Assumptions or Other Inputs	(1,501,693)
Member Contributions	4,714
Gross Benefit Payments	(146,946)
Net Changes	(1,095,955)
Balance as of June 30, 2023 Measurement Date	\$ 5,597,923

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
\$81,748,410,002	\$67,809,962,608	\$56,911,439,160

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$54,738,488,540	\$67,809,962,608	\$83,375,182,975

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

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

For the year ended June 30, 2023, the Charter School recognized OPEB expense of \$614,476.

Special Funding Situation

The participating employer allocations included in the supplemental Schedule of special funding amounts by employer for each employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

NOTE 11: COMPENSATED ABSENCES

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

Charter School's employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policy. Upon termination, employees are paid for accrued vacation. The Charter School's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the Charter School for the unused sick leave in accordance with the Charter School's agreements with the various employee unions.

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

NOTE 12: FUND BALANCE APPROPRIATED

General Fund

The General Fund fund balance in the fund financial statements at June 30, 2023, in the amount of \$2,740,887 is unassigned and undesignated, \$50,000 is reserved for maintenance reserve \$75,000 is reserved for a school closing escrow and \$1,173 is restricted for student activities.

NOTE 13: RISK MANAGEMENT

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

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund for the 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 14: SUBSEQUENT EVENTS

The Teaneck Community Charter School's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of the audit.

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the School's normal financial operations. Though the impact on the School's operation cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy.

The School's enterprise fund may be impacted by COVID-19 for the fiscal year ending June 30, 2023 as the number of students in the building has been reduced, resulting in no daily sales revenue.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULES

TEANECK COMMUNITY CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Equalization Aid-Local Share	\$ 6,581,198	\$ -	\$ 6,581,198	\$ 6,581,198	\$ -
Total Local Sources	6,581,198	-	6,581,198	6,581,198	-
Categorical Aid:					
Equalization Aid-State Share	303,046	-	303,046	303,046	-
Security Aid	48,748	-	48,748	48,748	-
Special Education Categorical Aid	115,443	-	115,443	115,443	-
Total Categorical Aid	467,237	-	467,237	467,237	-
Other Sources:					
Miscellaneous Revenue	-	-	-	4,980	4,980
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	976,394	976,394
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)	-	-	-	256,994	256,994
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	201,931	201,931
Total other Sources	-	-	-	1,440,299	1,440,299
Total Revenues	7,048,435	-	7,048,435	8,488,734	1,440,299
EXPENDITURES:					
Instruction:					
Kindergarten - Salaries of Teachers	\$ 263,384	\$ -	\$ 263,384	\$ 251,759	\$ 11,625
Grades 1-5 - Salaries of Teachers	1,180,677	-	1,180,677	1,150,840	29,837
Grades 6-8 - Salaries of Teachers	615,785	-	615,785	587,610	28,175
Other Salaries for Instruction	1,012,625	-	1,012,625	942,469	70,156
Other Purchased Services	35,032	-	35,032	10,553	24,479
General Supplies	59,072	-	59,072	40,465	18,607
Textbooks	85,413	-	85,413	57,161	28,252
Miscellaneous	98,483	-	98,483	93,225	5,258
Total Instruction	3,350,471	-	3,350,471	3,134,082	216,389
Administration					
Salaries - General Administration	566,422	-	566,422	561,106	5,316
Total Benefits Cost	917,391	-	917,391	789,276	128,115
Purchases Prof/Tech Services	84,628	-	84,628	62,574	22,054
Other Purchased Services	40,929	-	40,929	40,929	-
Communications/Telephone	30,000	-	30,000	23,396	6,604
Supplies and Materials	14,000	-	14,000	8,396	5,604
Miscellaneous Expenses	17,420	-	17,420	11,861	5,559
Total Administration	1,670,790	-	1,670,790	1,497,538	173,252

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

TEANECK COMMUNITY CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued From Prior Page)					
Support Services:					
Salaries	\$ 681,972	\$ -	\$ 681,972	\$ 652,330	\$ 29,642
Purchased Prof/Ed Services	269,422	-	269,422	244,311	25,111
Rental of Land and Buildings	857,708	-	857,708	850,825	6,883
Insurance for Property, Liability and Fidelity	91,587	-	91,587	91,587	-
Supplies and Materials	65,332	-	65,332	65,248	84
Energy Costs (Heat and Electricity)	78,000	-	78,000	68,194	9,806
Transportation	43,669	-	43,669	17,580	26,089
Miscellaneous Expenses	1,412	-	1,412	772	640
Total Support Services	<u>2,089,102</u>	<u>-</u>	<u>2,089,102</u>	<u>1,990,847</u>	<u>98,255</u>
Capital Outlay:					
Instructional Equipment	27,831	-	27,831	27,831	-
Non-Instructional Equipment Improvements	45,642	-	45,642	45,642	-
	87,566	-	87,566	87,566	-
Total Capital Outlay	<u>161,039</u>	<u>-</u>	<u>161,039</u>	<u>161,039</u>	<u>-</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)				976,394	(976,394)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				256,994	(256,994)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				201,931	(201,931)
Total Expenditures	<u>7,271,402</u>	<u>-</u>	<u>7,271,402</u>	<u>8,218,825</u>	<u>(1,435,319)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(222,967)	-	(222,967)	269,909	492,876
FUND BALANCE, JULY 1	<u>2,470,978</u>	<u>-</u>	<u>2,470,978</u>	<u>2,470,978</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 2,248,011</u>	<u>\$ -</u>	<u>\$ 2,248,011</u>	<u>\$ 2,740,887</u>	<u>\$ 492,876</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ 2,248,011</u>	<u>\$ -</u>	<u>\$ 2,248,011</u>	<u>\$ 2,740,887</u>	<u>\$ 492,876</u>
Total	<u>\$ 2,248,011</u>	<u>\$ -</u>	<u>\$ 2,248,011</u>	<u>\$ 2,740,887</u>	<u>\$ 492,876</u>

