



**ROBERTO CLEMENTE CHARTER SCHOOL
ALLENTOWN, PENNSYLVANIA**

AUDIT REPORT

JUNE 30, 2025

ROBERTO CLEMENTE CHARTER SCHOOL

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Entity-wide Financial Statements:	
- Statement of Net Position	10
- Statement of Activities	11
Fund Financial Statements:	
- Balance Sheet - Governmental Fund	12
- Reconciliation of Balance Sheet - Governmental Fund to Statement of Net Position	13
- Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	14
- Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund to Statement of Activities	15
- Budgetary Comparison Statement - General Fund	16
- Statement of Net Position - Fiduciary Fund	17
- Statement of Changes in Net Position – Fiduciary Fund	18
Notes to Financial Statements	19
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the School's Proportionate Share of the Net Pension Liability	38
Schedule of School Pension Contributions	39
Schedule of the School's Proportionate Share of the Net OPEB Liability	40
Schedule of School OPEB Contributions	41

ROBERTO CLEMENTE CHARTER SCHOOL

TABLE OF CONTENTS

	<u>PAGE</u>
SINGLE AUDIT INFORMATION	
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 <i>Government Auditing Standards</i>	42
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	44
Schedule of Expenditures of Federal Awards	47
Notes to Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Recommendations	49



INDEPENDENT AUDITOR'S REPORT

February 12, 2026

To the Board of Trustees
Roberto Clemente Charter School
Allentown, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Roberto Clemente Charter School ("the School"), Allentown, Pennsylvania, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Roberto Clemente Charter School, Allentown, Pennsylvania, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the general fund 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 ("GAAS") 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 the 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.

To the Board of Trustees
Roberto Clemente Charter School

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

To the Board of Trustees
Roberto Clemente Charter School

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.

Emphasis of a Matter

As discussed in Notes 2 and 18 to the financial statements, the School has adopted the requirements of GASB Statement No. 101, "Compensated Absences." The purpose of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Our opinions were not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9, and the schedule of the School's proportionate share of the net pension liability, schedule of School pension contributions, schedule of the School's proportionate share of the net OPEB liability, and schedule of School OPEB contributions on pages 38 through 41 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

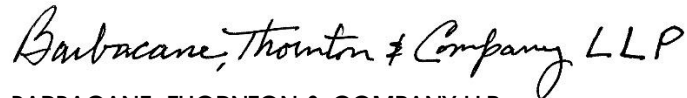
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The schedule of expenditures of federal awards on page 47 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is not a required part of the financial statements. The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

To the Board of Trustees
Roberto Clemente Charter School

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026, on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.


BARBACANE, THORNTON & COMPANY LLP

**ROBERTO CLEMENTE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

The Board of Trustees of the Roberto Clemente Charter School ("the School") offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

FINANCIAL HIGHLIGHTS

- Total revenues increased by \$373,306 to \$11,706,273 mainly due to increases in local education agency assistance.
- At the close of the current fiscal year, the School reported an ending net position of \$972,889.
- The General Fund ended the year with a fund balance of \$5,650,478, an increase of \$1,263,706 from the previous year.
- The School's cash balance at June 30, 2025 was \$5,234,556, representing an increase of \$1,992,700 from June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management's discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise four components: Management's Discussion and Analysis (this section), the basic financial statements, required supplementary information, and reporting required under *Government Auditing Standards* and the Office of Management and Budget's Uniform Guidance.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on the School's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between these items as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School.

**ROBERTO CLEMENTE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2025**

Fund Financial Statements

A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental-type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School's two types of funds, governmental and fiduciary, use different accounting approaches as further described below.

Governmental Funds

All of the School's basic services are reported in the governmental funds, which focuses on how money flows into and out of the funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted to cash. Such information is useful in assessing the School's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

Fiduciary Funds

The School is a fiduciary for its student activity assets that, due to a fiduciary arrangement, can be used only for student activities. All of the School's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the School's other financial statements because the assets cannot be utilized by the School to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2025, the School's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$972,889.

	June 30	
	2025	2024
Assets:		
Current and other assets	\$ 6,488,386	\$ 5,247,581
Capital assets	4,222,104	5,046,342
Total Assets	10,710,490	10,293,923
Deferred outflows of resources	762,786	989,724

ROBERTO CLEMENTE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2025

	June 30	
	2025	2024
(cont'd)		
Long-term liabilities outstanding	7,814,091	9,580,724
Other liabilities	1,537,542	1,521,453
Total liabilities	9,351,633	11,102,177
Deferred inflows of resources	1,148,754	1,082,452
Net Position (Deficit):		
Net investment in capital assets	1,309,871	1,491,514
Unrestricted (deficit)	(336,982)	(2,392,496)
Total net position (deficit)	\$ 972,889	\$ (900,982)

The School's net position increased by \$1,873,871 primarily due to the results of current year operations and changes in pension and OPEB related activities.

The School's revenues are predominantly from the Allentown School District based on the student enrollment.

The total cost of all programs and services was \$9,832,402.

	Year Ended June 30,	
	2025	2024
Revenues:		
Program revenues		
Operating and capital grants	\$ 1,863,408	\$ 2,838,999
Charges for services	22,764	9,988
General		
Local educational agency revenues	9,764,982	8,438,380
Other	55,119	45,600
Total Revenue	11,706,273	11,332,967
Expenses:		
Instruction	4,461,582	4,614,713
Support services	3,795,789	4,083,171
Noninstructional services	563,693	685,947
Depreciation/amortization expense	865,553	897,351
Interest	145,785	173,584
Total Expenses	9,832,402	10,454,766
Changes in Net Position (Deficit)	1,873,871	878,201
Beginning Net Position (Deficit), Restated	(900,982)	(1,779,183)
Ending Net Position (Deficit)	\$ 972,889	\$ (900,982)

**ROBERTO CLEMENTE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2025**

Governmental Fund

The focus of the School's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

The General Fund reported an ending fund balance of \$5,650,478, which was an increase of \$1,263,706 from the previous year. For the year ended June 30, 2025, the General Fund's revenue of \$11,706,273 exceeded expenditures of \$10,442,567 by \$1,263,706.

