

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2024

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

***Trenton STEM-to-Civics Charter School
Board of Trustees
Ewing Township, New Jersey***

***Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2024***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024***

***Prepared by
Trenton STEM-to-Civics Charter School
Finance Department***

***And
Barre & Company LLC, CPAs***

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TRENTON STEM-TO-CIVICS CHARTER SCHOOL

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INTRODUCTORY SECTION



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Office of the Head of School

January 15, 2025

Honorable President and
Members of the Board of Trustees
Trenton STEM-to-Civics Charter School
Ewing Township, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of Trenton STEM-to-Civics Charter School (Charter School) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain understanding of the Charter School's financial activities have been included.

This report will provide the taxpayers whose funding flows to the Charter School with comprehensive financial data in a format enabling them to gain an understanding of the Charter School's financial affairs.

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

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the

New Jersey State Office of Management and Budget (OMB) Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

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

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

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

The Trenton STEM-to-Civics Charter School provides a full range of educational services appropriate to grades 6, 7, 8, 9, 10, 11 and 12. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2023-2024 school year with an enrollment of 582 students. The middle school, which is located in Trenton, houses students in grades 6-8 and has a capacity of 275 students. The high school, which houses students in grades 9-12 and has a capacity of 450 students, will remain in Ewing. The following details the changes in the student enrollment of the Charter School over the last five years:

<u>Average Daily Enrollment</u>	
<u>Fiscal Year</u>	<u>Student Enrollment</u>
2023-2024	582.15
2022-2023	579.68
2021-2022	562.19
2020-2021	593.18
2019-2020	598.63

2) **MAJOR INITIATIVES:** Major initiatives for the 2023-2024 school year centered on activities associated with the continued implementation of the charter school's program and the challenges of the school's growth expansion for year nine of operation. Specifically, the following were areas of focus for operational activity:

- fiscal controls/compliance and financial stability
- increasing student enrollment
- expanding staff to accommodate program growth and student needs
- building competency in staff to perform required deliverables
- providing systemic professional development for staff
- institutionalizing the school's discipline and academic culture
- promoting student achievement outcomes/improving program design.

3) **INTERNAL ACCOUNTING CONTROLS:** Management of the Charter School is responsible for establishing and maintaining an internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2024.

5) **CASH MANAGEMENT:** The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Basic Financial Statement" Note 2. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit

Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.


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

7) **OTHER INFORMATION:**

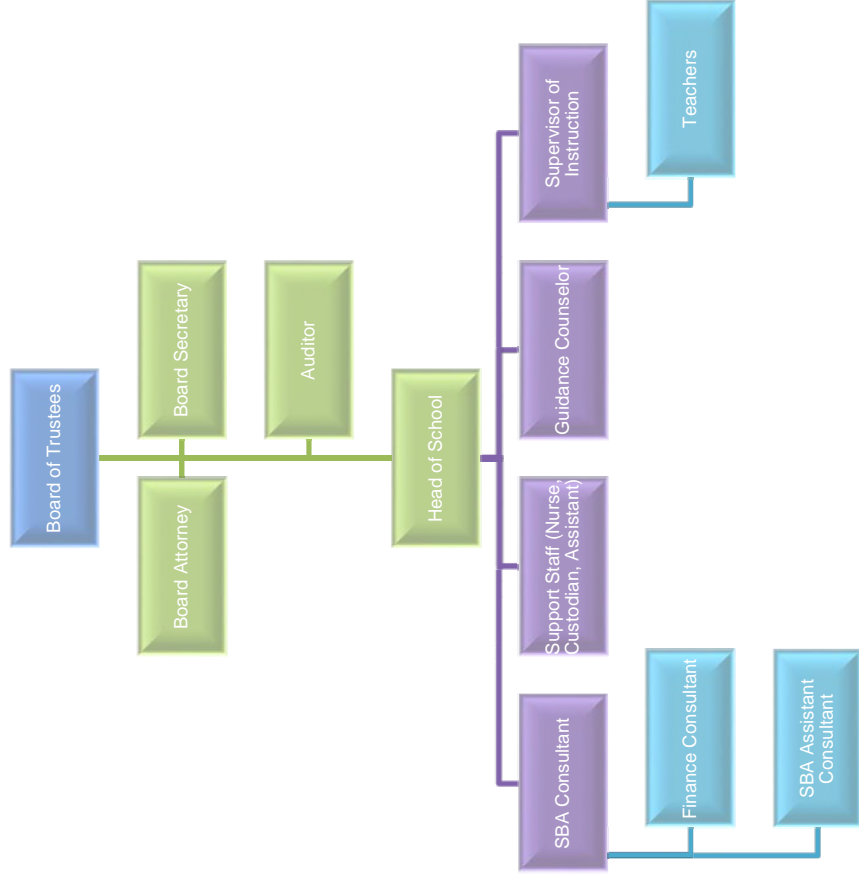
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company LLC, Certified Public Accountants, was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the New Jersey State Office of Management and Budget (OMB) Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor’s report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor’s reports, related specifically to the single audit, are included in the single audit section of this report.

8) **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Trenton STEM-to-Civics Charter School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers whose funding flows to the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,


Leigh Byron, Ed.D.
Founder

STEMCivics



**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2024**

MEMBERS OF THE BOARD OF TRUSTEES

Robin Lipman, Board Chair

Kevin Demmo, Vice Chair

Amanda Byard, Member

Chris Steffner, Member

Adrian Zappala, Member

OTHER OFFICIALS

John Snuffin, Board Secretary/Business Administrator

Leigh Byron, Lead Executive Officer

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company LLC
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2204 Morris Avenue, Suite 206
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Attorney

Comegno Law Group P.C.
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Official Depository

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Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Trenton STEM-to-Civics Charter School
County of Mercer
Ewing Township, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Trenton STEM-to-Civics Charter School (Charter School), in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Trenton STEM-to-Civics Charter School, in the County of Mercer, State of New Jersey, as of June 30, 2024, and the respective changes in the financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the Charter School's proportionate share of the net pension liability, schedule of the Charter School's pension contributions, and schedule of changes in the Charter School's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Supplementary Information

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

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

Other Information


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

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

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

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated January 15, 2025 on our consideration of the Trenton STEM-to-Civics Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey and the Office of School Finance, Department of Education, State of New Jersey in considering the Charter School's internal control over financial reporting and compliance.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
January 15, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED**

As management of the Trenton STEM-to-Civics Charter School ("Charter School"), we offer readers of the Charter School's financial statements this narrative discussion, overview, and analysis of the financial activities of the Charter School for the year ended June 30, 2024. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A as required by GASB Statement No. 34.

Financial Highlights

Key financial highlights for 2024 are as follows:

- ❖ Total net position of the governmental activities and business-type activities is (\$914,218) at June 30, 2024. It is comprised of both current and deferred outflows of resources less deferred inflows of resources and current and outstanding long-term liabilities.
- ❖ General revenues accounted for \$14,979,239 of total revenues or 96% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$643,449 or 4% of total revenues of \$15,622,688.
- ❖ The Charter School had \$17,771,252 in expenses; only \$643,449 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$14,979,239 were not adequate to provide for these programs.
- ❖ Among major funds, the General Fund had \$12,184,734 in revenues and \$14,200,863 in expenditures. The General Fund's fund balance decreased \$2,016,129 over 2023.

Using this Annual Comprehensive Financial Report (ACFR)

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

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information in addition to the basic financial statements themselves.

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the net position of the Charter School 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found starting on page 26 of this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Charter School can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Governmental Funds (Continued)

The Charter School maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund, all of which are considered to be major funds.

The Charter School adopts an annual appropriated budget for its general fund and special revenue fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and the special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found starting on page 30 of this report.

Proprietary Funds

The Charter School maintains proprietary fund types in the form of enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Charter School uses enterprise funds to account for the operations of its food service which is considered a major fund of the Charter School. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found starting on page 34 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Charter School's own programs.

The Charter School uses agency funds to account for resources held for student activities and groups and payroll related liabilities. Because of the implementation of GASB 84, all of the Charter School's fiduciary funds were determined to be more appropriately reported in the governmental funds. We now include these activities as part of the district-wide financial statements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 38 of this report.

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Other Information

The required supplementary information and combining statements referred to earlier in connection with governmental funds and proprietary funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found starting on page 79 of this report.

Figure A-1 summarizes the major features of the Charter School's financial statements, including the portion of the Charter School's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Major Features of the Trenton STEM-to-Civics Charter School's
Government-Wide and Fund Financial Statements
(Figure A-1)**

	Government-Wide Statements	Governmental Funds	Fund Statements Proprietary Funds	Fiduciary Funds
Scope	Entire Charter School (except fiduciary funds)	The activities of the Charter School that are not proprietary or fiduciary, such as regular and special education and building maintenance	Activities the Charter School operates similar to private businesses: Food Service Fund	Instances in which the Charter School is the trustee or agent for someone else's resources, such as payroll agency and student activities
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flow s	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long- term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

The Charter School as a Whole

The Statement of Net Position provides the perspective of the Charter School as a whole. Net position may serve as an indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for decision making for each budget cycle.

The Charter School's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of net position relating to the Charter School's governmental and business-type activities as of June 30, 2024 and 2023:

**Table 1
Net Position**

	2024	2023
Assets		
Current and Other Assets	\$ 2,534,517	\$ 3,898,574
Capital Assets	<u>1,475,771</u>	<u>1,775,857</u>
Total Assets	<u>4,010,288</u>	<u>5,674,431</u>
Deferred Outflows of Resources		
Related to Pensions	<u>408,157</u>	<u>985,548</u>
Liabilities		
Account and Other Payables	1,288,554	740,602
Other Current Liabilities	92,225	24,704
Long-Term Liabilities	<u>3,146,567</u>	<u>4,141,729</u>
Total Liabilities	<u>4,527,346</u>	<u>4,907,035</u>
Deferred Inflows of Resources		
Related to Pensions	<u>805,317</u>	<u>518,598</u>
Net Position		
Restricted	3,450	612
Unrestricted	<u>(917,668)</u>	<u>1,233,734</u>
Total Net Position	<u>\$ (914,218)</u>	<u>\$ 1,234,346</u>

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

The Charter School as a Whole (Continued)

The net pension liability recorded as of June 30, 2024 is the result of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68*. The decrease of \$709,419 from the prior year relates to changes in the actuarial assumptions from the prior year and the pension funding status of the State of New Jersey.

The remaining balance of unrestricted net position may be used to meet the Charter School's ongoing obligations to the community they provide program services and creditors.