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

TEANECK COMMUNITY CHARTER SCHOOL
 Special Revenue Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 215,051	\$ -	\$ 215,051	\$ 215,051	\$ -
State	80,089		80,089	80,089	
Local	4,140	-	4,140	24,023	19,883
Total Revenues	299,280	-	299,280	319,163	19,883
EXPENDITURES:					
Instruction:					
Salaries of Teachers	52,913	-	52,913	52,913	-
Supplies and Materials	78,355	-	78,355	78,355	-
Total Instruction	131,268	-	131,268	131,268	-
Support Services:					
Personal Services - Employee Benefits	51,896	-	51,896	51,896	-
Purchased Pro/Ed Services	28,419	-	28,419	28,419	-
Other Objects	5,601	-	5,601	5,601	-
Repairs and Maintenance	73,429	-	73,429	73,429	-
Supplies and Materials	8,667	-	8,667	8,667	-
Student Activities	-	-	-	24,762	(24,762)
Total Support Services	168,012	-	168,012	192,774	(24,762)
Capital Outlay:					
Construction Services	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
Total Capital Outlay:	-	-	-	-	-
Total Expenditures	299,280	-	299,280	324,042	(24,762)
Excess (Deficiency) of Revenues (Under)					
Expenditures	\$ -	\$ -	\$ -	\$ (4,879)	\$ (4,879)
Fund Balance, July 1				\$ 6,052	
Fund Balance, June 30				1,173	
Recapitulation:					
Restricted					
Student Activities				\$ 1,173	
Total Fund Balance				\$ 1,173	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

TEANECK COMMUNITY CHARTER SCHOOL

Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
Fiscal Year Ended June 30, 2023

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 8,488,734		[C-2] \$ 319,163
Difference - Budget to GAAP			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized	<u>-</u>		<u>-</u>
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>8,488,734</u>		[B-2] \$ <u>319,163</u>
Uses/Outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 8,218,825		[C-2] \$ 324,042
Differences - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes	<u>-</u>		<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>8,218,825</u>		[B-2] \$ <u>324,042</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

**TEANECK COMMUNITY CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
 LAST TWO PLAN YEARS
 UNAUDITED**

	Fiscal Year Ending June 30,	
	2023	2022
Charter School's proportionate share of the net pension liability	\$ 1,115,475	\$ 898,606
Charter School's covered employees payroll	N/A	N/A
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A

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

**TEANECK COMMUNITY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TWO FISCAL YEARS
UNAUDITED**

	Fiscal Year Ending June 30,	
	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 93,210	\$ 88,834
Contributions in relation to the contractually required contribution	<u>93,210</u>	<u>88,834</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

TEANECK COMMUNITY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2023

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2021 to 7.25% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

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

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

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

	CRRSA													
	Climate Awareness Grant	ESEA Consolidated Title I Part A	ESEA Consolidated Title II	IDEA Basic	IDEA Preschool	ESSR ARP	ESSER II Grant	Accelerated Learning	Charter Security Compliance	ESEA Consolidated Title IV	Charter Emergent Needs & Capital Maintenance	Local Grant	Student Activity Fund	Grand Total
REVENUE SOURCES:														
Federal Sources	\$ -	\$ 34,781	\$ 6,849	\$ 78,495	\$ 2,433	\$ 70,442	\$ 2,050	\$ 10,001	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 215,051
State Sources	6,660	-	-	-	-	-	-	-	20,000	-	53,429	-	-	80,089
Local Sources	-	-	-	-	-	-	-	-	-	-	-	4,140	19,883	24,023
Total Revenues	\$ 6,660	\$ 34,781	\$ 6,849	\$ 78,495	\$ 2,433	\$ 70,442	\$ 2,050	\$ 10,001	\$ 20,000	\$ 10,000	\$ 53,429	\$ 4,140	\$ 19,883	\$ 319,163
EXPENDITURES:														
Instruction:														
Salaries of Teachers	\$ -	\$ 26,000	\$ -	\$ 24,480	\$ 2,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,913
Other Salaries for Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Prof/Tech Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and Materials	6,660	6,792	-	4,108	-	43,872	2,050	10,001	-	4,399	-	473	-	78,355
Total Instruction	6,660	32,792	-	28,588	2,433	43,872	2,050	10,001	-	4,399	-	473	-	131,268
Support Services:														
Support Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal Services - Employee Benefits	-	1,989	-	49,907	-	-	-	-	-	-	-	-	-	51,896
Purchased Pro/Ed Services	-	-	6,849	-	-	21,570	-	-	-	-	-	-	-	28,419
Other Objects	-	-	-	-	-	-	-	-	-	5,601	-	-	-	5,601
Repairs and Maintenance	-	-	-	-	-	-	-	-	20,000	-	53,429	-	-	73,429
Supplies and Materials	-	-	-	-	-	5,000	-	-	-	-	-	3,667	-	8,667
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	24,762	24,762
Total Support Services	-	1,989	6,849	49,907	-	26,570	-	-	20,000	5,601	53,429	3,667	24,762	192,774
Capital Outlay:														
Noninstructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Outlay:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,660	\$ 34,781	\$ 6,849	\$ 78,495	\$ 2,433	\$ 70,442	\$ 2,050	\$ 10,001	\$ 20,000	\$ 10,000	\$ 53,429	\$ 4,140	\$ 24,762	\$ 324,042
Excess of Expenses Over Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance July 1	-	-	-	-	-	-	-	-	-	-	-	-	\$ (4,879)	-
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-	-	\$ 6,052	-
													\$ 1,173	-