Governmental Funds Budgetary Highlights

Actual revenues exceeded budgeted revenues by \$1,018,314 mainly due to higher revenue received from local educational agencies.

Actual expenditures were lower than budgeted expenditures by \$514,221.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School's investment in capital assets for its governmental activities totaled \$4,222,104 (net of accumulated depreciation/amortization). This investment in capital assets includes buildings and improvements, furniture and equipment, subscription assets, and right-to-use lease assets (buildings and equipment). Additional information on the School's capital assets can be found in Note 5.

The School had a lease liability of \$2,889,936, a subscription liability of \$22,297 and a compensated absences liability of \$189,492 as of June 30, 2025. Additional information on the School's long-term debt can be found in Notes 10 and 11 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal and operational stability of our Commonwealth's charter schools are directly linked to the State of Pennsylvania's Budget and shifting political realities. This issue manifests itself most clearly in the way that the state determines each charter school's per pupil allotment which is calculated by the student's school district of residence and Form PDE-363. The PDE-363 uses a "state-determined" formula to calculate per pupil allotments.

FUTURE EVENTS THAT WILL FINANCIALLY IMPACT THE SCHOOL

Except as listed in the above economic factors, there are no known additional future events that will financially impact the School.

**ROBERTO CLEMENTE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2025**

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

The financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to the Chief Executive Officer, Roberto Clemente Charter School, 131 West Hamilton Street, Allentown, Pennsylvania 18101.

ROBERTO CLEMENTE CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS:

Cash and cash equivalents	\$ 5,234,556
Federal subsidies receivable	140,516
State subsidies receivable	131,484
Other receivables	880,696
Deposit	65,419
Prepaid expenses	35,715
Total Current Assets	<u>6,488,386</u>

NONCURRENT ASSETS:

Land	1,064
Property and equipment, net	1,646,965
Right-to-use lease asset, net	2,550,036
Subscription asset, net	24,039
Total Noncurrent Assets	<u>4,222,104</u>

TOTAL ASSETS	<u><u>10,710,490</u></u>
---------------------	--------------------------

DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflows related to pension	726,528
Deferred outflows related to OPEB	36,258
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>762,786</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 11,473,276</u></u>
--	-----------------------------

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)

CURRENT LIABILITIES:

Accounts payable	\$ 161,987
Accrued expenses	673,307
Compensated absences	16,479
Unearned revenue	2,614
Subscription liability	22,297
Lease liability	660,858
Total Current Liabilities	<u>1,537,542</u>

NONCURRENT LIABILITIES:

Compensated absences	173,013
Lease liability	2,229,078
Net pension liability	5,190,000
Net OPEB liability	222,000
Total Noncurrent Liabilities	<u>7,814,091</u>

TOTAL LIABILITIES	<u>9,351,633</u>
--------------------------	------------------

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows related to OPEB	110,699
Deferred inflows related to pension	1,038,055
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,148,754</u>

NET POSITION (DEFICIT):

Net investment in capital assets	1,309,871
Unrestricted (deficit)	(336,982)
TOTAL NET POSITION (DEFICIT)	<u>972,889</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	<u><u>\$ 11,473,276</u></u>
---	-----------------------------

The accompanying notes are an integral part of these financial statements.

**ROBERTO CLEMENTE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

		Program Revenues			Net Revenue (Expense) and Change in Net Position (Deficit)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES:					
Instructional services	\$ 4,461,582	\$ -	\$ 1,063,724	\$ -	\$ (3,397,858)
Support services	3,795,789	22,764	250,178	-	(3,522,847)
Noninstructional services	563,693	-	549,506	-	(14,187)
Interest on long-term debt	145,785	-	-	-	(145,785)
Unallocated depreciation/amortization expense	865,553	-	-	-	(865,553)
TOTAL GOVERNMENTAL ACTIVITIES	<u>9,832,402</u>	<u>22,764</u>	<u>1,863,408</u>	<u>-</u>	<u>(7,946,230)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 9,832,402</u>	<u>\$ 22,764</u>	<u>\$ 1,863,408</u>	<u>\$ -</u>	<u>(7,946,230)</u>
GENERAL REVENUES:					
Local educational agencies revenues					9,764,982
Miscellaneous revenues					55,119
TOTAL GENERAL REVENUES					<u>9,820,101</u>
CHANGE IN NET POSITION (DEFICIT)					1,873,871
NET POSITION (DEFICIT), BEGINNING OF YEAR, RESTATED					<u>(900,982)</u>
NET POSITION, END OF YEAR					<u>\$ 972,889</u>

The accompanying notes are an integral part of these financial statements.

**ROBERTO CLEMENTE CHARTER SCHOOL
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2025**

ASSETS

Cash and cash equivalents	\$ 5,234,556
Federal subsidies receivable	140,516
State subsidies receivable	131,484
Other receivables	880,696
Deposit	65,419
Prepaid expenditures	<u>35,715</u>

TOTAL ASSETS	<u><u>\$ 6,488,386</u></u>
---------------------	-----------------------------------

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	\$ 161,987
Accrued expenses	673,307
Unearned revenue	<u>2,614</u>
Total Liabilities	<u><u>837,908</u></u>

FUND BALANCE:

Nonspendable - prepaid expenditures and deposit	101,134
Assigned	4,310,742
Unassigned	<u>1,238,602</u>
Total Fund Balance	<u><u>5,650,478</u></u>

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 6,488,386</u></u>
---	-----------------------------------

The accompanying notes are an integral part of these financial statements.