Charter School Activities

The key elements of the Charter School's changes in net position for the years ended June 30, 2024 and 2023 are as follows:

**Table 2
Changes in Net Position**

	2024	2023
Revenues		
Program Revenues:		
Charges for Services	\$ 9,504	\$ 2,622
Operating Grants and Contributions	633,945	616,551
General Revenues:		
General Purposes	906,213	7,939,918
Grants and Entitlements	13,953,099	6,579,919
Other	119,927	644,539
Total Revenues	15,622,688	15,783,549
Program Expenses		
Instruction	4,673,004	4,238,059
Administration	9,081,869	7,576,761
Support Services	3,214,141	2,959,563
Capital Outlay	132,208	95,577
Interest on Long-Term Debt	118,233	112,407
Unallocated Amortization	300,085	459,059
Food Service	251,712	217,801
Total Program Expenses	17,771,252	15,659,227
Changes in Net Position	\$ (2,148,564)	\$ 124,322

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Charter School Activities (Continued)

The increase in revenues is attributed to combining changes in revenue related to the local, state, and federal aid and GASB 75, *Accounting and Financial Reporting for Postemployinent Benefits Other Than Pensions*, which were contributions made on behalf of the Charter School by the State for post-employment health benefits.

The increase in program expenses is attributed to combining changes in expenses related to certain expenses due to the Charter School receiving local, state, and federal aid, the allocation of TPAF Social Security and Pension expenses due to the GASB 68 valuation, and post-employment health benefit expenses related to GASB 75.

Governmental Activities

The Charter School's total revenues were \$15,383,927 for the year ended June 30, 2024 and \$15,564,976 for 2023. Federal, state, and local grants and state aid accounted for 93% for 2024 and 45% for 2023 of revenues which includes \$1,562,767 for 2024 and \$1,663,378 for 2023 of state reimbursed TPAF social security contributions and on-behalf TPAF pension, post-retirement medical, and long-term disability insurance contributions.

The total cost of all program and services was \$17,124,356 for 2024 and \$15,040,826 for 2023. Instruction comprises 27% for 2024 and 28% for 2023 of Charter School expenses.

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

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

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

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

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Business-Type Activities

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

- ❖ Food service expenses exceeded revenues by \$12,951 for 2024 and revenues exceeded expenses by \$772 for 2023.
- ❖ Charges for services represent none for 2024 and \$372 for 2023. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced breakfast and lunches were \$238,761 for 2024 and \$218,201 for 2023.

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$14,619,032 for 2024 and \$14,432,312 for 2023 and expenditures were \$16,632,323 for 2024 and \$14,117,287 for 2023. The net change in fund balance was most significant in the general fund, a decrease of \$2,016,129 for 2024 and an increase of \$315,025 for 2023.

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2024.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Local Sources	\$ 1,035,644	7.08%	\$ (7,551,063)	-88%
State Sources	11,330,802	77.51%	7,847,925	225%
Federal Sources	2,252,586	15.41%	(110,142)	-5%
Total	<u>\$ 14,619,032</u>	<u>100.00%</u>	<u>\$ 186,720</u>	

Local, State, and Federal Sources increased due to additional aid and grants funding.

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

The Charter School's Funds (Continued)

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2024.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Instruction	\$ 3,906,171	23.49%	\$ 579,843	17%
Administration	8,975,828	53.97%	1,799,954	25%
Support Services	3,214,141	19.32%	254,578	9%
Capital Outlay	536,183	3.22%	(119,339)	-18%
Total	<u>\$ 16,632,323</u>	<u>100.00%</u>	<u>\$ 2,515,036</u>	

Changes in expenditures were the result of varying factors. Current expense increased due to salary increases, additional staff and students, and increased health benefits and utility costs.

General Fund Budgeting Highlights

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

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

TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the Charter School but is required to be reflected in the financial statements.

Right-of-Use Leased Assets (Net of Amortization)

The Charter School had \$1,475,771 invested in right-of-use leased assets at the end of the fiscal year 2024 and \$1,775,857 for 2023. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

The Charter School's net pension liability as of June 30, 2024 and 2023 was \$1,442,426 and \$2,151,845, respectively. It also has leased liabilities of \$1,704,141 and \$1,989,884 as of June 30, 2024 and 2023, respectively. For more detailed information, please refer to the Notes to the Financial Statements.

**TRENTON STEM-TO-CIVICS CHARTER SCHOOL
EWING TOWNSHIP, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

For the Future

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

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

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Leigh Byron, Founder, at Trenton STEM-to-Civics Charter School, 1555 Pennington Road, Ewing Township, New Jersey 08618.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOLStatement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents:			
Unrestricted	\$ 1,892,304	\$ 8,011	\$ 1,900,315
Restricted	6,379		6,379
Receivables	531,190	14,383	545,573
Prepaid Expenses	82,250		82,250
Right-Of-Use Leased Assets, Net	1,475,771		1,475,771
 Total Assets	 3,987,894	 22,394	 4,010,288
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	408,157		408,157
 Deferred Outflows of Resources	 408,157	 -	 408,157
 LIABILITIES:			
Payable to District	247,277		247,277
Accounts Payable	1,020,006	21,271	1,041,277
Deferred Revenue	92,225		92,225
Noncurrent Liabilities:			
Due Within One Year	286,874		286,874
Due Beyond One Year:			
Other Long-Term Liabilities	1,417,267		1,417,267
Net Pension Liability	1,442,426		1,442,426
 Total Liabilities	 4,506,075	 21,271	 4,527,346
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	805,317		805,317
 Deferred Inflows of Resources	 805,317	 -	 805,317
 NET POSITION:			
Restricted for:			
Student Activities	3,450		3,450
Unassigned	(918,791)	1,123	(917,668)
 Total Net Position	 \$ (915,341)	 \$ 1,123	 \$ (914,218)

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Statement of Activities
For The Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 3,906,171	\$ 766,833	\$ -	\$ 395,184	\$ -	\$ (4,277,820)	\$ -	\$ (4,277,820)
Administration	7,304,554	1,777,315				(9,081,869)		(9,081,869)
Support Services	3,214,141		9,504 *			(3,204,637)		(3,204,637)
Capital Outlay	132,208					(132,208)		(132,208)
Interest on Long-Term Debt	118,233					(118,233)		(118,233)
Unallocated Amortization	300,085					(300,085)		(300,085)
Total Governmental Activities	14,975,392	\$ 2,544,148	9,504	395,184	-	(17,114,852)	-	(17,114,852)
BUSINESS-TYPE ACTIVITIES:								
Food Service	251,712			238,761		-	(12,951)	(12,951)
Total Business-Type Activities	251,712			238,761		-	(12,951)	(12,951)
Total Primary Government	\$ 15,227,104		\$ 9,504	\$ 633,945	\$ -	\$ (17,114,852)	\$ (12,951)	\$ (17,127,803)
GENERAL REVENUES								
General Purposes						\$ 906,213	\$ -	\$ 906,213
Federal and State Aid Not Restricted						13,953,099		13,953,099
Miscellaneous Income						119,927		119,927
Total General Revenues						14,979,239	-	14,979,239
Change in Net Position						(2,135,613)	(12,951)	(2,148,564)
Net Position (Deficit) - Beginning						1,220,272	14,074	1,234,346
Net Position - Ending						\$ (915,341)	\$ 1,123	\$ (914,218)

* student activity revenue is reported as "charges for services"

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

SECTION B – FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Total
ASSETS:			
Cash and Cash Equivalents:			
Unrestricted	\$ 2,008,184 *	\$ -	\$ 2,008,184
Restricted	6,379		6,379
Receivables:			
Interfund Receivables:			
Special Revenue Fund	3,245		3,245
Receivables From Other Governments	99,501	431,689	531,190
Prepaid Expenses	82,250		82,250
Total Assets	\$ 2,199,559	\$ 431,689	\$ 2,631,248
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Cash Overdraft	\$ -	\$ 115,880 *	\$ 115,880
Interfund Payables:			
General Fund		3,245	3,245
Payable to District	247,277		247,277
Accounts Payable	603,962	216,889	820,851
Payroll Deductions and Withholdings	66,057 **		66,057
Deferred Revenue		92,225	92,225
Total Liabilities	917,296	428,239	1,345,535
Fund Balances:			
Restricted For:			
Student Activities		3,450	3,450
Unassigned:			
General Fund	1,282,263		1,282,263
Total Fund Balances	1,282,263	3,450	1,285,713
Total Liabilities and Fund Balances	\$ 2,199,559	\$ 431,689	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$3,723,462 and the accumulated depreciation is \$2,247,691.

1,475,771

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

(1,704,141)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

(1,442,426)

Accrued pension contributions for the June 30, 2024 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.

(133,098)

Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows related to pensions

408,157

Deferred inflows related to pensions

(805,317)

Net Position of Governmental Activities

\$ (915,341)

* Include former fiduciary fund cash and cash equivalents

** Include payroll deductions payable

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 906,213	\$ -	\$ 906,213
Miscellaneous	79,927	49,504 *	129,431
Total Local Sources	986,140	49,504	1,035,644
State Sources	11,198,594	132,208	11,330,802
Federal Sources		2,252,586	2,252,586
Total Revenues	12,184,734	2,434,298	14,619,032
EXPENDITURES:			
Instruction	2,760,566	1,145,605	3,906,171
Administration	8,975,828		8,975,828
Support Services	2,060,494	1,153,647 **	3,214,141
Capital Outlay	403,975	132,208	536,183
Total Expenditures	14,200,863	2,431,460	16,632,323
NET CHANGE IN FUND BALANCES	(2,016,129)	2,838	(2,013,291)
FUND BALANCES, JULY 1	3,298,392	612	3,299,004
FUND BALANCE, JUNE 30	\$ 1,282,263	\$ 3,450	\$ 1,285,713

* Special revenue fund now includes revenues from student activities

** Special revenue fund now includes expenditures from student activities

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental fund (from B-2)	\$ (2,013,291)
--	----------------

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

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Amortization Expense	(300,085)
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds. The increase in capital leases is a reduction to the reconciliation. The decrease in capital leases is an addition to the reconciliation.

	285,743
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Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.

	<u>(107,979)</u>
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Change in net position of governmental activities	<u><u>\$ (2,135,612)</u></u>
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The accompanying Notes to Basic Financial Statements are integral part of this statement.