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

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

Enterprise Fund – This fund provides for the operation of food services and the after school program in the charter school.

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

**SECTION H – FIDUCIARY ACTIVITIES
NOT APPLICABLE**

Fiduciary Funds are used to account for funds received by the school for a specific purpose.

Agency Funds are used to account for assets held by the school as an agent for individuals, private organizations, other governments and/or other funds.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school

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**STATISTICAL SECTION
(UNAUDITED)**

GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

Contents

Financial Trends

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

Revenue Capacity (Not Applicable To Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year. The charter school implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

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

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Invested in Capital Assets, Net or Related Debt	\$ 338,115	\$ 223,331	\$ 245,577	\$ 364,098	\$ 361,187	\$ 365,292	\$ 449,633	\$ 450,351	\$ 471,904	\$ 550,116
Debt for Net Pension Liability - PERS				(1,251,506)	(1,327,325)	(1,410,861)	(1,827,364)	(1,102,775)	(1,006,807)	-
Debt for Net OPEB Liability - PERS	-	-	-	(4,346,978)	(4,133,683)	(4,783,030)	(5,051,398)	-	-	-
Restricted	126,173	131,052	127,377	125,000	125,000	125,000	125,000	105,000	75,000	353,982
Unrestricted	1,611,780	1,221,262	691,391	1,428,541	1,171,324	981,687	831,528	633,873	483,004	546,601
Total Governmental Activities Net Assets	\$ 2,076,068	\$ 1,575,645	\$ 1,064,345	\$ (3,680,845)	\$ (3,803,497)	\$ (4,721,912)	\$ (5,472,601)	\$ 86,449	\$ 23,101	\$ 1,450,699
Business-Type Activities										
Unrestricted	\$ 124,168	\$ 64,914	\$ 28,720	\$ 29,917	\$ 110,099	\$ 100,244	\$ 63,018	\$ 51,313	\$ 58,090	\$ 53,256
Total Business-Type Activities Net Assets	\$ 124,168	\$ 64,914	\$ 28,720	\$ 29,917	\$ 110,099	\$ 100,244	\$ 63,018	\$ 51,313	\$ 58,090	\$ 53,256
Governmental-wide										
Invested in Capital Assets, Net or Related Debt	\$ 338,115	\$ 223,331	\$ 245,577	\$ 364,098	\$ 361,187	\$ 365,292	\$ 449,633	\$ 450,351	\$ 471,904	\$ 550,116
Debt for Net Pension Liability - PERS	-	-	-	(1,251,506)	(1,327,325)	(1,410,861)	(1,827,364)	(1,102,775)	(1,006,807)	-
Debt for Net OPEB Liability - PERS	-	-	-	(4,346,978)	(4,133,683)	(4,783,030)	(5,051,398)	-	-	-
Restricted	126,173	131,052	127,377	125,000	125,000	125,000	125,000	105,000	75,000	353,982
Unrestricted	1,735,948	1,286,176	720,111	1,458,458	1,281,423	1,081,931	894,547	685,186	541,094	599,857
Total Governmental Net Assets	\$ 2,200,236	\$ 1,640,559	\$ 1,093,065	\$ (3,650,928)	\$ (3,693,398)	\$ (4,621,668)	\$ (5,409,582)	\$ 137,762	\$ 81,191	\$ 1,503,955