**ROBERTO CLEMENTE CHARTER SCHOOL
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUND
TO STATEMENT OF NET POSITION
JUNE 30, 2025**

FUND BALANCE FOR GOVERNMENTAL FUND	\$ 5,650,478
------------------------------------	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. These assets consist of:

Land	\$ 1,064	
Property and equipment	4,781,254	
Right-to-use lease asset	5,129,384	
Subscription asset	129,764	
Accumulated depreciation/amortization	<u>(5,819,362)</u>	4,222,104

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Compensated absences	(189,492)	
Lease liability	(2,889,936)	
Subscription liability	(22,297)	
Net pension liability	(5,190,000)	
Net OPEB liability	<u>(222,000)</u>	(8,513,725)

Deferred inflows and outflows of resources related to the School's pension and OPEB liabilities do not represent current resources or uses of resources and, therefore, are not reported in the funds. Deferred inflows and outflows of resources consist of the following:

Deferred outflows related to pension	726,528	
Deferred outflows related to OPEB	36,258	
Deferred inflows related to pension	(1,038,055)	
Deferred inflows related to OPEB	<u>(110,699)</u>	<u>(385,968)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 972,889</u></u>
---	--------------------------

The accompanying notes are an integral part of these financial statements.

**ROBERTO CLEMENTE CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

REVENUES	
Local educational agencies assistance	\$ 9,764,982
State sources	226,469
Federal sources	1,636,939
Other sources	77,883
TOTAL REVENUES	<u>11,706,273</u>
EXPENDITURES	
Current:	
Instruction	4,871,769
Support services	4,128,065
Noninstructional services	613,038
Debt service	788,380
Capital outlays	41,315
TOTAL EXPENDITURES	<u>10,442,567</u>
NET CHANGE IN FUND BALANCE	1,263,706
FUND BALANCE, BEGINNING OF YEAR	<u>4,386,772</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 5,650,478</u></u>

The accompanying notes are an integral part of these financial statements.

**ROBERTO CLEMENTE CHARTER SCHOOL
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TO STATEMENT OF ACTIVITIES
JUNE 30, 2025**

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	\$ 1,263,706
--	--------------

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation/amortization expense (\$865,553) exceeded capital outlays (\$41,315).	(824,238)
---	-----------

The issuance of long-term debt (e.g. leases, subscriptions) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	642,595
--	---------

In the statement of activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	18,048
--	--------

Pension and OPEB expenses in the statement of activities differ from the amount reported in the governmental funds because pension and OPEB expenses are recognized on the statement of activities based on the School's proportionate share of the expenses of the cost-sharing pension and OPEB plans, whereas pension and OPEB expenditures are recognized in the governmental funds when a requirement to remit contributions to the plans exists.	773,760
--	--

CHANGE IN NET DEFICIT OF GOVERNMENTAL ACTIVITIES	\$ 1,873,871
--	---

The accompanying notes are an integral part of these financial statements.

**ROBERTO CLEMENTE CHARTER SCHOOL
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Revenues/ Expenditures	Final Budget Positive (Negative)
REVENUES				
Local educational agencies assistance	\$ 8,691,578	\$ 8,691,578	\$ 9,764,982	\$ 1,073,404
State sources	225,728	225,728	226,469	741
Federal sources	1,734,448	1,734,448	1,636,939	(97,509)
Other sources	36,205	36,205	77,883	41,678
TOTAL REVENUES	<u>10,687,959</u>	<u>10,687,959</u>	<u>11,706,273</u>	<u>1,018,314</u>
EXPENDITURES				
Instruction	4,913,764	4,913,764	4,871,769	41,995
Support services	4,257,948	4,257,948	4,128,065	129,883
Noninstructional services	797,865	797,865	613,038	184,827
Debt service	902,267	902,267	788,380	113,887
Capital outlays	84,944	84,944	41,315	43,629
TOTAL EXPENDITURES	<u>10,956,788</u>	<u>10,956,788</u>	<u>10,442,567</u>	<u>514,221</u>
NET CHANGE IN FUND BALANCE	(268,829)	(268,829)	1,263,706	1,532,535
FUND BALANCE, BEGINNING OF YEAR	<u>4,386,772</u>	<u>4,386,772</u>	<u>4,386,772</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,117,943</u>	<u>\$ 4,117,943</u>	<u>\$ 5,650,478</u>	<u>\$ 1,532,535</u>

The accompanying notes are an integral part of these financial statements.

**ROBERTO CLEMENTE CHARTER SCHOOL
STATEMENT OF NET POSITION - FIDUCIARY FUND
JUNE 30, 2025**

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 2,490</u>
TOTAL ASSETS	<u><u>\$ 2,490</u></u>
 LIABILITIES AND NET POSITION	
LIABILITIES:	
Accounts payable	<u>\$ -</u>
 NET POSITION:	
Restricted for student activities	<u>2,490</u>
TOTAL NET POSITION	<u><u>2,490</u></u>
 TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,490</u></u>

The accompanying notes are an integral part of these financial statements.