PROPRIETARY FUNDS

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Proprietary Fund
Statement of Net Position
June 30, 2024

	Business-Type Activities
	Enterprise Fund
	Food Service Programs
	School Nutrition
ASSETS:	
Cash and Cash Equivalents	\$ 8,011
Intergovernmental Accounts Receivable:	
Federal	13,676
State	707
Total Assets	<u>\$ 22,394</u>
LIABILITIES AND NET POSITION:	
Liabilities:	
Accounts Payable	<u>\$ 21,271</u>
Total Liabilities	<u>21,271</u>
Net Position:	
Unassigned	<u>1,123</u>
Total Net Position	<u>1,123</u>
Total Liabilities and Net Position	<u>\$ 22,394</u>

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Fund		
	Food Service Programs		
	School Nutrition	Fixed Contract Price	Total Enterprise
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Program (Reimbursable Program) Meals	\$ -	\$ -	\$ -
Daily Sales - Non-Program (Non-Reimbursable Program) Meals	-	-	-
Total Operating Revenues	-	-	-
OPERATING EXPENSES:			
Cost of Sales - Program (Reimbursable Program) Meals	251,712	-	251,712
Cost of Sales - Non-Program (Non-Reimbursable Program) Meals	-	-	-
Total Operating Expenses	251,712	-	251,712
OPERATING LOSS	(251,712)	-	(251,712)
NONOPERATING REVENUES:			
State Source:			
State School Breakfast and Lunch Programs (including After School Bell Supplement and NJEIE)	11,901		11,901
Federal Source:			
National School Breakfast and Lunch Programs	226,860		226,860
Total Nonoperating Revenues	238,761	-	238,761
CHANGE IN NET POSITION	(12,951)	-	(12,951)
TOTAL NET POSITION, JULY 1	14,074	-	14,074
TOTAL NET POSITION, JUNE 30	\$ 1,123	\$ -	\$ 1,123

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Fund Food Service Programs School Nutrition
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ (2,257)
Cash Payments to Suppliers and Employees	(240,589)
	<hr/>
Net Cash Used In Operating Activities	(242,846)
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	238,761
	<hr/>
Net Cash Provided By Noncapital Financing Activities	238,761
	<hr/>
Net Decrease In Cash And Cash Equivalents	(4,085)
	<hr/>
Cash And Cash Equivalents, Beginning Of Year	12,096
	<hr/>
Cash And Cash Equivalents, End Of Year	\$ 8,011
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss Used in Operating Activities	\$ (251,712)
Change In Assets And Liabilities:	
Increase In Receivables From Other Governments	(2,257)
Increase In Accounts Payable	11,123
	<hr/>
Net Cash Used In Operating Activities	\$ (242,846)
	<hr/> <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

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

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

A. Reporting Entity

The Charter School is an instrumentality of the State of New Jersey, established to function as an educational institution. The Charter School is governed by an independent Board of Trustees, which consists of parents, founders and other community representatives in accordance with its charter, which was appointed by the State Department of Education. An administrator is appointed by the board and is responsible for the administrative control of the Charter School.

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

The combined financial statements include all funds and account groups for the Charter School over which the Board of Trustees' exercises operating control.

B. Basis of Presentation

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

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

The statement of net position presents the financial condition of the governmental and business-type activity of the Charter School at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Charter School and for

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

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

Basis of Presentation (Continued)

each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

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

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

The Charter School reports the following governmental funds:

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

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

Debt Service Fund: Not applicable.

The Charter School reports the following proprietary fund:

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

Additionally, the Charter School reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the Charter School on behalf of others and includes Student Activities Fund, Payroll and Payroll Agency Funds.

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting – Measurement Focus

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

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

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

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

D. Budgets/Budgetary Control

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

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

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

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

Total Revenues & Expenditures (Budgetary Basis)	\$2,434,298
Adjustments:	
Less Encumbrances at June 30, 2024	-
Plus Encumbrances at June 30, 2023	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$2,434,298</u>

E. Encumbrances Accounting

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

Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Equity

Interfund Transactions:

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

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

Inventories:

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

Prepaid Expenses:

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

Capital Assets:

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

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

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

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

Unearned Revenue:

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

Accrued Liabilities and Long-term Obligations:

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

Accrued Salaries and Wages:

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

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves:

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances in accordance with N.J.S.A. 18:7.

Revenues — Exchange and Nonexchange Transactions:

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

Revenues — Exchange and Nonexchange Transactions (Continued)

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

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

Operating Revenues and Expenses:

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

G. Pensions

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Impact of Recently Issued Accounting Principles

During fiscal year 2024, the Charter School has adopted the following GASB statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASE Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Recently Issued Accounting Pronouncements

Other GASB Statements that the Charter School is currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. 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.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS

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

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

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

Deposits

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

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

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

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

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Investments

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

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

As of June 30, 2024, cash and cash equivalents and investments of the Charter School consisted of the following:

	General Fund	Special Revenue	Proprietary Fund	Total
Operating Account	<u>\$ 2,014,563</u>	<u>\$ (115,880)</u>	<u>\$ 8,011</u>	<u>\$ 1,906,694</u>

The investments recorded in the statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the Charter school-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was \$1,906,694 and the bank balance was \$1,917,869. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

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

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

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Risk Category (Continued)

As of June 30, 2024, the Board had funds invested and on deposit in checking accounts. These funds constitute “deposits with financial institutions” as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

New Jersey Cash Management Fund

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

As of June 30, 2024, the Charter school had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 3: RECEIVABLES

Receivables at June 30, 2024 consisted of accounts, intergovernmental grants, and miscellaneous.

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

	Governmental Funds		Total Governmental Activities	Proprietary Fund	Total Business Type Activities	Total
	General Fund	Special Revenue Fund		Food Service Fund		
State Aid	\$ 99,501	\$ -	\$ 99,501	\$ 707	\$ 707	\$ 100,208
Federal Aid	-	433,422	433,422	13,676	13,676	447,098
Other	-	-	-	-	-	-
Gross Receivables	99,501	433,422	532,923	14,383	14,383	547,306
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	<u>\$ 99,501</u>	<u>\$ 433,422</u>	<u>\$ 532,923</u>	<u>\$ 14,383</u>	<u>\$ 14,383</u>	<u>\$ 547,306</u>

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

The following interfund balances remained on the fund financial statements at June 30, 2024:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 3,245	\$ -
Special Revenue Fund		3,245
	<u>3,245</u>	<u>3,245</u>
Total	\$ <u>3,245</u>	\$ <u>3,245</u>

NOTE 5: CAPITAL AND RIGHT-OF-USE LEASED ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Right-Of-Use Leased Asset	\$ 3,723,462	\$ -	\$ -	\$ 3,723,462
Totals at Historical Cost	<u>3,723,462</u>	<u>-</u>	<u>-</u>	<u>3,723,462</u>
Less Accumulated Depreciation For:				
Right-Of-Use Leased Asset	1,947,606	300,085	-	2,247,691
Total Accumulated Depreciation	<u>1,947,606</u>	<u>300,085</u>	<u>-</u>	<u>2,247,691</u>
Total Capital Assets Being Depreciated,				
Net of Accumulated Depreciation	1,775,856	(300,085)	-	1,475,771
Government Activity Capital Assets, Net	<u>\$ 1,775,856</u>	<u>\$ (300,085)</u>	<u>\$ -</u>	<u>\$ 1,475,771</u>

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the Charter School-wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance-total governmental funds is made to reflect the carrying value of the Charter School's capital assets at year-end in the Charter School-wide financial statements.

The Charter School has recorded a right-of-use leased asset. The asset is right-of-use asset for leased school facility. The related leases are discussed in the leases subsection of the liabilities section of this note. The right-of-use lease assets are amortized on a straight-line basis over the terms of the related leases.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 6: RENTAL LEASE

High School Lease

In June 2015, the Charter School signed a lease agreement with Incarnation-St. James Catholic Church to rent its school facilities at 1555 Pennington Road, Ewing, New Jersey for a period of four (4) years commencing September 1, 2015 and ending August 31, 2019. The total rent is \$1,170,000 which shall accrue at the yearly rate of (Year 1) \$180,000, (Year 2) \$270,000, and (Years 3-4) \$360,000 payable in equal monthly installments of (Year 1) \$18,000, (Year 2) \$27,000, and (Years 3-4) \$36,000. The lease has the option to renew for another five (5) years. The lease was renewed with the same terms and payments.

Middle School Lease

In May 2018, the Charter School signed a lease agreement with Blessed Sacrament-Our Lady of the Divine Shepard Parish to rent its school facilities at 720 Bellevue Avenue, Trenton, New Jersey for a period of five (5) years commencing August 1, 2018 and ending July 31, 2023. The total rent is \$945,000 which shall accrue at the yearly rate of (Year 1) \$135,000 and (Year 2-5) \$202,500 payable in ten (10) monthly installments from August to May of (Year 1) \$13,500 and (Year 2-5) \$20,250. The lease has the option to renew for another five (5) years.

Administration Building Lease

In August 2017, the Charter School signed a license agreement for the use of the facilities with Incarnation-St. James Catholic Church to rent its second floor and basement area at 45 Harrop Place, Ewing, New Jersey for a period of ten (10) months commencing August 15, 2017 and ending June 30, 2018 for a total rent of \$55,000. The second floor will be used primarily for office use of staff and the basement will be used primarily for storage of equipment such as robotics and athletic equipment. The lease was renewed for another year with the same terms and payments.

Total lease payments for the year ended June 30, 2024 amounted to \$622,562.

NOTE 7: OBLIGATIONS UNDER EQUIPMENT LEASE

On September 2017, the Charter School leased two (2) copier machines for sixty (60) months with monthly payments in the amount of \$699. Total lease payments made during the year ended June 30, 2024 amounted to \$2,097.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: **PENSION PLANS**

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

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Vesting and Benefit Provisions

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

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions (Continued)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was less than actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Charter School contributions to PERS amounted to \$133,098 for fiscal year 2024.

The employee contribution rate was 7.50% effective July 1, 2018.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)**Public Employees' Retirement System (PERS) (Continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the Charter School reported a liability of \$1,442,426 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2022 which was rolled forward to June 30, 2023. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. For the June 30, 2023 measurement date, the Charter School's proportion allocation percentage was 0.0099584950%, which was a decrease of 0.0043002800% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the Charter School recognized pension expense of \$241,077, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2023 measurement date.

At June 30, 2024, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 13,791	\$ 5,896
Changes in Assumptions	3,169	87,417
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	6,643	-
Changes in Proportion and Differences between Charter School Contributions and Proportionate Share of Contributions	251,456	712,004
Charter School Contributions Subsequent to the Measurement Date	<u>133,098</u>	<u>-</u>
	<u>\$ 408,157</u>	<u>\$ 805,317</u>

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

\$133,098, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Total</u>
2024	\$ (76,155)
2025	(42,507)
2026	59,400
2027	(10,630)
2028	182
	<u>\$ (69,710)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)**Public Employees' Retirement System (PERS) (Continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The amortization of the other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63 years
June 30, 2019	-	5.21 years
June 30, 2020	5.16 years	-
June 30, 2021	5.13 years	-
June 30, 2022	-	5.04 years
June 30, 2023	5.08 years	-
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63 years
June 30, 2019	-	5.21 years
June 30, 2020	-	5.16 years
June 30, 2021	5.13 years	-
June 30, 2022	-	5.04 years
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	5.00 years	-
June 30, 2020	5.00 years	-
June 30, 2021	5.00 years	-
June 30, 2022	5.00 years	-
June 30, 2023	5.00 years	-

Actuarial Assumptions

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases: 2.75 - 6.55%
based on years of service

Investment Rate of Return 7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022. The actuarial assumptions used in the July 01, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)**Public Employees' Retirement System (PERS) (Continued)****Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Charter School's proportionate share of the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the Charter School's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

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

	Measurement Date June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's Proportionate Share of the Net Pension Liability	\$ 1,893,562	\$ 1,454,586	\$ 1,080,960

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the plan's Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions.