Source: Comprehensive Annual Financial Report

TEANECK COMMUNITY CHARTER SCHOOL
 Changes in Net Position
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental Activities:										
Instruction	\$ 4,764,589	\$ 4,371,660	\$ 4,043,146	\$ 2,701,694	\$ 2,517,675	\$ 2,411,838	\$ 2,387,869	\$ 2,222,336	\$ 2,570,317	\$ 2,238,583
Administration	1,010,353	958,444	954,965	1,165,100	1,116,411	765,965	658,884	735,447	678,575	620,883
Support Services	2,412,671	2,130,863	1,904,661	2,840,959	1,814,765	1,961,961	3,165,965	2,346,439	2,247,126	2,112,386
Capital Outlay	8,453	50,080	98,905	-	-	-	-	-	-	-
Unallocated Depreciation										
Depreciation	111,408	104,445	97,791	91,402	74,050	63,533	54,979	56,032	68,499	82,491
Employee Benefits	614,476	792,801	617,640	-	-	-	-	-	-	-
Total Governmental Activities Net Assets/Position	<u>8,921,950</u>	<u>8,408,293</u>	<u>7,717,108</u>	<u>6,799,155</u>	<u>5,522,901</u>	<u>5,203,297</u>	<u>6,267,697</u>	<u>5,360,254</u>	<u>5,564,517</u>	<u>5,054,343</u>
Business-Type Activities:										
Food Service	461,930	330,969	5,638	418,196	490,360	464,839	531,534	387,369	218,806	440,819
Total Business-Type Activities Expenses	<u>461,930</u>	<u>330,969</u>	<u>5,638</u>	<u>418,196</u>	<u>490,360</u>	<u>464,839</u>	<u>531,534</u>	<u>387,369</u>	<u>218,806</u>	<u>440,819</u>
Total Charter School Expenses	<u>\$ 9,383,880</u>	<u>\$ 8,739,262</u>	<u>\$ 7,722,746</u>	<u>\$ 7,217,351</u>	<u>\$ 6,013,261</u>	<u>\$ 5,668,136</u>	<u>\$ 6,799,231</u>	<u>\$ 5,747,623</u>	<u>\$ 5,783,323</u>	<u>\$ 5,495,162</u>
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	729,919	887,181	738,677	132,329	116,552	109,090	96,562	98,831	103,043	81,973
Total Governmental Activities Revenues	<u>729,919</u>	<u>887,181</u>	<u>738,677</u>	<u>132,329</u>	<u>116,552</u>	<u>109,090</u>	<u>96,562</u>	<u>98,831</u>	<u>103,043</u>	<u>81,973</u>
Business-Type Activities:										
Charges for Services	521,184	367,163	4,440	338,014	500,215	502,065	543,239	380,592	223,640	424,574
Total Business-Type Activities Revenues	<u>521,184</u>	<u>367,163</u>	<u>4,440</u>	<u>338,014</u>	<u>500,215</u>	<u>502,065</u>	<u>543,239</u>	<u>380,592</u>	<u>223,640</u>	<u>424,574</u>
Total Charter School Program Revenues	<u>\$ 1,251,103</u>	<u>\$ 1,254,344</u>	<u>\$ 743,117</u>	<u>\$ 470,343</u>	<u>\$ 616,767</u>	<u>\$ 611,155</u>	<u>\$ 639,801</u>	<u>\$ 479,423</u>	<u>\$ 326,683</u>	<u>\$ 506,547</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (8,192,031)	\$ (7,521,112)	\$ (6,978,431)	\$ (6,666,826)	\$ (5,406,349)	\$ (5,094,207)	\$ (6,171,135)	\$ (5,261,423)	\$ (5,461,474)	\$ (4,972,370)
Business-Type Activities	59,254	36,194	(1,198)	(80,182)	9,855	37,226	11,705	(6,777)	4,834	(16,245)
Total Charter School-wide Net Expense	<u>\$ (8,132,777)</u>	<u>\$ (7,484,918)</u>	<u>\$ (6,979,629)</u>	<u>\$ (6,747,008)</u>	<u>\$ (5,396,494)</u>	<u>\$ (5,056,981)</u>	<u>\$ (6,159,430)</u>	<u>\$ (5,268,200)</u>	<u>\$ (5,456,640)</u>	<u>\$ (4,988,615)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Purposes	\$ 6,581,198	\$ 5,998,740	\$ 5,709,222	\$ 5,560,351	\$ 5,175,073	\$ 4,846,114	\$ 4,669,082	\$ 4,496,102	\$ 4,256,268	\$ 4,296,525
Federal and State Aid Not Restricted	2,082,253	2,005,464	1,526,410	1,226,830	1,146,334	986,943	976,397	807,023	769,870	719,583
Investment Earnings	-	-	-	2,297	3,357	11,838	18,004	21,646	14,545	15,870
Miscellaneous Income	29,003	28,208	138,634	-	-	-	-	-	-	-
Total Governmental Activities	<u>8,692,454</u>	<u>8,032,412</u>	<u>7,374,266</u>	<u>6,789,478</u>	<u>6,324,764</u>	<u>5,844,895</u>	<u>5,663,483</u>	<u>5,324,771</u>	<u>5,040,683</u>	<u>5,031,978</u>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charter School-wide	<u>\$ 8,692,454</u>	<u>\$ 8,032,412</u>	<u>\$ 7,374,266</u>	<u>\$ 6,789,478</u>	<u>\$ 6,324,764</u>	<u>\$ 5,844,895</u>	<u>\$ 5,663,483</u>	<u>\$ 5,324,771</u>	<u>\$ 5,040,683</u>	<u>\$ 5,031,978</u>
Change in Net Assets/Position										
Governmental Activities	\$ 500,423	\$ 511,300	\$ 395,835	\$ 122,652	\$ 918,415	\$ 750,688	\$ (507,652)	\$ 63,348	\$ (420,791)	\$ 59,608
Business-Type Activities	59,254	36,194	(1,198)	(80,182)	9,855	37,226	11,705	(6,777)	4,834	(16,245)
Total Charter School	<u>\$ 559,677</u>	<u>\$ 547,494</u>	<u>\$ 394,637</u>	<u>\$ 42,470</u>	<u>\$ 928,270</u>	<u>\$ 787,914</u>	<u>\$ (495,947)</u>	<u>\$ 56,571</u>	<u>\$ (415,957)</u>	<u>\$ 43,363</u>