**ROBERTO CLEMENTE CHARTER SCHOOL
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Custodial Fund</u>
ADDITIONS	
Local sources	\$ 4,581
TOTAL REVENUES	<u>4,581</u>
DEDUCTIONS	
Operation of noninstructional activities	<u>2,265</u>
TOTAL EXPENDITURES	<u>2,265</u>
NET CHANGE IN NET POSITION	2,316
NET POSITION, BEGINNING OF YEAR	<u>174</u>
NET POSITION, END OF YEAR	<u><u>\$ 2,490</u></u>

The accompanying notes are an integral part of these financial statements.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 1 NATURE OF THE ORGANIZATION

The Roberto Clemente Charter School ("the School") is a charter school located in Allentown, Pennsylvania. The School was established and operates under the provisions enacted by the General Assembly of the Commonwealth of Pennsylvania in 1997. The School was granted a renewal of the charter which ends on June 30, 2030. The charter may be renewed by a majority vote of the Board of School Directors for additional five-year periods upon expiration.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the School are prepared in accordance with the accounting system and procedures prescribed for charter schools by the Commonwealth of Pennsylvania, Department of Education, which conforms to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

Financial Reporting Entity

GASB's *Codification of Governmental Accounting and Financial Reporting Standards* ("GASB Codification") established the criteria for determining the activities, organizations, and functions of governments to be included in the financial statements of the reporting entity. In evaluating the School as a reporting entity, management has addressed all potential component units which may or may not fall within the School's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the School's reporting entity are financial accountability and the nature and significance of the relationship. The School is considered to be an independent reporting entity and has no component units.

Entity-wide and Fund Financial Statements

The entity-wide financial statements (the statement of net position and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's functions are offset by program revenues.

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amounts reported as program revenues include federal and state grants. Internally dedicated resources and per-student subsidy from local school districts are reported as general revenues rather than as program revenues.

Fund Financial Statements

During the school year, the School segregates transactions related to certain School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Fiduciary fund financial statements are presented by fund type.

Governmental Fund

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, if measurable.

The School reports the following major governmental fund:

- **General Fund** – The general fund is the School's primary operating fund. It accounts for all financial resources of the School.

Fund balance of the governmental fund is classified as applicable, as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by formal action of the Board of Trustees. The Board is the highest level of decision-making authority for the School. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Chief Executive Officer may assign amounts for specific purposes.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The School assigned \$4,310,742 of the fund balance as follows:

- \$2,026,179 for capital expenditures
- \$40,000 for technology updates/replacements
- \$1,940,000 for a 3-month operating reserve
- \$50,000 for a Board designated emergency
- \$252,563 for a budget shortfall
- \$2,000 for scholarships and awards

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed, unless the Board or Chief Executive Officer have provided otherwise in their commitment or assignment actions.

Fiduciary Funds

Fiduciary funds account for the assets held by the School as a trustee or custodian for individuals, private organizations, and/or governmental units and are, therefore, not available to support the School's own programs. The School accounts for these assets in custodial funds using the economic resources measurement focus. The custodial fund accounts for funds held on behalf of student clubs, classes, and organizations.

Method of Accounting

The entity-wide financial statements report net position in one of three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of borrowings attributable to acquiring, constructing, or improving those assets. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the general fund.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Prepaid Expenses/Expenditures

Prepaid items include payments to vendors for services applicable to future accounting periods such as insurance premiums at cost and business services to be consumed in future accounting periods.

Cash and Cash Equivalents

The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Capital Assets

Capital assets, including buildings and improvements, furniture and equipment, subscription assets, and right-to-use lease assets are reported in the statement of net position. All capital assets are capitalized at cost and updated for additions and retirements during the year. The School generally capitalizes any purchases with an estimated useful life greater than one year and value of \$1,000 or greater. Similar items purchased in the same timeframe and/or related to the same purpose or project may be pooled together and capitalized if the aggregate cost is \$5,000 or greater. Capital assets of the School are depreciated/amortized using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	15 - 25 years
Furniture and equipment	5 - 7 years
Right-to-use lease assets	term of lease
Subscription assets	term of subscription

Deferred Inflows and Deferred Outflows of Resources

In addition to assets and liabilities, the financial statements will sometimes report separate sections for deferred inflows and deferred outflows of resources. These separate financial statement elements represent acquisition or use of net position that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources (revenue or expense/expenditure) until that time. The School currently has two types of items that qualify for reporting in this category. Pension and OPEB contributions made subsequent to the measurement date and, therefore, not reflected in the net pension and OPEB liabilities under full accrual basis reporting are reported as a deferred outflow of resources on the entity-wide statement of net position. Certain changes to the net pension and OPEB liabilities are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred outflows and inflows of resources on the entity-wide statement of net position.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Compensated Absences

Sick Leave – Employees get 10 sick days every year. Employees cannot accumulate more than 30 days. New 12 month employees are eligible for sick days after 3 months of service, and 10 month employees are eligible for sick days after 2 months of service.

The School's compensated absences liability was \$189,492 at June 30, 2025.

Income Tax Status

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The School qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The School did not engage in any unrelated business activities during the fiscal year. Management believes more likely than not that its tax-exempt status and tax positions will be sustained if examined by authorities.

Use of Estimates in the Preparation of Financial Statements

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

Implementation of GASB Statement

During the year ended June 30, 2025, the School implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, "Compensated Absences." The purpose of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

NOTE 3 CASH AND CASH EQUIVALENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned. The School does not have a policy for custodial credit risk. At June 30, 2025, the

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH AND CASH EQUIVALENTS (cont'd)

carrying amount of the School's deposits was \$5,237,046, and the bank balance was \$5,282,375. Of this amount, \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC), and \$5,032,375 was exposed to custodial credit risk because it was uninsured, and the collateral held by the depository's agent was not in the School's name.