NOTE 8: PENSION PLANS (CONTINUED)**B. Teacher's Pension Annuity Fund (TPAF)****Pension Description**

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

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

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

Vesting and Benefit Provisions

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

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2023, the State's pension contribution was less than the actuarially determined amount.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

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

Contributions (Continued)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the Charter School. However, the notes to the financial statements of the Charter School must disclose the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$129,310 to the TPAF for normal pension benefits on behalf of the Charter School.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2024, the Charter School was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of the net pension liability, attributable to the Charter School is as follows:

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State of New Jersey 's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>14,202,783</u>
Total	<u>\$ 14,202,783</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. For the June 30, 2023 measurement date, the Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2023, Charter School's proportion was 0.00% due to the 100% special funding situation with the State of New Jersey.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)**Teacher's Pension Annuity Fund (TPAF) (Continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the June 30, 2023 measurement date, the State's proportionate share of the TPAF net pension liability associated with the Charter School was 0.0278307669%, which was a decrease of 0.0008029342% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the Charter School recognized \$348,921 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2023 measurement date.

The State reported the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 1,278,925,078	\$ 14,657,999,241
Difference Between Expected and Actual Experience	658,340,412	83,374,071
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	476,283,186	-
	<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

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

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

The amortization of the deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	8.30 years	-
June 30, 2016	-	8.30 years
June 30, 2017	8.30 years	-
June 30, 2018	8.29 years	-
June 30, 2019	-	8.04 years
June 30, 2020	-	7.99 years
June 30, 2021	7.93 years	-
June 30, 2022	-	7.83 years
June 30, 2023	7.93 years	-
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2015	8.30 years	-
June 30, 2016	8.30 years	-
June 30, 2017	-	8.30 years
June 30, 2018	-	8.29 years
June 30, 2019	-	8.04 years
June 30, 2020	7.99 years	-
June 30, 2021	-	7.93 years
June 30, 2022	7.83 years	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	5.00 years	-
June 30, 2020	5.00 years	-
June 30, 2021	5.00 years	-
June 30, 2022	5.00 years	-
June 30, 2023	6.00 years	-

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)**Teacher's Pension Annuity Fund (TPAF) (Continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense excluding that attributable to employer-paid member contributions as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2022. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

2.75% - 4.25%
based on years of service

Investment Rate of Return

7.00%

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)**Teacher's Pension Annuity Fund (TPAF) (Continued)****Actuarial Assumptions (Continued)**

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 01, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)**Teacher's Pension Annuity Fund (TPAF) (Continued)****Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

As previously mentioned, TPAF has a special funding situation where the State pays 100% of the Charter School's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2023, the pension plans measurement date, attributable to the Charter School is \$0, and there was no proportionate share of the net pension liability reported by the State of New Jersey, attributable to the Charter School, using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	Measurement Date June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of the Net Pension Liability Associated with the Charter School	16,773,024	14,224,294	12,077,658
	<u>\$ 16,773,024</u>	<u>\$ 14,224,294</u>	<u>\$ 12,077,658</u>

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

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

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and additions to/deductions from TPAF's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF, please refer to the plan's Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions.

C. Defined Contribution Retirement Program (DCRP)

Plan Description

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for Tier 3 enrollment but who earn salary of at least \$5,000.00 annually (The minimum salary in 2018 is \$8,300 and is subject to adjustment in future years); and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for Tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually. The minimum number of hours is 32 hours per week for local education employees.

Vesting and Benefit Provisions

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 8: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

Vesting and Benefit Provisions (Continued)

year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

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

For the fiscal year ended June 30, 2024, employee contributions reported totaled to \$18,689, and the Charter School recognized pension expense, which equaled the required contributions, of \$13,762.

NOTE 9: POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for charter schools.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Annual Comprehensive Financial Report effective for the fiscal year ended June 30, 2023. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local charter school employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 9: **POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)**

Plan Description and Benefits Provided (Continued)

Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>369,595</u>

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 9: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52,361,668,239, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuation as of June 30, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a nonemployer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 9: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

Post-Retirement Medical Benefits Contributions (Continued)

represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions, as a non-employer contributing entity, to the State Health Benefits Program Fund-Local Education Retired for retirees' post-retirement benefits on behalf of the Charter School for the fiscal years ended June 30, 2024, 2023, and 2022 were \$288,044, \$303,028, and \$279,289, respectively, which equaled the required contributions for that year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the Charter School was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 01, 2022 through June 30, 2023. Non-employer allocation percentages have been rounded for presentation purposes. In accordance with GASB No. 75, the Charter School is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the Charter School. Accordingly, the Charter School's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the Charter School. Therefore, in addition, the Charter School does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan. At June 30, 2023, the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 7,639,717,639	\$ 13,791,541,217
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumptions Changes	7,445,895,322	14,449,948,556
Sub Total	15,085,612,961	28,241,489,773
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	TBD	Not Available
Total	\$ 15,085,612,961	\$ 28,241,489,773

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 9: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Measurement Period Ending June 30,	Total
<hr/>	<hr/>
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Total Thereafter	<hr/> (4,052,000,302) <hr/>
	<u><u>\$ (13,155,876,812)</u></u>

For the fiscal year ended June 30, 2024, the Charter School recognized in the charter school-wide statement of activities (accrual basis) OPEB expense of \$764,895. This amount has been included in the charter school-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2024, the State's proportionate share of the OPEB liability attributable to the Charter School is \$3,022,252. The non-employer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the Charter School was 0.0057718787%, which was a decrease of 0.0008386717% from its proportionate share measured as of June 30, 2022 of 0.0066105505%.

Actuarial Assumptions

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability \$52,361,668,239

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 9: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

100% of active members are considered to participate in the plan upon retirement.

Health Care Trend Assumption

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2024	June 30, 2023	2.16%
2023	June 30, 2022	3.50%

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 9: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the Charter School for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)	State of New Jersey's Total OPEB Liability
Balance at June 30, 2022		
Measurement Date	\$ 3,348,010	\$ 50,646,462,966
Changes Recognized for the Fiscal Year:		
Service Cost	605,346	2,136,235,476
Interest on Total OPEB Liability	106,440	1,844,113,951
Differences between Expected and Actual Experiences	(963,392)	(980,424,863)
Effect of Changes of Assumptions	6,092	105,539,463
Contributions - Employees	2,728	(1,437,516,858)
Gross Benefits Paid by the State	(82,972)	47,258,104
Net Changes	<u>(325,758)</u>	<u>1,715,205,273</u>
Balance at June 30, 2023		
Measurement Date	<u>\$ 3,022,252</u>	<u>\$ 52,361,668,239</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2023. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the Charter School for the fiscal year ended June 30, 2023 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the Charter School calculated using the discount rate of 3.65%, as well as what the State's proportionate share of the OPEB liability attributable to

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 9: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)**Sensitivity of OPEB Liability (Continued)**

the Charter School that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
Net OPEB Liability (Allocable to the Charter School and the responsibility of the State)	\$ 3,543,072	\$ 3,022,252	\$ 2,604,094

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the Charter School calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the Charter School and the responsibility of the State)	\$ 2,508,935	\$ 3,022,252	\$ 3,693,928

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2023 were not provided by the pension system.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to the Financial Statements

June 30, 2024

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance

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

NOTE 11: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Charter School expects such amount, if any, to be immaterial.

NOTE 12: CONCENTRATIONS

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

NOTE 13: FUND BALANCE APPROPRIATED

General Fund

The General Fund balance at June 30, 2024 is \$1,282,263 and is unreserved and undesignated.

NOTE 14: SUBSEQUENT EVENTS

Subsequent events were evaluated through January 15, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULES

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Equalization Aid - Local Share - Charter School Aid	\$ 9,952,311	\$ -	\$ 9,952,311	\$ 906,213	\$ (9,046,098)
Total Local Sources	9,952,311	-	9,952,311	906,213	(9,046,098)
Categorical Aid:					
Equalization Aid - State Share - Charter School Aid				9,012,815	9,012,815
Special Education Categorical Aid	449,265		449,265	395,184	(54,081)
Security Aid	209,579		209,579	227,828	18,249
Total Categorical Aid	658,844	-	658,844	9,635,827	8,976,983
Other Sources:					
Miscellaneous Revenue				79,927	79,927
On-Behalf TPAF Pension Aid (Non-Budgeted)				1,058,350	1,058,350
Reimbursed TPAF Social Security Aid (Non-Budgeted)				215,506	215,506
On-Behalf TPAF Post-Retirement Medical Aid (Non-Budgeted)				288,044	288,044
On-Behalf TPAF Long-Term Disability Insurance Aid (Non-Budgeted)				867	867
Total Other Sources	-	-	-	1,642,694	1,642,694
Total Revenues	10,611,155	-	10,611,155	12,184,734	1,573,579
EXPENDITURES:					
Instruction:					
Salaries of Teachers	3,637,420	(1,724,850)	1,912,570	1,909,785	2,785
Other Salaries for Instruction	406,400	(368,900)	37,500	37,500	-
Purchased Prof/Tech Services	351,750	170,700	522,450	521,634	816
General Supplies	104,500	23,000	127,500	126,944	556
Textbooks	73,600	91,500	165,100	164,703	397
Total Instruction	4,573,670	(1,808,550)	2,765,120	2,760,566	4,554
Administration:					
Salaries - General Administration	1,206,600	8,760	1,215,360	1,215,000	360
Salaries of Other Professional Staff	1,646,807	1,409,615	3,056,422	3,054,903	1,519
Salaries of Secretarial/Clerical Assistants	187,000	57,125	244,125	243,386	739
Total Benefits Cost	839,206	142,630	981,836	981,381	455
Purchases Prof/Tech Services	518,950	921,957	1,440,907	1,439,838	1,069
Other Purchased Professional Services	55,000	(16,000)	39,000	38,545	455
Other Purchased Services	161,600	78,400	240,000	239,921	79
Communications/Telephone	102,250	15,000	117,250	116,775	475
Supplies and Materials	17,050	67,000	84,050	83,312	738
Interest for Lease Purchase Agreements				118,233	(118,233)
Total Administration	4,734,463	2,684,487	7,418,950	7,531,294	(112,344)