Source: Comprehensive Annual Financial Report

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

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Reserved	\$ 126,173	\$ 131,052	\$ 127,377	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 105,000	\$ 75,000	\$ 353,982
Unassigned	2,740,887	2,470,978	2,068,649	1,428,541	1,171,324	981,687	831,528	633,873	483,004	546,601
Total General Fund	<u>\$2,867,060</u>	<u>\$2,602,030</u>	<u>\$2,196,026</u>	<u>\$ 1,553,541</u>	<u>\$ 1,296,324</u>	<u>\$ 1,106,687</u>	<u>\$ 956,528</u>	<u>\$ 738,873</u>	<u>\$ 558,004</u>	<u>\$ 900,583</u>

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

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Local Sources	\$6,610,201	\$6,026,948	\$5,847,856	\$5,588,914	\$5,179,430	\$4,857,952	\$4,687,086	\$4,517,748	\$4,270,813	\$4,312,395
State Sources	1,982,645	1,805,823	1,448,624	1,226,830	1,146,334	986,943	976,397	807,023	781,473	719,583
Federal Sources	215,051	294,021	198,823	106,063	115,552	109,090	96,562	98,831	91,440	81,973
Total Revenues	<u>8,807,897</u>	<u>8,126,792</u>	<u>7,495,303</u>	<u>6,921,807</u>	<u>6,441,316</u>	<u>5,953,985</u>	<u>5,760,045</u>	<u>5,423,602</u>	<u>5,143,726</u>	<u>5,113,951</u>
Expenditures:										
Instruction	3,265,350	3,047,391	2,777,058	2,701,694	2,517,675	2,411,838	2,387,869	2,222,336	2,570,317	2,238,583
Administration	2,932,857	2,629,820	2,236,057	1,165,100	1,116,411	700,537	658,884	735,447	678,575	620,883
Support Services	2,183,621	1,928,544	1,711,231	2,672,285	2,549,305	2,646,832	2,436,526	2,268,996	2,218,520	2,139,990
Capital Outlay	161,039	115,033	130,849	125,511	68,288	44,619	59,111	15,954	18,893	5,364
Total Expenditures	<u>8,542,867</u>	<u>7,720,788</u>	<u>6,855,195</u>	<u>6,664,590</u>	<u>6,251,679</u>	<u>5,803,826</u>	<u>5,542,390</u>	<u>5,242,733</u>	<u>5,486,305</u>	<u>5,004,820</u>
Net Change in Fund Balance	<u>\$ 265,030</u>	<u>\$ 406,004</u>	<u>\$ 640,108</u>	<u>\$ 257,217</u>	<u>\$ 189,637</u>	<u>\$ 150,159</u>	<u>\$ 217,655</u>	<u>\$ 180,869</u>	<u>\$ (342,579)</u>	<u>\$ 109,131</u>

Source: Comprehensive Annual Financial Report

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

Fiscal Year Ending June 30,	Interest	Miscellaneous Revenue	Total
2023	\$ -	\$ 29,003	\$ 29,003
2022	-	28,208	28,208
2021	-	138,634	138,634
2020	-	2,297	2,297
2019	-	3,357	3,357
2018	-	11,838	11,838
2017	-	18,004	18,004
2016	-	14,545	14,545
2015	-	15,870	15,870
2014	-	30,329	30,329

Source: Charter School records

OPERATING INFORMATION

TEANECK COMMUNITY CHARTER SCHOOL
 Full-Time Equivalent Charter School Employees by Function / Program
 Last Ten Fiscal Years
Unaudited

Function	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	36	36	36	36	36	36	36	36	36	36
Administrative	7	7	7	7	7	7	7	7	7	7
Support Services	3	2	2	2	2	2	2	2	2	2
Food Service	1	1	1	1	1	1	1	1	1	1
Total	47	46	46	46	46	46	46	46	46	46

Source: Charter School Personnel Records

TEANECK COMMUNITY CHARTER SCHOOL
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil / Teacher Ratio	Average Daily Enrollment (ADE)***	Average Daily Attendance (ADA)***	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2023	358	8,381,828	23,413	8.05%	36	0.0:1	357.4	337.6	8.51%	94.40%
2022	351	7,605,755	21,669	10.20%	36	9.8:1	329.4	349.6	5.91%	100.00%
2021	342	6,724,346	19,662	-.01%	36	8.5:1	342.0	341.5	0.00%	100.00%
2020	337	6,664,590	19,776	-0.16%	36	8.5:1	337.0	337.0	4.66%	100.00%
2019	322	6,251,679	19,415	2.11%	36	8.5:1	322.0	322.0	0.00%	100.00%
2018	322	5,803,826	18,024	2.11%	36	8.5:1	322.0	322.0	0.63%	100.00%
2017	320	5,542,390	17,320	1.09%	36	8.5:1	320.0	320.0	4.57%	100.00%
2016	306	5,242,733	17,133	0.31%	36	8.5:1	306.0	306.0	0.00%	100.00%
2015	306	5,486,305	17,929	11.44%	36	8.5:1	306.0	306.0	0.00%	100.00%
2014	306	5,004,840	16,356	7.07%	36	8.5:1	306.0	306.0	0.29%	100.00%

Sources: Charter School records.