NOTE 4 RECEIVABLES

Receivables as of June 30, 2025 consist primarily of receipts from local school districts and subsidies from federal and state authorities. All receivables are considered collectible due to the stable condition of these programs.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated/ amortized:				
Land	\$ 1,064	\$ -	\$ -	\$ 1,064
Total Capital Assets Not Being Depreciated/Amortized	1,064	-	-	1,064
Capital assets being depreciated/ amortized:				
Buildings and improvements	2,532,766	-	-	2,532,766
Right-to-use lease asset	5,129,384	-	-	5,129,384
Subscription asset	129,764	-	-	129,764
Furniture and equipment	2,207,173	41,315	-	2,248,488
Total Capital Assets Being Depreciated/ Amortized	9,999,087	41,315	-	10,040,402
Accumulated depreciation	(2,942,409)	(191,880)	-	(3,134,289)
Accumulated amortization	(2,011,400)	(673,673)	-	(2,685,073)
Total Capital Assets Being Depreciated/ Amortized, Net	5,045,278	(824,238)	-	4,221,040
Governmental Activities Capital Assets, Net	<u>\$ 5,046,342</u>	<u>\$ (824,238)</u>	<u>\$ -</u>	<u>\$ 4,222,104</u>

Depreciation/amortization expense was charged to functions/programs of the School as follows:

Governmental Activities:	
Unallocated	<u>\$ 865,553</u>

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 6 LINE OF CREDIT

The School maintains a line of credit for \$400,000 ("the Line") with New Tripoli Bank for working capital purposes. The Line expires in October 2025. Interest is payable at the Wall Street Journal Prime Rate which was 7.50% at June 30, 2025. At June 30, 2025, the balance on the line was \$0. There was no interest expense or activity for the year ended June 30, 2025.

NOTE 7 FUNDING

The School receives funding mainly from the Allentown School District on a monthly basis based on enrollment. The rate of funding per student is determined on an annual basis. The School also receives state and federal funding.

NOTE 8 GOVERNMENT GRANTS AND REIMBURSEMENT PROGRAMS

The School participates in numerous state and federal grant and reimbursement programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs and reimbursement programs for facility lease costs and health services are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants and reimbursement programs, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 9 LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Compensated absences	\$ 207,540	\$ -	\$ 18,048	\$ 189,492	\$ 16,479
Lease liability	3,509,644	-	619,708	2,889,936	660,858
Subscription liability	45,184	-	22,887	22,297	22,297
Net pension liability	6,228,000	-	1,038,000	5,190,000	-
Net OPEB liability	251,000	-	29,000	222,000	-
TOTALS	<u>\$ 10,241,368</u>	<u>\$ -</u>	<u>\$ 1,727,643</u>	<u>\$ 8,513,725</u>	<u>\$ 699,634</u>

Payments of long-term liabilities from are paid out from the general fund.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 10 LEASING ARRANGEMENTS

The School has entered into lease agreements for both school buildings. Monthly payments were \$23,070 and \$37,560 for the year ended June 30, 2025 and increase in accordance with the lease terms. In addition, the School pays all operating costs including utilities.

The School also leases equipment under lease agreements with expiration dates through fiscal 2029.

The following is a schedule of future minimum lease payments as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 660,858	\$ 115,489	\$ 776,347
2027	404,115	91,307	495,422
2028	423,078	73,261	496,339
2029	441,497	53,941	495,438
2030	463,865	33,771	497,636
2031	496,523	11,066	507,589
Total	<u>\$ 2,889,936</u>	<u>\$ 378,835</u>	<u>\$ 3,268,771</u>

NOTE 11 SUBSCRIPTION ARRANGEMENTS

The School has entered into subscription-based information technology arrangements for software with expiration dates through fiscal 2026.

The following is a schedule of future minimum payments as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 22,297	\$ 724	\$ 23,021
Total	<u>\$ 22,297</u>	<u>\$ 724</u>	<u>\$ 23,021</u>

NOTE 12 PENSION PLAN

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.pa.gov/PSERS.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 12 PENSION PLAN (cont'd)

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 ("Act 120") preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E ("Class T-E") and Membership Class T-F ("Class T-F"). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 ("Act 5") introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G ("Class T-G") and Membership Class T-H ("Class T-H") and the separate defined contribution membership class, Membership Class DC ("Class DC"). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% to 2½%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested, and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after 10 years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2½%, depending upon the membership class, of the member's final average salary as defined in the Code multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members), or who has at least five years of credited service (Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Member Contributions

The contribution rates based on qualified member compensation are presented as follows:

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 12 PENSION PLAN (cont'd)

Member-ship Class	Continuous Employment Since:	Defined Benefit (DB) Contribution Rate	Defined Contribution (DC) Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to July 1, 2021 – 7.50% After July 1, 2021 – 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to July 1, 2021 – 10.30% After July 1, 2021 – 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to July 1, 2021 – 8.25% After July 1, 2021 – 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to July 1, 2021 – 7.50% After July 1, 2021 – 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

A summary of the shared risk parameters by membership class is presented below:

Member-ship Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum Contribution Rate	Maximum Contribution Rate
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

Employer Contributions

The School's contractually required contribution rate for the fiscal year ended June 30, 2025 was 32.92% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School were \$640,528 for the year ended June 30, 2025.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 12 PENSION PLAN (cont'd)

Pension Liability and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2025, the School reported a liability of \$5,190,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the system's total pension liability as of July 1, 2023 to June 30, 2024. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School's proportion was 0.0124%, which was a decrease of 0.0016% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School recognized a net pension credit of \$132,812. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 86,000	\$ -
Difference between actual and expected experience	-	82,000
Changes in proportion of the School's amount of the total pension liability	-	943,000
Difference between the School's contributions and proportionate share of total contributions	-	13,055
Contributions subsequent to the date of measurement	640,528	-
	<u>\$ 726,528</u>	<u>\$ 1,038,055</u>

Deferred outflows of resources resulting from the School's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2026 were \$640,528. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2026	\$ (587,100)
2027	(196,175)
2028	(150,780)
2029	(18,000)
	<u>\$ (952,055)</u>

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 12 PENSION PLAN (cont'd)

Actuarial Assumptions

The total pension liability as of June 30, 2024 was determined by rolling forward the system's total pension liability as of the June 30, 2023 actuarial valuation to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry-age normal, level percentage of pay
- Investment return – 7.00%, including inflation of 2.50%
- Salary growth – effective average of 4.50%, which reflects on allowance for inflation of 2.50% for real wage growth and 2.00% for merit or seniority increases
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and June 30, 2024.