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued From Prior Page)					
Support Services:					
Rental of Land and Buildings	\$ 595,000	\$ 28,000	\$ 623,000	\$ 218,587	\$ 404,413
Transportation-Other Than To/From School	90,100	280,000	370,100	369,541	559
Insurance for Property, Liability and Fidelity	241,000	(52,500)	188,500	187,982	518
Supplies and Materials	369,222	337,000	706,222	705,182	1,040
Energy Costs (Heat and Electricity)	100,000	(6,400)	93,600	92,994	606
Miscellaneous Expenses	99,700	387,050	486,750	486,208	542
Total Support Services	1,495,022	973,150	2,468,172	2,060,494	407,678
Capital Outlay:					
Lease Purchase Agreements-Principal				285,742	(285,742)
Total Capital Outlay	-	-	-	285,742	(285,742)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				1,058,350	(1,058,350)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				215,506	(215,506)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				288,044	(288,044)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				867	(867)
Total Expenditures	10,803,155	1,849,087	12,652,242	14,200,863	(1,548,621)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(192,000)	(1,849,087)	(2,041,087)	(2,016,129)	24,958
FUND BALANCES, JULY 1	3,300,798	-	3,300,798	3,298,392	2,406
FUND BALANCE, JUNE 30	\$ 3,108,798	\$ (1,849,087)	\$ 1,259,711	\$ 1,282,263	\$ 27,364
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ 3,108,798	\$ (1,849,087)	\$ 1,259,711	\$ 1,282,263	\$ 22,552
Total	\$ 3,108,798	\$ (1,849,087)	\$ 1,259,711	\$ 1,282,263	\$ 22,552

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Local	\$ 40,000	\$ -	\$ 40,000	\$ 49,504	\$ 9,504 *
State	224,433		224,433	132,208	(92,225)
Federal	2,358,449	(67,362)	2,291,087	2,252,586	(38,501)
Total Revenues	2,622,882	(67,362)	2,555,520	2,434,298	(121,222)
EXPENDITURES:					
Instruction:					
Salaries	524,000	35,077	559,077	559,077	-
Salaries of Teachers	430,672		430,672	392,172	38,500
Purchased Prof/Tech Services	8,200		8,200	8,200	-
General Supplies	186,156		186,156	186,156	-
Total Instruction	1,149,028	35,077	1,184,105	1,145,605	38,500
Support Services:					
Salaries	420,031	(102,439)	317,592	317,592	-
Personal Services - Employee Benefits	215,390		215,390	215,389	1
Other Purchased Prof/Tech Services	14,000		14,000	14,000	-
Miscellaneous (Other) Purchased Services	600,000		600,000	600,000	-
Student Activities				6,666	(6,666) *
Total Support Services	1,249,421	(102,439)	1,146,982	1,153,647	(6,665)
Facilities Acquisition and Construction Services:					
Buildings	224,433		224,433	132,208	92,225
Total Facilities Acquisition and Construction Services	224,433	-	224,433	132,208	92,225
Total Expenditures	2,622,882	(67,362)	2,555,520	2,431,460	124,060
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	-	-	-	2,838	2,838
Fund Balances, Beginning of Year					
	612	-	612	612	-
Fund Balances, End of Year					
	<u>\$ 612</u>	<u>\$ -</u>	<u>\$ 612</u>	<u>\$ 3,450</u>	<u>\$ 2,838</u>
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 3,450</u>	
Total Fund Balance				<u>\$ 3,450</u>	

* Note - Student Activities Fund are not required to be budgeted.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

Fiscal Year Ended June 30, 2024

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

	General Fund		Special Revenue Fund
Sources/Inflows of Resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 12,184,734		[C-2] \$ 2,434,298
 Difference - Budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 12,184,734		[B-2] \$ 2,434,298
 Uses/Outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 14,200,863		[C-2] \$ 2,431,460
 Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.			-
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 14,200,863		[B-2] \$ 2,431,460

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SECTION L – CHARTER SCHOOL’S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY FOR TPAF AND PERS AND CHARTER SCHOOL’S PERS AND
TPAF CONTRIBUTIONS**

The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
 Required Supplementary Information Schedules
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability
 Public Employees Retirement System
 Last Seven Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,						
	2024	2023	2022	2021	2020	2019	2018
Charter School's proportion of the net pension liability	0.0099584950%	0.0142587750%	0.0153568020%	0.0154715542%	0.0113162727%	0.0068095478%	0.0042032908%
Charter School's proportionate share of the net pension liability	\$ 1,442,426	\$ 2,151,845	\$ 1,819,243	\$ 2,523,006	\$ 2,039,021	\$ 1,340,766	\$ 978,459
Charter School's covered employees payroll	\$ 993,716	\$ 847,106	\$ 728,367	\$ 1,045,485	\$ 1,158,157	\$ 1,101,467	\$ 708,661
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	145.15%	249.77%	241.32%	176.06%	176.06%	121.73%	138.07%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2018.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
 Required Supplementary Information Schedules
 Schedule of the Charter School Contributions
 Public Employees Retirement System
 Last Seven Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,						
	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 133,098	\$ 179,810	\$ 179,846	\$ 169,251	\$ 70,859	\$ 67,733	\$ 38,939
Contributions in relation to the contractually required contribution	(133,098)	(179,810)	(179,846)	(169,251)	(111,808)	(69,046)	(41,608)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ (40,949)	\$ (1,313)	\$ (2,669)
Charter School's covered employee payroll	\$ 993,716	\$ 847,106	\$ 728,367	\$ 1,045,485	\$ 1,158,157	\$ 1,101,467	\$ 708,661
Contributions as a percentage of covered employee payroll	13.39%	21.23%	24.69%	16.19%	6.12%	6.15%	5.49%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2018.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
 Required Supplementary Information Schedules
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability
 Teachers Pension and Annuity Fund
 Last Six Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,				
	2024	2023	2022	2021	2020
State's proportion of the net pension liability attributable of the Charter School	0.0278307669%	0.0286337011%	0.0316164072%	0.0226257534%	0.0159601408%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 14,202,783	\$ 14,773,391	\$ 15,199,647	\$ 14,898,786	\$ 9,794,889
Charter School's covered employees payroll	\$ 2,994,787	\$ 2,776,818	\$ 3,092,974	\$ 3,071,693	\$ 3,159,184
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	474.25%	532.03%	491.42%	485.03%	310.04%
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.49%
					26.49%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2019.

**SECTION M – CHARTER SCHOOL’S PROPORTIONATE SHARE OF THE NET
OPEB LIABILITY FOR TPAF AND PERS**

The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Required Supplementary Information Schedules
Schedule of Changes in the Charter School's Proportionate Share of Total OPEB Liability and Related Ratios
Teachers Pension and Annuity Fund and Public Employees Retirement System
Last Eight Fiscal Years
Unaudited

	Fiscal Year Ending June 30,						
	2024	2023	2022	2021	2020	2019	2018
	2017	2018	2019	2020	2021	2022	2023
OPEB Liability at Beginning of Measurement Period	\$ 3,348,010	\$ 4,918,433	\$ 5,081,316	\$ 2,241,457	\$ 1,195,296	\$ 1,509,566	\$ 1,395,248
Changes Recognized for the Fiscal Year:							
Service Cost	605,346	947,407	1,159,391	484,226	328,460	289,315	351,881
Interest on Total OPEB Liability	106,440	88,726	127,589	93,911	57,690	63,852	49,317
Effect on Changes of Benefit Terms	-	-	(5,235)	-	-	-	-
Differences Between Expected and Actual Experience	(963,392)	(1,623,355)	(1,352,237)	1,419,321	693,357	(499,414)	-
Effect on Changes of Assumptions	6,092	(898,134)	4,852	928,182	33,420	(137,166)	(253,202)
Contributions from the Employees	2,728	2,819	3,262	2,681	2,040	1,105	1,287
Gross Benefit Paid by the State	(82,972)	(87,886)	(100,505)	(88,462)	(68,806)	(31,962)	(34,965)
Net Changes	(325,759)	(1,570,423)	(162,883)	2,839,859	1,046,161	(314,270)	114,318
OPEB Liability at the End of Measurement Period	\$ 3,022,252	\$ 3,348,010	\$ 4,918,433	\$ 5,081,316	\$ 2,241,457	\$ 1,195,296	\$ 1,509,566
Charter School's Proportionat Share of the Total OPEB Liability	0.0057718787%	0.0066105505%	0.0081963432%	0.0074934653%	0.0053714507%	0.0025922238%	0.0028142626%
Charter School's Covered Employees Payroll	\$ 3,988,503	\$ 3,623,924	\$ 3,821,341	\$ 4,117,178	\$ 4,317,341	\$ 4,123,999	\$ 2,791,910
Total Charter School's OPEB Liability as a Percentage of Covered Employee Payroll	75.77%	92.39%	128.71%	123.42%	51.92%	28.98%	54.07%
Charter School's Contributions	None	None	None	None	None	None	None
							70.84%

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to Required Supplementary Information
Public Employees Retirement System
For Fiscal Year Ended June 30, 2024

NET PENSION LIABILITY (SCHEDULES L-1 AND L-2)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023. Please see Note 8 for details of assumptions used in calculating the net pension liability and statutorily required employer contribution.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023. Please see Note 9 for details of assumptions used in calculating the OPEB liability.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Notes to Required Supplementary Information

Teachers' Pension and Annuity Fund

For Fiscal Year Ended June 30, 2024

NET PENSION LIABILITY (SCHEDULES L-3 AND L-4)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023. Please see Note 8 for details of assumptions used in calculating the net pension liability and statutorily required employer contribution.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023. Please see Note 9 for details of assumptions used in calculating the OPEB liability.