Note: Enrollment based on annual final Charter School count.

* Operating expenditures equal total expenditures less debt service and capital outlay.

** Teaching staff includes only full-time equivalents of certified staff.

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

TEANECK COMMUNITY CHARTER SCHOOL**INSURANCE SCHEDULE****As of 6/30/2023****UNAUDITED**

Commercial Package Policy - New Jersey Schools Insurance Group (NJS)	COVERAGE	DEDUCTIBLE
Real & Personal Property (per occurrence)	\$500,000,000	\$5,000
Blanket Extra Expense	\$50,000,000	\$5,000
Blanket Valuable Paper & Records	\$10,000,000	\$5,000
Demolition & Increased Cost of Construction	\$25,000,000	
Limited Builders Risk	\$10,000,000	
Fire Dept. Service Charge	\$10,000	
Arson Reward	\$10,000	
Pollution Cleanup & Removal	\$250,000	
Flood/Earthquake:		
Flood Zone A & V	\$25,000,000	\$500,000
All Other Flood Zones	\$75,000,000	\$10,000
Earthquake	\$50,000,000	\$5,000
Terrorism	\$1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal	\$150,000	\$1,000
Flood (Deductible for Zone A & Z)		\$500,000
(Deductible All Other Flood Zones)		\$10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Inco	\$100,000,000	\$5,000
Property Damage	Included	
Off Premises Property Damage	\$1,000,000	\$5,000
Extra Expense	\$10,000,000	\$5,000
Service Interruption	\$10,000,000	\$5,000
Perishable Goods	\$1,000,000	\$5,000
Data Restoration	\$1,000,000	\$5,000
Demolition	\$1,000,000	\$5,000
Ordinance or Law	\$1,000,000	\$5,000
Expediting Expense	\$1,000,000	\$5,000
Hazardous Substances	\$1,000,000	\$5,000
Newly Acquired Locations - 120 Days Notice	\$1,000,000	\$5,000
Crime Coverage:		
Public Employee Dishonesty	\$25,000	\$500
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	\$5,000	\$500
Forgery or Alteration	\$25,000	\$500
Computer Fraud	\$5,000	
General Liability:		
Bodily Injury & Property Damage	\$16,000,000	
Products & Completed Operations	\$16,000,000	
Sexual Abuse	\$16,000,000	
Personal Injury & Advertising Injury	\$16,000,000	
Employee Benefits Liability	\$16,000,000	\$1,000
Premises Medical Payments	\$10,000 per accident \$5,000 per person	
Terrorism	\$1,000,000	
Automotive Coverage:		
Combined Single Limit for Bodily Injury & Property Damage	\$16,000,000	\$1,000
Personal Injury Protection	\$250,000	\$1,000
Medical Payments	\$10,000	\$1,000
Underinsured	\$1,000,000	\$1,000
Terrorism	\$1,000,000	\$1,000
Garagekeepers	Included	
School Leaders Errors & Omissions		
Coverage A - protection against "loss"/Wrongful Acts	\$16,000,000	\$5,000
Coverage B - defense costs for specific administrative actions	\$100,000/claim	\$5,000
	\$300,000/agg	\$5,000
Retro Date	7/1/1986	
Workers' Compensation		
Part One	Statutory	
Part Two		
Bodily Injury by Accident	\$2,000,000	
Bodily Injury by Disease	\$2,000,000	
Student/Athletic Volunteer Accident:		
All School - US Fire Ins Co	\$25,000	-
Excess Coverage - Medical Expense benefits - AIG	\$7,500,000	\$25,000
Volunteer Workers	\$25,000	\$1,000

TEANECK COMMUNITY CHARTER SCHOOL
 Charter School Performance Framework Financial Indicators
 Fiscal Ratios
 Last Three Fiscal Years

	2021 Audit	2022 Audit	2023 Audit	Source
Cash	\$ 1,439,033	\$ 2,372,048	\$ 2,929,580	Audit: Exhibit A-1
Current Assets (Includes CASH)	2,285,654	2,715,664	3,186,078	Audit: Exhibit A-1
Total Assets	2,741,374	3,131,892	3,643,484	Audit: Exhibit A-1
Current Liabilities	271,051	48,720	194,850	Audit: Exhibit A-1
Total liabilities	1,322,479	1,140,223	1,429,616	Audit: Exhibit A-1
Net Assets	1,093,065	1,640,559	2,100,236	Audit: Exhibit A-1
Total Revenue	8,117,383	9,286,756	9,943,557	Audit: Exhibit A-2
Total Expenses	7,722,746	8,739,262	9,383,880	Audit: Exhibit A-2
Change in Net Assets	394,637	547,494	559,677	Audit: Exhibit A-2
Depreciation Expense	97,791	104,445	111,408	Financial Statements/Audit Workpapers
Interest Expense	N/A	N/A	N/A	Financial Statements/Audit Workpapers
Principal Payments	N/A	N/A	N/A	Financial Statements/Audit Workpapers
Interest Payments	N/A	N/A	N/A	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	342	329	357	DOE Enrollment Reports
March 30th Budgeted Enrollment	342	329	357	Charter School Budget