Discount Rate

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

Investments

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

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board of Directors. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 12 PENSION PLAN (cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	<u>100.0%</u>	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

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

The following presents the net pension liability, calculated using the current discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a current discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate.

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
School's proportionate share of the net pension liability	\$ 6,837,000	\$ 5,190,000	\$ 3,799,000

Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Annual Comprehensive Financial Report, which can be found on the system's website at www.pa.gov/PSERS.

NOTE 13 403(b) RETIREMENT PLAN

In addition to the PSERS plan, the School also provides an alternative plan for full-time employees that do not participate in PSERS through a 403(b) Plan. Non-PSERS employees participate from the date of employment, with a mandatory minimum contribution of 5%. The School will match the employees' contributions dollar for dollar up to 5% of their compensation. School contributions to the plan for the year ended June 30, 2025 were \$155,095.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS PLAN

Health Insurance Premium Assistance Program

The School contributes to the Health Insurance Premium Assistance Program ("Premium Assistance"), which is a governmental cost sharing, multiple-employer other postemployment benefits ("OPEB") plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the health insurance account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive Premium Assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive Premium Assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the system can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age.

For Class DC members to become eligible for Premium Assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

OPEB Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the system include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.pa.gov/PSERS.

Benefits Provided

Participating eligible retirees are entitled to receive Premium Assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

Premium Assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. Benefit terms may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval.

Employer Contributions

The School's contractually required annual contribution is based on an actuarially determined amount that, when combined with the employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, the rate of the employer contributions was 0.63% of covered payroll. The School's health insurance assistance contribution to PSERS for the year ended June 30, 2025 was \$12,258.

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

At June 30, 2025, the School reported a liability of \$222,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the system's total OPEB liability as of July 1, 2023 to June 30, 2024. The School's proportion of the net liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School's proportion was 0.0125%, which was a decrease of 0.0014% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School recognized an OPEB expense of \$11,838. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 14,000	\$ 34,000
Changes in proportions	9,000	73,000
Difference between expected and actual experience	1,000	3,000
Difference between employer contributions and proportionate share of total contributions	-	699
Contributions subsequent to the date of measurement	12,258	-
	<u>\$ 36,258</u>	<u>\$ 110,699</u>

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

An amount of \$12,258 is reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ended June 30,

2026	\$ (18,162)
2027	(28,162)
2028	(25,162)
2029	(11,139)
2030	<u>(4,074)</u>
	<u>\$ (86,699)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2024 was determined by rolling forward the system's total OPEB liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal – level percentage of pay
- Investment return – 4.21% – S&P 20 Year Municipal Bond Rate
- Salary growth – Effective average of 4.50% comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in Premium Assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre-age 65 at 50%
 - Eligible retirees will elect to participate post-age 65 at 70%

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost method – Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

- Asset valuation method – Market value
- Participation rate – The actual data for retirees benefiting under the plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code, employer contribution rates for Premium Assistance are established to provide reserves in the health insurance account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	100.0%	1.7%
	100.0%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%. Under the plan's funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a "pay-as-you-go" plan. A discount rate of 4.21%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the System's Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2024, retirees' Premium Assistance benefits are not subject to future

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2024, 489 members were receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on the healthcare cost trends as depicted below.

The following presents the system's net OPEB liability for June 30, 2024, calculated using current healthcare cost trends, as well as what the system's net OPEB liability would be if its healthcare cost trends were one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
School's proportionate share of the net OPEB liability	\$ 222,000	\$ 222,000	\$ 222,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.21%) or one percentage point higher (5.21%) than the current rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
School's proportionate share of the net OPEB liability	\$ 251,000	\$ 222,000	\$ 198,000

OPEB Plan Fiduciary Net Position

Detailed information about the PSERS' fiduciary net position is available in the PSERS Annual Comprehensive Financial Report, which can be found on the system's website at www.pa.gov/PSERS.

NOTE 15 RISK MANAGEMENT

The 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. The School carries commercial insurance for such risks. There has been no significant reduction in insurance

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 15 RISK MANAGEMENT (cont'd)

coverage of the School's policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past year.

NOTE 16 EXCESS EXPENDITURES OVER APPROPRIATIONS

All the general fund functions incurred expenditures below appropriations for the year ended June 30, 2025.

NOTE 17 DEFICIT NET POSITION

For governmental activities, the unrestricted net deficit amount of \$336,982 includes the effect of deferring the recognition of pension and OPEB contributions made subsequent to the measurement date of the net pension and OPEB liabilities, the unamortized portion of contributions made in excess of the School's share of its proportionate contributions to its pension and OPEB plan, and the deferred outflows resulting from the change in the School's share of the net pension and OPEB liabilities. This is offset by the School's actuarially determined pension and OPEB liabilities and the deferred inflows resulting from the differences between projected and actual investment earnings and projected and actual experience.