OTHER SUPPLEMENTARY INFORMATION

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

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Russel Grinnel Memorial Trust	ESSA Title I	I.D.E.A. Part B	CRRSA ESSER II Grant Program	CRRSA ESSER II Learning Acceleration	ARP ESSER
REVENUE SOURCES:						
Local	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
State						
Federal		474,623	151,964	62,641	41,859	1,241,506
Total Revenues	40,000	474,623	151,964	62,641	41,859	1,241,506
EXPENDITURES:						
Instruction:						
Salaries		460,623	98,454	62,641	41,859	207,613
Salaries of Teachers						
Purchased Prof/Tech Services						
General Supplies	40,000					146,156
Total Instruction	40,000	460,623	98,454	62,641	41,859	353,769
Support Services:						
Salaries						204,614
Personal Services - Employee Benefits			53,510			83,123
Other Purchased Prof/Tech Services		14,000				600,000
Other Purchased Services						
Student Activities						
Total Support Services	-	14,000	53,510	-	-	887,737
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-
Total Expenditures	40,000	474,623	151,964	62,641	41,859	1,241,506
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	ARP ESSER Learning Acceleration	ARP ESSER Summer Learning & Enrichment	ARP ESSER Beyond The School Day	ESSER NJTSS Mental Support Staffing	SDA Emergency Needs & Capital Maintenance	Student Activities Fund	Grand Total
REVENUE SOURCES:							
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,504	\$ 49,504
State					132,208		132,208
Federal	64,111	1,500	40,000	174,382			2,252,586
Total Revenues	64,111	1,500	40,000	174,382	132,208	9,504	2,434,298
EXPENDITURES:							
Instruction:							
Salaries							559,077
Salaries of Teachers	38,559	1,500	40,000				392,172
Purchased Prof/Tech Services	8,200						8,200
General Supplies							186,156
Total Instruction	46,759	1,500	40,000	-	-	-	1,145,605
Support Services:							
Salaries				112,978			317,592
Personal Services - Employee Benefits	17,352			61,404			215,389
Other Purchased Prof/Tech Services							14,000
Other Purchased Services						6,666	600,000
Student Activities							6,666
Total Support Services	17,352	-	-	174,382	-	6,666	1,153,647
Facilities Acquisition and Construction Services:							
Instructional Equipment					132,208		132,208
Total Facilities Acquisition and Construction Services	-	-	-	-	132,208	-	132,208
Total Expenditures	64,111	1,500	40,000	174,382	132,208	6,666	2,431,460
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	2,838	2,838
Fund Balance, July 1	-	-	-	-	-	612	612
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,450	\$ 3,450

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

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

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

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

STATISTICAL SECTION

(UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity (Not Applicable To Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year. The charter school implemented GASB Statement 34 in the fiscal year ending June 30, 2015; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Restricted	\$ 3,450	\$ 612	\$ 612	\$ 3,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(918,791)	1,219,660	1,096,110	1,688,071	303,843	(463,637)	502,390	583,650	717,784	368,974
Total Governmental Activities Net Position	\$ (915,341)	\$ 1,220,272	\$ 1,096,722	\$ 1,691,521	\$ 303,843	\$ (463,637)	\$ 502,390	\$ 583,650	\$ 717,784	\$ 368,974
Business-Type Activities										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,123	14,074	13,302	11,076	(1,595)	(8,042)	2,387	11,699	3,503	2,849
Total Business-Type Activities Net Position	\$ 1,123	\$ 14,074	\$ 13,302	\$ 11,076	\$ (1,595)	\$ (8,042)	\$ 2,387	\$ 11,699	\$ 3,503	\$ 2,849
Charter School-wide										
Restricted	\$ 3,450	\$ 612	\$ 612	\$ 3,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(917,668)	1,233,734	1,109,412	1,699,147	302,248	(471,679)	504,777	595,349	721,287	371,823
Total Charter School-wide Net Position	\$ (914,218)	\$ 1,234,346	\$ 1,110,024	\$ 1,702,597	\$ 302,248	\$ (471,679)	\$ 504,777	\$ 595,349	\$ 721,287	\$ 371,823

Source: Annual Comprehensive Financial Report

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
Instruction	\$ 4,673,004	\$ 4,238,059	\$ 4,582,668	\$ 4,156,897	\$ 4,089,556	\$ 4,592,168	\$ 3,074,604	\$ 2,994,733	\$ 1,390,779	\$ 451,386
Administration	9,081,869	7,576,761	7,180,383	5,811,357	5,279,386	4,932,250	3,358,490	1,571,345	1,477,758	780,918
Support Services	3,214,141	2,959,563	1,853,497	1,669,634	1,480,616	2,087,206	1,033,446	558,631	445,043	403,281
Capital Outlay	132,208	95,577	81,827	-	4,250	25,230	39,284	16,579	-	55,305
Interest on Long-Term Debt	118,233	112,407	170,153	-	-	-	-	-	-	-
Unallocated Amortization	300,085	459,059	459,059	-	-	-	-	-	-	-
Total Governmental Activities Expenses	17,519,540	15,441,426	14,327,587	11,637,888	10,853,808	11,636,854	7,505,824	5,141,288	3,333,638	1,690,890
Business-Type Activities:										
Food Service	251,712	217,801	132,939	-	164,167	188,429	61,271	105,428	93,544	35,185
Total Business-Type Activities Expenses	251,712	217,801	132,939	-	164,167	188,429	61,271	105,428	93,544	35,185
Total Charter School Expenses	\$ 17,771,252	\$ 15,659,227	\$ 14,460,526	\$ 11,637,888	\$ 11,017,975	\$ 11,825,283	\$ 7,567,095	\$ 5,246,716	\$ 3,427,182	\$ 1,726,075
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 9,504	\$ 2,250	\$ 2,560	\$ 270,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	395,184	398,350	428,160	442,496	449,218	505,851	212,726	129,602	99,212	30,520
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Revenues	404,688	400,600	430,720	712,833	449,218	505,851	212,726	129,602	99,212	30,520
Business-Type Activities:										
Charges for Services	-	372	-	-	744	-	53	805	418	-
Operating Grants and Contributions	238,761	218,201	135,125	6,219	61,283	70,523	26,769	65,700	62,647	30,083
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Revenues	238,761	218,573	135,125	6,219	62,027	70,523	26,822	66,505	63,065	30,083
Total Charter School Program Revenues	\$ 643,449	\$ 619,173	\$ 565,845	\$ 719,052	\$ 511,245	\$ 576,374	\$ 239,548	\$ 196,107	\$ 162,277	\$ 60,603
Net (Expense)/Revenue										
Governmental Activities	\$ (17,114,852)	\$ (15,040,826)	\$ (13,896,867)	\$ (10,925,055)	\$ (10,404,590)	\$ (11,131,003)	\$ (7,293,098)	\$ (5,011,686)	\$ (3,234,426)	\$ (1,660,370)
Business-Type Activities	(12,951)	772	2,186	6,219	(102,140)	(117,906)	(34,449)	(38,923)	(30,479)	(5,102)
Total Charter School-wide Net Expense	\$ (17,127,803)	\$ (15,040,054)	\$ (13,894,681)	\$ (10,918,836)	\$ (10,506,730)	\$ (11,248,909)	\$ (7,327,547)	\$ (5,050,609)	\$ (3,264,905)	\$ (1,665,472)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Purposes	\$ 906,213	\$ 7,939,918	\$ 8,017,018	\$ 7,566,680	\$ 793,758	\$ 703,335	\$ 573,630	\$ 429,259	\$ 328,351	\$ 167,131
Federal and State Aid Not Restricted	13,953,099	6,579,919	5,288,393	4,717,678	10,182,781	9,324,738	6,593,166	4,429,315	3,169,788	1,837,281
Miscellaneous Income	119,927	644,539	159,551	24,925	195,531	136,903	45,042	18,978	85,097	24,932
Total Governmental Activities	14,979,239	15,164,376	13,464,962	12,309,283	11,172,070	10,164,976	7,211,838	4,877,552	3,583,236	2,029,344
Business-Type Activities:										
Miscellaneous Income	-	-	40	6,452	108,587	107,477	25,137	47,119	31,133	7,951
Total Business-Type Activities	-	-	40	6,452	108,587	107,477	25,137	47,119	31,133	7,951
Total Charter School-wide	\$ 14,979,239	\$ 15,164,376	\$ 13,465,002	\$ 12,315,735	\$ 11,280,657	\$ 10,272,453	\$ 7,236,975	\$ 4,924,671	\$ 3,614,369	\$ 2,037,295
Change in Net Position										
Governmental Activities	\$ (2,135,613)	\$ 123,550	\$ (431,905)	\$ 1,384,228	\$ 767,480	\$ (966,027)	\$ (81,260)	\$ (134,134)	\$ 348,810	\$ 388,974
Business-Type Activities	(12,951)	772	2,226	12,671	6,447	(10,429)	(9,312)	8,196	654	2,849
Total Charter School	\$ (2,148,564)	\$ 124,322	\$ (429,679)	\$ 1,396,899	\$ 773,927	\$ (976,456)	\$ (90,572)	\$ (125,938)	\$ 349,464	\$ 371,823

Source: Annual Comprehensive Financial Report

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	1,282,263	3,298,392	2,983,367	3,159,942	1,232,965	13,452	659,643	583,650	717,784	368,974
Total General Fund	\$ 1,282,263	\$ 3,298,392	\$ 2,983,367	\$ 3,159,942	\$ 1,232,965	\$ 13,452	\$ 659,643	\$ 583,650	\$ 717,784	\$ 368,974
All Other Governmental Funds										
Restricted	\$ 3,450	\$ 612	\$ 612	\$ 612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 3,450	\$ 612	\$ 612	\$ 612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Annual Comprehensive Financial Report

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Local Sources:										
Local Tax Levy	\$ 906,213	\$ 7,939,918	\$ 8,017,018	\$ 838,159	\$ 793,758	\$ 703,335	\$ 573,630	\$ 429,259	\$ 328,351	\$ 167,131
Miscellaneous	129,431	646,789	162,111	295,262	195,531	136,903	45,042	18,978	85,097	24,932
State Sources	11,330,802	3,482,877	2,725,471	10,221,486	9,655,231	8,924,866	6,222,916	4,417,571	2,939,227	1,530,418
Federal Sources	2,252,586	2,362,728	1,430,016	738,688	497,168	605,160	182,680	141,346	329,773	337,383
Total Revenues	14,619,032	14,432,312	12,334,616	12,093,595	11,141,688	10,370,264	7,024,268	5,007,154	3,682,448	2,059,864
Expenditures:										
Instruction	3,906,171	3,326,328	3,503,019	3,162,311	3,321,208	3,924,283	2,643,193	2,748,009	1,334,618	374,889
Administration	8,975,828	7,175,874	6,483,248	5,337,511	5,116,101	4,979,736	3,232,352	1,818,069	1,533,919	857,415
Support Services	3,214,141	2,959,563	1,853,497	1,669,634	1,480,616	2,087,206	1,033,446	558,631	445,043	403,281
Capital Outlay	536,183	655,522	3,365,402	-	4,250	25,230	39,284	16,579	20,058	55,305
Total Expenditures	16,632,323	14,117,287	15,205,166	10,169,456	9,922,175	11,016,455	6,948,275	5,141,288	3,333,638	1,690,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,013,291)	315,025	(2,870,550)	1,924,139	1,219,513	(646,191)	75,993	(134,134)	348,810	368,974
Other Financing Sources (Uses):										
Lease Purchases	-	-	2,856,869	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	2,856,869	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ (2,013,291)	\$ 315,025	\$ (13,681)	\$ 1,924,139	\$ 1,219,513	\$ (646,191)	\$ 75,993	\$ (134,134)	\$ 348,810	\$ 368,974

Source: Annual Comprehensive Financial Report

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

General Fund - Other Local Revenue by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

Fiscal Year Ending June 30,	Donations and Contributions	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2024	\$ -	\$ 66,406	\$ 13,521	\$ 79,927
2023	575	553,334	50,630	604,539
2022	20,600	11,118	87,833	119,551
2021	20,000	3,452	1,473	24,925
2020	4,500	51,724	77,435	133,659
2019	85,000	384	51,519	136,903
2018	200	599	44,243	45,042
2017	-	1,382	17,596	18,978
2016	5,000	1,278	78,819	85,097
2015	700	-	24,232	24,932

Source: Charter School records

OPERATING INFORMATION

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Full-Time Equivalent Charter School Employees by Function
Last Ten Fiscal Years

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	35	34	40	43	50	45	29	26	17	7
Administrative	4	4	4	4	4	4	3	3	3	1
Support Services	41	33	32	31	28	36	27	17	11	2
Total	80	71	76	78	82	85	59	46	31	10

Source: Charter School Personnel Records

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/ Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						MS & HS				
2024	582	\$ 16,096,140	27,657	18.95%	35	17:1	582.15	552.94	0.43%	94.98%
2023	579	13,461,765	23,250	10.36%	34	17:1	579.68	550.36	3.11%	94.94%
2022	562	11,839,764	21,067	22.85%	40	14:1	562.19	517.96	-5.22%	92.13%
2021	593	10,169,456	17,149	3.57%	43	14:1	593.18	562.25	-0.91%	94.79%
2020	599	9,917,925	16,557	-16.39%	50	12:1	598.63	552.07	7.95%	92.22%
2019	555	10,991,225	19,804	13.51%	45	12:1	554.56	510.27	39.90%	92.01%
2018	396	6,908,991	17,447	0.09%	29	14:1	396.39	358.10	34.79%	90.34%
2017	294	5,124,709	17,431	5.21%	26	11:1	294.09	266.29	47.41%	90.55%
2016	200	3,313,580	16,568	1.30%	17	12:1	199.5	181.68	99.50%	91.07%
2015	100	1,635,585	16,356	0.00%	10	10:1	100	100	0.00%	100.00%

Sources: Charter School records

Note: Enrollment based on annual October Charter School count.