Changes

RATIOS ANALYSIS...					Source:	Target
Near Term Indicators	2021	2022	2023	3 YR CUM		
1a. Current Ratio	8.43	55.74	16.35		Current Assets/Current Liabilities	>1,1
1b. Unrestricted Days Cash	68.01	99.07	113.95		Cash/(Total Expenses/365)	30-60
1c. Enrollment Variance	100%	100%	100%		Average Daily Enrollment/Budgeted Enrollment	>95%
1d.* Default	None	None	None		Audit	not in default
Sustainability Indicators						
2a. Total Margin	0.5%	0.6%	0.6%	-1%	Change in Net Assets/Total Revenue	positive
2b. Debt to Asset	4.82	3.64	5.63		Total Liabilities/Total Assets	<9
2c.** Cash Flow	433,690	933,015	557,532		Net change in cash flow from prior years	3 yr cum positive
2d. Debt Service Coverage Ratio	N/A	N/A	N/A		(Change in Net Assets+Depreciation+Interest Expense)/(Principal & Interest Payments)	>1.10

* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No

** 2023 = 2023 Cash - 2022 Cash

Refer questions to charterfinance@doe.state.nj.us

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SINGLE AUDIT SECTION



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

Honorable President and
Members of the Board of Trustees
Teaneck Community Charter School
County of Bergen
Teaneck, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Teaneck Community Charter School (Charter School), in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 12, 2023.

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 reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

Reporting on Compliance and Other Matters

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

We also noted other matters that we reported to the Board of Trustees of the Teaneck Community Charter School in a separate report entitled, Auditor's Management Report on Administrative Findings dated October 12, 2023.

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 the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, The Teaneck Community Charter School Board of Trustees, the New Jersey State Department of Education and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

Meshinsky & Associates, LLC CPA's



Philip T. Meshinsky
Licensed Public School Accountant
No. CS00233400
Meshinsky & Associates LLC, CPA's

October 12, 2023



MESHINSKY &
ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS,
CONSULTANTS & INDEPENDENT TRUSTEES

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

Honorable President and
Members of the Board of Trustees
Teaneck Community Charter School
County of Bergen
Teaneck, New Jersey

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

We have audited Teaneck Community Charter School's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Teaneck Community Charter School's major federal and state programs for the year ended June 30, 2023. Teaneck Community 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, Teaneck Community Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of Teaneck Community Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Teaneck Community Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Teaneck Community Charter School's 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 Teaneck Community Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Teaneck Community 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 New Jersey OMB Circular 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 Teaneck Community Charter School's, compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Teaneck Community Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Teaneck Community Charter School's, internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control

Report on Internal Control Over Compliance (continued)

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.

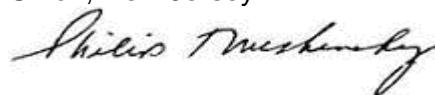
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

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 15-08,. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

Meshinsky & Associates, LLC CPA's
Union, New Jersey



Philip T. Meshinsky
Licensed Public-School Accountant
No. CS00233400
Meshinsky & Associates LLC, CPA's

October 12, 2023

TEANECK COMMUNITY CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For The Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022			Balance at June 30, 2023		
				From	To	(Accounts / Receivable)	Deferred Revenue	Cash Received	Budgetary Expenditure s	Accounts Receivable	Deferred Revenue
U.S. Department of Education											
Passed through State Department of Education											
Special Revenue Fund:											
<u>ESEA Consolidated</u>											
Title I Part A	84.376A	ESEA - 8010-20	34,781	7/122	6/30/23	-	-	-	34,781	34,781	-
Title II Part A	84.367A	ESEA - 8010-20	6,849	7/122	6/30/23	-	-	6,849	6,849	-	-
Title IV Part A	84.424A	ESEA - 8010-20	10,000	7/122	6/30/23	-	-	10,000	10,000	-	-
ESEA Consolidated						-	-	16,849	51,630	34,781	-
<u>Individuals with Disabilities Cluster</u>											
I.D.E.A. Part B Basic	84.027X	ESEA - 8010-20	78,495	7/122	6/30/23	-	-	78,495	78,495	-	-
I.D.E.A. Part B Preschool	84.173X	ESEA - 8010-20	2,433	7/122	6/30/23	-	-	2,433	2,433	-	-
Total Individuals with Disabilities Cluster						-	-	80,928	80,928	-	-
<u>Other Federal Grants</u>											
CRRSA Grants	84.425D	ESEA - 8010-20	12,051	7/122	6/30/23	-	-	-	12,051	12,051	-
ESSER ARP Grants	84.425D	ESEA - 8010-20	70,442	7/122	6/30/23	-	-	-	70,442	70,442	-
Total Other Federal Grants						-	-	-	82,493	82,493	-
Total Federal Financial Award.						\$ -	\$ -	\$ 97,777	\$ 215,051	\$ 117,274	\$ -