NOTE 18 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2025, the School implemented GASB Statement No. 101, "Compensated Absences." The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The effect of that change to the financial reporting resulted in adjustments to and restatements of beginning net position, as follows:

	<u>6/30/2024 as Previously Reported</u>	<u>Change in Accounting Principle</u>	<u>6/30/2024 as Restated</u>
Government-wide			
Governmental activities	\$ (693,442)	\$ (207,540)	\$ (900,982)
Total Primary Government	<u>\$ (693,442)</u>	<u>\$ (207,540)</u>	<u>\$ (900,982)</u>

NOTE 19 SUBSEQUENT EVENTS

The School has evaluated all subsequent events through February 12, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

ROBERTO CLEMENTE CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Pennsylvania Public School Employees' Retirement System (PSERS)

	MEASUREMENT DATE									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
School's proportion of the net pension liability	0.0124%	0.0140%	0.0154%	0.0164%	0.0188%	0.0188%	0.0165%	0.0170%	0.0174%	0.0154%
School's proportion of the net pension liability - dollar value	\$ 5,190,000	\$ 6,228,000	\$ 6,847,000	\$ 6,733,000	\$ 8,765,000	\$ 8,795,000	\$ 7,921,000	\$ 8,396,000	\$ 8,623,000	\$ 6,670,000
School's covered employee payroll	\$ 1,961,825	\$ 2,081,064	\$ 2,233,148	\$ 2,308,997	\$ 2,517,128	\$ 2,609,604	\$ 2,216,333	\$ 2,264,764	\$ 2,226,792	\$ 1,992,912
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	264.55%	299.27%	306.61%	291.60%	348.21%	337.02%	357.39%	370.72%	387.24%	334.69%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

Note: The above information is presented as of the Plan's measurement date.

**ROBERTO CLEMENTE CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL PENSION CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System (PSERS)**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 640,528	\$ 649,168	\$ 714,013	\$ 759,047	\$ 773,745	\$ 839,714	\$ 850,731	\$ 703,464	\$ 661,311	\$ 556,698
Contributions in relation to the contractually required contribution	<u>640,528</u>	<u>649,168</u>	<u>714,013</u>	<u>759,047</u>	<u>773,745</u>	<u>839,714</u>	<u>850,731</u>	<u>703,464</u>	<u>661,311</u>	<u>556,698</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered employee payroll	\$ 1,945,711	\$ 1,961,825	\$ 2,081,064	\$ 2,233,148	\$ 2,308,997	\$ 2,517,128	\$ 2,609,604	\$ 2,216,333	\$ 2,264,764	\$ 2,226,792
Contributions as a percentage of covered employee payroll	32.92%	33.09%	34.31%	33.99%	33.51%	33.36%	32.60%	31.74%	29.20%	25.00%

**ROBERTO CLEMENTE CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Pennsylvania Public School Employees' Retirement System (PSERS)**

	MEASUREMENT DATE							
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School's proportion of the net OPEB liability	0.0125%	0.0139%	0.0154%	0.0164%	0.0178%	0.0188%	0.0165%	0.0170%
School's proportion of the net OPEB liability - dollar value	\$ 222,000	\$ 251,000	\$ 283,000	\$ 389,000	\$ 385,000	\$ 400,000	\$ 345,000	\$ 346,000
School's covered employee payroll	\$ 1,961,825	\$ 2,081,064	\$ 2,233,148	\$ 2,308,997	\$ 2,517,128	\$ 2,609,604	\$ 2,216,333	\$ 2,264,764
School's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	11.32%	12.06%	12.67%	16.85%	15.30%	15.33%	15.57%	15.28%
Plan fiduciary net position as a percentage of the total OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

Note: The above information is presented as of the Plan's measurement date.

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**ROBERTO CLEMENTE CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL OPEB CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System (PSERS)**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution	\$ 12,258	\$ 12,556	\$ 15,608	\$ 17,865	\$ 18,934	\$ 21,144	\$ 21,660	\$ 18,396
Contributions in relation to the contractually required contribution	<u>12,258</u>	<u>12,556</u>	<u>15,608</u>	<u>17,865</u>	<u>18,934</u>	<u>21,144</u>	<u>21,660</u>	<u>18,396</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered employee payroll	\$ 1,945,711	\$ 1,961,825	\$ 2,081,064	\$ 2,233,148	\$ 2,308,997	\$ 2,517,128	\$ 2,609,604	\$ 2,216,333
Contributions as a percentage of covered employee payroll	0.63%	0.64%	0.75%	0.80%	0.82%	0.84%	0.83%	0.83%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SINGLE AUDIT INFORMATION



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

February 12, 2026

To the Board of Trustees
Roberto Clemente Charter School
Allentown, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Roberto Clemente Charter School ("the School"), Allentown, Pennsylvania, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated February 12, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting ("internal control") as a basis for designing 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School'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.

To the Board of Trustees
Roberto Clemente Charter School

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP



INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

February 12, 2026

To the Board of Trustees
Roberto Clemente Charter School
Allentown, Pennsylvania

Report on Compliance for the Major Program

Opinion on Major Federal Program

We have audited the Roberto Clemente Charter School's ("the School") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2025. The School's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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"). 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.