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
 School Building Information
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Charter School Building</u>										
<u>High School</u>										
1555 Pennington Road, Ewing, NJ 08618										
Square Feet	46,776	46,776	46,776	46,776	46,776	46,776	46,776	46,776	46,776	
Capacity (students)	450	450	450	450	450	450	450	450	450	
Enrollment	396	389	358	354	328	411	396	294	200	
<u>Middle School</u>										
202 Grand Street, Trenton, NJ 08611										
Square Feet										24,480
Capacity (students)										150
Enrollment										100
<u>Senior High School</u>										
720 Bellevue Avenue, Trenton, NJ 08618										
Square Feet	28,586	28,586	28,586	28,586	28,586	28,586				
Capacity (students)	275	275	275	275	275	275				
Enrollment	186	190	204	239	271	144				

Number of Schools at June 30, 2024

Senior High School = 1

Middle School = 1

Source: Charter School Facilities Office

Note: Increases in square footage and capacity are the result of additions.
 Enrollment is based on the annual October Charter School count.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Insurance Schedule
June 30, 2024

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SHEET 1

<u>COVERAGE</u>	<u>LIMITS</u>	<u>SUMMARY</u>
<u>Package</u>	Covered	1555 Pennington Road, Ewing, NJ 08618
<u>Selective Insurance Company</u>	Location	720 Bellevue Avenue, Trenton, NJ 08618
04/25/2023-07/01/2024		720 Bellevue Avenue, Trenton, NJ 08618 - Annex
S 2466782		45 Harrop Place Ewing, NJ 08618
\$45,125		
<u>Property</u>	\$8,747,182	Business-Replacement Cost - Agreed Value w/ \$5,000 Deductible (Pennington Rd)
	\$1,320,147	Business Personal Property - Agreed Value w/ \$5,000 Deductible
	\$300,000	EDP/Computers - Agreed Value w/ \$1,000 Deductible
	\$550,000	Business Income - Agreed Value w/ 72 Hour Deductible
	\$5,831,717	Business-Replacement Cost - Agreed Value w/ \$5,000 Deductible (Bellevue Avenue)
	\$500,000	Business Personal Property - Agreed Value w/ \$5,000 Deductible
	\$250,000	EDP/Computers - Agreed Value w/ \$1,000 Deductible
	\$550,000	Business Income - Agreed Value w/ 72 Hour Deductible
	\$30,900	I & B-Replacement Cost - Agreed Value w/ \$5,000 Deductible (Bellevue Avenue - Annex)
	\$20,600	Business Personal Property - Agreed Value w/ \$5,000 Deductible
	\$50,000	Business Personal Property - Agreed Value w/ \$5,000 Deductible (Harrop Place)
<u>Crime</u>	\$250,000	Blanket Employee Theft w/ \$1,000 Deductible (Includes Board Treasurer/Board Secretary/BA)
	\$25,000	Forgery or Alteration w/ \$500 Deductible
	\$25,000	Computer and Fund Transfer Fraud w/ \$500 Deductible
	\$25,000	Funds Transfer Fraud
	\$25,000	Money Orders and Counterfiet Money w/ \$500 Deductible
<u>General Liability</u>	\$1,000,000	Single Limit for Bodily Injury and Property Damage
	\$3,000,000	Bodily Injury and Property Damage Aggregate
	\$1,000,000	Each Occurrence for Personal Injury/Advertising Injury
	\$1,000,000	Damage to Premises Rented to You
	\$20,000	Premise Medical Payments Per Accident
	\$1,000,000	Employee Benefits Liability - Each Employee w/ \$1,000 Deductible
	\$3,000,000	Employee Benefits Liability - Aggregate w/ \$1,000 Deductible
	\$1,000,000	Abuse or Molestation Liability
	\$2,000,000	Abuse or Molestation Aggregate
	\$250,000	Identity Recovery Coverage
	\$250,000	Crisis Response Business Income
	\$25,000	Crisis Response Counseling Expense
<u>Automobile Liability</u>	\$112,036	2018 IC Bus - 4DRBUC8P6JB244494 54 passenger/Cost New
	\$1,000,000	Bodily Injury/Property Damage
	\$1,000,000	Non-Owned Automobile Liability
	ACV	Physical Damage Comprehensive Coverage w/ \$5,000 Deductible
	ACV	Physical Damage Collision Coverage w/ \$5,000 Deductible
<u>Cyber Liability</u>	\$1,000,000	Information Security and Privacy Liability w/ \$10,000 Deductible
	\$250,000	Privacy Breach Response Services w/ \$10,000 Deductible
	\$100,000	Maximum Notified Individuals w/ \$250 Deductible
	\$100,000	Regulatory Defense and Penalties w/ \$10,000 Deductible
	\$1,000,000	Website Media and Content Liability w/ \$10,000 Deductible
	\$25,000	PCI Fines, Expenses and Costs w/ \$10,000 Deductible
	\$50,000	Cyber Extortion w/ \$10,000 Deductible
	\$50,000	First Party Data Protection w/ \$10,000 Deductible
	\$50,000	First Party Data Protection Business Interruption w/ \$10,000 Deductible
	\$50,000	Fraudulent Instruction w/ \$10,000 Deductible
	\$50,000	Electronic Crime w/ \$10,000 Deductible
<u>Umbrella</u>	\$4,000,000	Each Occurrence
	\$4,000,000	Aggregate

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Insurance Schedule
June 30, 2024

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SHEET 2

<u>COVERAGE</u>	<u>LIMITS</u>	<u>SUMMARY</u>
<u>Worker's Compensation</u>		
Selective Insurance Company	\$1,000,000	Each Accident
WC 9093103	\$1,000,000	Each Employee
09/08/2023-09/08/2024	\$1,000,000	Policy Limit
\$132,045		Statutory
(Based on \$5,237,675 Professional and		
\$156,662 Non Professional w/ a 1.284 MOD)		
<u>Educators Legal Liability</u>	\$1,000,000	Educators Legal Liability Aggregate w/ \$25,000 Deductible
Kinsale Insurance Company	\$2,000,000	Educators Legal Liability - Each Occurrence w/ \$5,000 Deductible
0100148207-01		
04/25/2023-07/01/2024		
\$16,320		
<u>Student Accident</u>	\$250,000	Aggregate Limit of Indemnity
Markel Insurance Company	\$25,000	Accidental Medical Expense Benefit - Aggregate Maximum w/ \$50 Deductible
PI0716457	\$10,000	Accidental Death and Dismemberment Benefits Principal Sum
04/25/2023-04/25/2024		
\$2,586		
<u>Fortitude Service Fee</u>		
04/25/2023-07/01/2024		
\$5,000		

Source: Charter School's Records

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
 New Jersey Performance Framework Financial Ratios
 Audited Performance Indicators
 Last Three Fiscal Years

	2022 Audit	2023 Audit	2024 Audit	Source
Cash	3,943,933	2,325,559	1,906,694	Audit: Exhibit A-1
Current Assets (include cash)	4,480,991	3,898,574	2,534,517	Audit: Exhibit A-1
Current Liabilities	1,663,556	765,306	1,380,779	Audit: Exhibit A-1
Total Expenses	14,460,526	15,659,227	17,771,252	Audit: Exhibit A-2
Change in Net Position	(429,679)	124,322	(2,148,564)	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	562.19	579.68	582.15	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	620	600	600	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	-	-	-	Auditor/Workpapers
Interest Expense	-	-	-	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators		2022	2023	2024	3 YR CUM	Calculation****	Target****
Near Term Indicators							
1a.	Current Ratio (working capital ratio)	2.69	5.09	1.84		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	100	54	39		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	91%	97%	97%	95%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payments	NO	NO	NO		Auditor	not in default
Sustainability Indicators							
2a***	3 Year Cumulative Cash Flow	782,636	(1,618,374)	(418,865)	(1,254,603)	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 *** 2024 =2024 Cash; 2023 =2023 Cash; 2022 =2022 Cash; 2021 =2021 Cash
 **** Refer to NJ Performance Framework

Meets Standard
 Does Not Meet Standard
 Falls Far Below Standard

SINGLE AUDIT SECTION

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**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**

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Trustees
Trenton STEM-to-Civics Charter School
County of Mercer
Ewing Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Trenton STEM-to-Civics Charter School (Charter School), in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, as listed in the table of contents, and have issued our report thereon dated January 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


Report on Compliance and Other Matters

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

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
January 15, 2025

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY U.S.
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Trustees
Trenton STEM-to-Civics Charter School
County of Mercer
Ewing Township, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the compliance of the Trenton STEM-to-Civics Charter School (Charter School), in the County of Mercer, State of New Jersey, with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal and state programs for the year ended June 30, 2024. The Charter School's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Trenton STEM-to-Civics Charter School, in the County of Mercer, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Trenton STEM-to-Civics Charter School's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Trenton STEM-to-Civics Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Trenton STEM-to-Civics Charter School's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Trenton STEM-to-Civics Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Trenton STEM-to-Civics Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of Trenton STEM-to-Civics Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance


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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
January 15, 2025