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

TEANECK COMMUNITY CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For The Fiscal Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at	Cash Received	Budgetary Expenditures	Balance at June 30, 2023	
			From	To	June 30, 2022			Accounts Payable (Accounts Receivable)	Unearned Revenue/ Interfund Payable
State Department of Education									
General Fund:									
<i>State Aid- Public Cluster</i>									
Equalization Aid- State Share	23-495-034-5120-071	\$ 303,046	7/1/22	6/30/23	\$ -	\$ 297,327	\$ (303,046)	\$ (5,719)	\$ -
Special Education Categorical Aid	23-495-034-5120-089	115,443	7/1/22	6/30/23	-	115,443	(115,443)	-	-
Security Aid	23-495-034-5120-084	40,748	7/1/22	6/30/23	-	40,748	(40,748)	-	-
Total State Aid- Public Cluster					-	453,518	(459,237)	(5,719)	-
On- Behalf TPAF Post Retirement Medical	23-495-034-5095-001	256,994	7/1/22	6/30/23	-	256,994	(256,994)	-	-
On- Behalf TPAF Pension Contributions	23-495-034-5095-006	976,394	7/1/22	6/30/23	-	976,394	(976,394)	-	-
Reimburse TPAF - Social Security	23-495-034-5095-003	201,931	7/1/22	6/30/23	(18,855)	200,134	(201,931)	(20,652)	-
Total General Fund					(18,855)	1,433,522	(1,435,319)	(20,652)	-
Climate Awareness Grant		6,660	7/1/22	6/30/23	-	-	(6,660)	(6,660)	-
Charter Emergent Needs	23-495-034-5095-006	53,429	7/1/22	6/30/23	-	53,429	(53,429)	-	-
Charter Security	23-495-034-5095-003	20,000	7/1/22	6/30/23	-	20,000	(20,000)	-	-
Total Special Revenue					-	73,429	(80,089)	(6,660)	-
Total All Funds					(18,855)	1,960,469	(1,974,645)	(33,031)	-
State Financial Assistance Not Subject to Major Program Determination:									
General Funds:									
On- Behalf TPAF Post Retirement Medical	23-495-034-5095-001	256,994	7/1/22	6/30/23	-	(256,994)	256,994	-	-
On- Behalf TPAF Pension Contributions	23-495-034-5095-006	976,394	7/1/22	6/30/23	-	(976,394)	976,394	-	-
Total General Fund					-	(1,233,388)	1,233,388	-	-
Total State Financial Assistance					\$ (18,855)	\$ 727,081	\$ (741,257)	\$ (33,031)	\$ -

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

TEANECK COMMUNITY CHARTER SCHOOL
Notes to Schedules of Expenditures of Awards and Financial Assistance
For the Fiscal Year Ended June 30, 2023

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 (CFR) Part 200 -Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; New Jersey Circular 15-08 OMB, 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 presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

TEANECK COMMUNITY CHARTER SCHOOL
Notes to Schedules of Expenditures of Awards and Financial Assistance
For the Fiscal Year Ended June 30, 2023

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,902,556	\$ 1,902,556
Special Revenue Fund	215,051	80,089	295,140
Enterprise Fund	-	-	-
Total Awards & Financial Assistance	<u>\$215,051</u>	<u>\$ 1,982,645</u>	<u>\$ 2,197,696</u>

NOTE 4. RELATIONSHIP TO FEDERAL STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

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

NOTE 6. OTHER

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

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

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

TEANECK COMMUNITY CHARTER SCHOOL
Notes to Schedules of Expenditures of Awards and Financial Assistance
For the Fiscal Year Ended June 30, 2023

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in Uniform Guidance; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. There are no funds by program included in schoolwide programs in the charter school.

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

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? Yes No

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

Noncompliance material to basic financial statements noted? Yes No

Federal Awards

N/A

Internal Control over major programs:

1) Material weakness (es) identified? Yes No

2) Significant deficiencies identified? Yes None Reported

Type of auditor’s report issued on compliance for major programs: **N/A**

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>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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N/A

Dollar threshold used to distinguish type A or type B Programs: **N/A**

Auditee qualified as low-risk auditee? Yes No

State Awards

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

Auditee qualified as low-risk auditee? Yes No

Internal control over major programs:

1) Material weakness(es) identified? Yes No

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

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

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

Identification of major state programs:

GMIS Number(s)	Name of State Program
<u>23-495-034-5120-078</u>	<u>EQUALIZATION AID</u>
<u>23-495-034-5120-089</u>	<u>SPECIAL EDUCATION CATEGORICAL AID</u>
<u>23-495-034-5120-084</u>	<u>SECURITY AID</u>

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a NJ Circular 15-08-OMB. See paragraphs 13.15 and 13.35.

Finding

There were no matters reported.

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

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

This section identifies audit findings required to be reported by audit requirements for federal awards and NJ Circular 15-08-OMB, as applicable.

FEDERAL AWARDS

N/A

STATE AWARDS

Findings

There were no matters reported.

TEANECK COMMUNITY CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs As Prepared by Management
For the Fiscal Year Ended June 30, 2023

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, NJ Circular 04-04-OMB or 15-08-OMB as applicable.

Findings

There were no matters reported.