To the Board of Trustees
Roberto Clemente Charter School

We are required to be independent of the 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 the major federal program. Our audit does not provide a legal determination of the 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 the School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Trustees
Roberto Clemente Charter School

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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 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. Accordingly, this report is not suitable for any other purpose.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

**ROBERTO CLEMENTE CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	SOURCE CODE	FEDERAL ALN	PASS- THROUGH GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (UNEARNED) REVENUE 6/30/2024	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (UNEARNED) REVENUE 6/30/2025	AMOUNT PASSED THROUGH TO SUBRECIPIENTS
U.S. Department of Education											
Passed through Pennsylvania Department of Education											
Title I - Grants to Local Education Agencies	I	84.010	013-24-0984	08/04/23-09/30/24	\$ 469,665	\$ 167,745	\$ 65,028	\$ 102,717	\$ 102,717	\$ -	\$ -
Title I - Grants to Local Education Agencies	I	84.010	013-25-0984	07/30/24-09/30/25	459,718	306,192	-	401,167	401,167	94,975	-
Total ALN 84.010						473,937	65,028	503,884	503,884	94,975	-
Title II - Improving Teacher Quality	I	84.367	020-24-0984	08/04/23-09/30/24	30,357	8,558	7,053	1,505	1,505	-	-
Title II - Improving Teacher Quality	I	84.367	020-25-0984	07/30/24-09/30/25	35,766	35,688	-	33,076	33,076	(2,612)	-
Total ALN 84.367						44,246	7,053	34,581	34,581	(2,612)	-
Title III - English Language Acquisition State Grants - LI for Immigrant Students	I	84.365	010-24-0984	08/04/23-09/30/24	27,622	356	356	-	-	-	-
Title III - English Language Acquisition State Grants - LI for English Learners	I	84.365	010-25-0984	07/30/24-09/30/25	31,817	31,817	-	31,817	31,817	-	-
Total ALN 84.365						32,173	356	31,817	31,817	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-24-0984	08/04/23-09/30/24	37,071	-	(1,182)	1,182	1,182	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-25-0984	07/30/24-09/30/25	35,370	30,654	-	35,370	35,370	4,716	-
Total ALN 84.424						30,654	(1,182)	36,552	36,552	4,716	-
COVID-19, American Rescue Plan - ARP ESSER	I	84.425U	223-21-0984	03/13/20-09/30/24	3,149,847	535,329	171,544	363,785	363,785	-	-
COVID-19, American Rescue Plan - ARP ESSER 7% After School	I	84.425U	225-21-0984	03/13/20-09/30/24	34,973	14,625	11,761	2,864	2,864	-	-
COVID-19, American Rescue Plan - ARP ESSER 7% Learning Loss	I	84.425U	225-21-0984	03/13/20-09/30/24	174,867	73,126	32,917	40,209	40,209	-	-
COVID-19, American Rescue Plan - ARP ESSER 7% Summer School	I	84.425U	225-21-0984	03/13/20-09/30/24	34,973	14,625	(2,965)	17,590	17,590	-	-
COVID-19, American Rescue Plan - ARP ESSER (Homeless Children and Youth)	I	84.425W	181-21-2587	03/13/20-09/30/24	8,439	3,320	(576)	3,896	3,896	-	-
Total ALN 84.425						641,025	212,681	428,344	428,344	-	-
Passed through Carbon Lehigh Intermediate Unit											
Special Education Cluster											
IDEA	I	84.027	N/A	07/01/23-06/30/24	53,949	25,239	25,239	-	-	-	-
IDEA	I	84.027	N/A	07/01/24-06/30/25	67,303	50,444	-	67,303	67,303	16,859	-
Total ALN 84.027						75,683	25,239	67,303	67,303	16,859	-
Total U.S. Department of Education						1,297,718	309,175	1,102,481	1,102,481	113,938	-
U.S. Department of Agriculture											
Passed through Pennsylvania Department of Agriculture											
Child Nutrition Cluster											
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	29,962	-	29,962	29,962	-	-
Passed through Pennsylvania Department of Education											
Child Nutrition Cluster											
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	9,244	9,244	-	-	-	-
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	352,738	-	369,673	369,673	16,935	-
Total ALN 10.555						391,944	9,244	399,635	399,635	16,935	-
School Breakfast Program	I	10.553	N/A	07/01/23-06/30/24	N/A	3,384	3,384	-	-	-	-
School Breakfast Program	I	10.553	N/A	07/01/24-06/30/25	N/A	112,034	-	118,479	118,479	6,445	-
Total ALN 10.553						115,418	3,384	118,479	118,479	6,445	-
Fresh Fruits and Vegetables	I	10.582	N/A	07/01/24-06/30/25	N/A	15,758	-	16,344	16,344	586	-
Total Child Nutrition Cluster						523,120	12,628	534,458	534,458	23,966	-
Total U.S. Department of Agriculture						523,120	12,628	534,458	534,458	23,966	-
TOTAL FEDERAL AWARDS						\$ 1,820,838	\$ 321,803	\$ 1,636,939	\$ 1,636,939	\$ 137,904	\$ -

Source Code:

I - Indirect

See accompanying notes to the schedule of expenditures of federal awards.

ROBERTO CLEMENTE CHARTER SCHOOL

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A SCOPE OF THIS SCHEDULE

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants which were active during the fiscal year.

NOTE B BASIS OF ACCOUNTING

The School uses the modified accrual method of recording transactions. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

NOTE C NONMONETARY FEDERAL AWARDS - DONATED FOOD

The Commonwealth distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures reported in the schedule of expenditures of federal awards under ALN 10.555 include federal surplus food consumed by the School during the 2024-2025 fiscal year.

NOTE D INDIRECT COST RATE

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

ROBERTO CLEMENTE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- | | | |
|---|-------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency(ies) identified? | <u> </u> Yes | <u> X </u> None reported |
| • Noncompliance material to financial statements noted? | <u> </u> Yes | <u> X </u> No |

Federal Awards

Internal control over major program:

- | | | |
|---|-------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency(ies) identified? | <u> </u> Yes | <u> X </u> None reported |

Type of auditor's report issued on compliance for major program [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

 Yes X No

Identification of major program:

Assistance Listing Number

Name of Federal Program or Cluster

84.010

Title I - Grants to Local Education Agencies

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes No

ROBERTO CLEMENTE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.