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal AU/CFDA Number	FAIN	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2023	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2024	Unearned Revenue	Due to Grantor
Special Revenue Fund:															
U.S. Department of Education															
Passed-through State Department of Education															
Every Student Succeeds Act Cluster:															
Title I Part A Carryover	84.010	S010A230030	ESSA - 6183 - 24	474,623	7/1/23 9/30/24	(89,004)	-	384,260	(474,623)	-	-	(90,363)	-	-	-
Total Every Student Succeeds Act Cluster	84.010	S010A220030	ESSA - 6183 - 23	511,555	7/1/22 9/30/23	(89,004)	-	473,264	(474,623)	-	-	(90,363)	-	-	-
Special Education Cluster:															
I.D.E.A. Part B Basic	84.027A	H027A230100	IDEA - 6183 - 24	151,964	7/1/23 9/30/24	(67,865)	-	67,540	(151,964)	-	-	(84,424)	-	-	-
I.D.E.A. Part B Basic Carryover	84.027A	H027A220100	IDEA - 6183 - 23	144,251	7/1/22 9/30/23	(67,865)	-	135,405	(151,964)	-	-	(84,424)	-	-	-
Total Special Education Cluster															
Other Special Revenue Funds:															
CRRSA ESSER II Fund	84.425D	S425D210027	N/A	62,641	3/1/21 9/30/24			62,641	(62,641)						
CRRSA ESSER II Fund	84.425D	S425D200027	N/A	1,051,869	3/1/21 9/30/24	(416,654)		416,654							
CRRSA ESSER II Fund Learning Acceleration	84.425D	S425D200027	N/A	45,000	3/1/21 9/30/24	(2,800)		42,200	(41,859)						
CRRSA ESSER II Fund Mental Health	84.425D	S425D200027	N/A	45,000	3/1/21 9/30/24	(45,000)		45,000							
ARP ESSER Fund	84.425U	S425U200027	N/A	1,241,506	3/1/21 9/30/24	(214,419)		1,126,477	(1,241,506)			(121,029)			
ARP ESSER Fund Accelerated Learning Coach & Educator	84.425U	S425U200027	N/A	2,372,897	3/1/21 9/30/24			214,419							
Support	84.425U	S425U210027	N/A	64,111	3/1/21 9/30/24			46,759	(64,111)			(17,352)			
ARP ESSER Fund Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	N/A	1,500	3/1/21 9/30/24				(1,500)			(1,500)			
ARP ESSER Fund Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	N/A	40,000	3/1/21 9/30/24			40,000	(40,000)						
ARP ESSER Fund NJTSS Mental Health Support Staffing	84.425U	S425U210027	N/A	445,613	3/1/21 9/30/24	(42,213)		93,929	(174,382)			(80,453)			
ARP ESSER Fund NJTSS Mental Health Support Staffing	84.425U	S425U200027	N/A	445,613	3/1/23 9/30/25	(42,213)		42,213				(220,334)			
Total Other Special Revenue Funds								2,126,751	(1,625,959)				-		-
Total Special Revenue Fund						(877,955)	-	2,735,420	(2,522,586)			(395,121)	-		-
Enterprise Fund:															
U.S. Department of Agriculture															
Passed-through State Department of Education															
Child Nutrition Program Cluster:															
School Breakfast Program	10.553	241NU304N1199	N/A	56,110	7/1/23 6/30/24			52,032	(56,110)			(4,078)			
School Breakfast Program	10.553	231NU304N1199	N/A	34,221	7/1/22 6/30/23	(2,472)		2,472							
School Breakfast Program	10.553	241NU304N1199	N/A	170,750	7/1/23 6/30/24	(9,471)		161,152	(170,750)			(9,598)			
National School Lunch Program - Cash Assistance	10.555	231NU304N1199	N/A	180,501	7/1/22 6/30/23			9,471							
Total Enterprise Fund/U.S. Department of Agriculture						(11,943)	-	225,127	(226,860)			(13,676)	-		-
Total Federal Financial Awards						(889,898)	\$ -	2,960,547	\$ (2,479,446)	\$ -	\$ -	\$ (408,797)	\$ -	\$ -	\$ -

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Carryover/ (W/allow) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversal of Prior Year's Balance	Balance at June 30, 2024		MEMO	
			From	To	Deferred Revenues (Accounts Receivable)	Due to Grantor					Accounts Receivable	Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable
State Department of Education														
General Fund:														
State Aid-Public Cluster:														
Equalization Aid - State Share - Charter School Aid	24-495-034-5120-071	\$ 9,012,815	7/1/23	6/30/24	\$ -	\$ -	\$ -	\$ 9,260,092	\$ (9,012,815)	\$ -	\$ -	\$ 247,277	\$ (247,277)	\$ 9,012,815
Special Education Categorical Aid	24-495-034-5120-089	395,184	7/1/23	6/30/24	-	-	-	395,184	(395,184)	-	-	-	-	395,184
Security Aid	24-495-034-5120-084	227,828	7/1/23	6/30/24	-	-	-	9,885,104	(227,828)	-	-	247,277	(247,277)	9,885,104
Total State Aid-Public Cluster								9,885,104	(9,635,627)					9,635,627
Other General Funds:														
On-Behalf TPAF Post-Retirement Medical Contributions	24-495-034-5094-001	288,044	7/1/23	6/30/24				288,044	(288,044)					288,044
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	1,058,350	7/1/23	6/30/24				1,058,350	(1,058,350)					1,058,350
Reimbursed TPAF - Social Security	24-495-034-5094-003	215,506	7/1/23	6/30/24	(36,113)			195,098	(215,506)		(20,408)		20,408	215,506
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	867	7/1/23	6/30/24				867	(867)					867
Total Other General Funds					(36,113)			1,578,472	(1,562,767)		(20,408)		20,408	1,562,767
Total General Fund					(36,113)			11,461,576	(11,198,594)		(20,408)		(226,869)	11,198,594
Special Revenue Fund:														
SDA Grant Emergent Needs and Capital Maintenance	24-XXX-XXX-XXXX-XXX	224,433	7/1/23	6/30/24	24,705			199,728	(132,208)	(21,798)	92,225		24,705	132,208
Charter School Security Grant	23-XXX-XXX-XXXX-XXX	36,569	7/1/22	6/30/23	(14,771)						(36,569)			
Total Special Revenue Fund					9,934			199,728	(132,208)	(21,798)	92,225		24,705	132,208
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program (State Share)	24-100-010-3350-023	5,416	7/1/23	6/30/24				5,125	(5,416)		(291)		291	5,416
National School Lunch Program (State Share)	23-100-010-3350-023	3,479	7/1/22	6/30/23	(183)			183						
National School Lunch Program NJEIE (State Share)	24-100-010-3350-023	3,773	7/1/23	6/30/24				3,554	(3,773)		(219)		219	3,773
National School Breakfast Program (State Share)	24-100-010-3350-023	863	7/1/23	6/30/24				767	(863)		(66)		66	863
National School Breakfast Program Supplement Program (State Share)	24-100-010-3350-023	534	7/1/23	6/30/24				504	(534)		(30)		30	534
National School Breakfast Program NJEIE (State Share)	24-100-010-3350-023	1,325	7/1/23	6/30/24				1,224	(1,325)		(101)		101	1,325
Total Enterprise Fund					(183)			11,377	(11,901)		(707)		707	11,901
Total State Financial Assistance					(26,362)			11,672,681	(11,342,703)	(21,798)	92,225	\$ 247,277	\$ (201,457)	\$ 11,342,703
State Financial Assistance Not Subject to Major Program Determination:														
General Fund:														
On-Behalf TPAF Post-Retirement Medical Contributions	24-495-034-5094-001	288,044	7/1/23	6/30/24				(288,044)	288,044					(288,044)
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	1,058,350	7/1/23	6/30/24				(1,058,350)	1,058,350					(1,058,350)
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	867	7/1/23	6/30/24				(867)	867					(867)
Total On-Behalf TPAF Pension System Contributions								(1,347,261)	1,347,261					(1,347,261)
Total State Financial Assistance Subject to Major Program Determination					(26,362)			10,325,420	(9,995,442)	(21,798)	92,225	\$ 247,277	\$ (201,457)	\$ 9,995,442

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
June 30, 2024

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 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 New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*. The net adjustment to reconcile from the budgetary basis to the GAAP basis is none for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2024

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund	\$ -	\$ 11,198,594	\$ 11,198,594
Special Revenue Fund	2,252,586	132,208	2,384,794
Food Service Fund	226,860	11,901	238,761
Total Awards & Financial Assistance	<u>\$ 2,479,446</u>	<u>\$ 11,342,703</u>	<u>\$ 13,822,149</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Trenton STEM-to-Civics Charter School has no loan balances outstanding at June 30, 2024.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Contributions, and TPAF Long-Term Disability Insurance Contributions represent the amount paid by the State on behalf of the Charter School for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

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

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2024

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in the Uniform Guidance; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the Charter School.

Program	Total
Title I, Part A: Grants to Local Education Agencies	<u>\$ 474,623</u>
Total	<u><u>\$ 474,623</u></u>

NOTE 9. DE MINIMIS INDIRECT COST RATE

The Charter School did not elect to use the 10% de Minimis indirect cost rate as allowed by the Uniform Guidance.

NOTE 10. MAJOR PROGRAMS

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

TRENTON STEM-TO-CIVICS CHARTER SCHOOL

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of Uniform Guidance? Yes X No

Identification of major federal programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
EDUCATION STABILIZATION FUND:		
84.425D	S425D210027	CRRSA ESSER II Fund
84.425D	S425D200027	CRRSA ESSER II Fund Learning Acceleration
84.425U	S425U200027	ARP ESSER Fund
84.425U	S425U210027	ARP ESSER Fund Accelerated Learning Coach & Educator Support
84.425U	S425U210027	ARP ESSER Fund Evidence Based Summer Learning & Enrichment
84.425U	S425U210027	ARP ESSER Fund Evidence Based Comprehensive Beyond the School Day
84.425U	S425U210027	ARP ESSER Fund NJTSS Mental Health Support Staffing

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

Auditee qualified as low-risk auditee? X Yes No

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I – Summary of Auditor’s Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Internal control over major programs:

1) Material weakness(es) identified? ☐ Yes ☒ No

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

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

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

Identification of major state programs:

GMIS Number(s)	Name of State Program
	STATE AID-PUBLIC CLUSTER:
<u>24-495-034-5120-071</u>	<u>Equalization Aid - State Share - Charter School Aid</u>
<u>24-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>24-495-034-5120-084</u>	<u>Security Aid</u>

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section II – Financial Statement Findings – N/A

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in the Uniform Guidance audit.

Finding

There were no matters reported.

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

This section identifies audit findings required to be reported by Title 2 CFR 200 Section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJ OMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS

Findings

There were no matters reported.

STATE AWARDS

Findings

There were no matters reported.

TRENTON STEM-TO-CIVICS CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by
Management
For the Fiscal Year Ended June 30, 2024

STATUS OF PRIOR YEAR FINDINGS – N/A

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (511 (a)(b)) and NJ Circular 04-04-OMB and/or 15-08-OMB, as applicable.

Findings

There were no matters reported.